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Sweden bans privatisation of hospitals

By Vienna Jane Burgermeister, British Medical Journal

The Swedish coalition government has banned the privatisation of hospitals, amid fears that the expansion of private health care could destroy the principle of a fair and free public health service.

Health minister Lars Engqvist, a Social Democrat, said that new legislation would end the practise of private patients "buying their way past" hospital waiting lists. Provincial authorities, which are responsible in Sweden for the local healthcare system, will not be allowed in future to hand over the running of a hospital to a profit making company.

The ban comes after two provincial authorities, both controlled by centre right parties, began to privatise state hospitals that had expanded their private care. Both authorities are controlled by the centre right. Hospital staff and patients reportedly had strong praise for the new system.

However, the government, a coalition of Social Democrat and centre left parties, said that the privatisation of hospitals risked undermining a central principle of the country's health care—namely that medical treatment must be given to every patient according to their need, not their ability to pay.

Under the terms of the new bill private companies will not be allowed to run hospitals that treat state insured patients as well as private patients. In addition, provincial authorities will be forbidden from handing over the day to day running of hospitals to profit making companies. Also, private companies will not be allowed to buy regional or university hospitals; only foundations and non-profit providers are to be allowed to manage hospitals.

But existing private hospitals will be allowed to continue in existence, and private profit making companies will be allowed to start new hospitals, as long as they do not treat state insured patients.

The Swedish business association Svensk Näringsliv has attacked the bill, saying it spells the end of private hospitals in Sweden. "This is depressing," said Olof Erixon, the association's competition expert. Mr Erixon accused the government of making private hospitals and profits a scapegoat for the problems of the Swedish health system, including rising costs and lengthening waiting lists.

Sweden's healthcare system is considered to be one of the best of the world. The country has a low infant mortality and a high average life expectancy.

However, resources have failed to keep up with improvements in care. A spokesman from the Swedish health ministry noted that whereas 33 000 cataract operations were performed in 1992, with 16 000 people on waiting lists, in 2000 the number of cataract operations had risen to 57 000, but the number of patients on waiting list had also almost doubled to 31 500, because the operation is now being performed in cases of milder impairment of vision.

The government has launched a programme to tackle long waiting lists, reduce stress on staff, and improve the care of patients by putting more emphasis on cooperation among existing bodies.

Sweden has few private hospitals. One of the best known is St Göran's Hospital in Stockholm, which has 1500 staff and 300 beds. In 2002 just under 8% of all the money that was spent from state insurance on reimbursing hospitals for treating patients went to private hospitals.