

# Not Free at All: Home Care User Fees in a Nordic Care System

Katja Ilmarinen<sup>1\*</sup> , Lina Van Aerschot<sup>2</sup> and Teppo Kröger<sup>2,3</sup> 

<sup>1</sup>National Institute for Health and Welfare, Finland

<sup>2</sup>Department of Social Sciences and Philosophy, University of Jyväskylä, Finland

<sup>3</sup>Centre of Care Research West, Western Norway University of Applied Sciences, Norway

\*E-mail: [katja.ilmarinen@thl.fi](mailto:katja.ilmarinen@thl.fi)

---

*In Finland, older persons are entitled to needs-tested public home care services. Home care mainly assists with personal care, activities of daily living and medical needs. It is complemented with auxiliary services that offer help with instrumental activities of daily living. In Finland, municipalities are responsible for organising public home care services. These services are mainly tax-funded, but user fees are also charged. In this article, we examine the levels of user fees of home care and auxiliary services in Finnish municipalities in 2018. The data analysis consists of descriptive statistics and exemplary cases of costs to the service users. The results show that user fees may represent a significant share of older persons' monthly incomes. Consequently, home care users, especially those with low incomes, are at risk of economic deprivation and non-take-up of the services. We also found substantial variation in user fees across municipalities, causing regional inequality.*

**Keywords:** Care of older people, user fees, universalism, Nordic welfare state, Finland.

## Introduction

Ageing-in-place has become a prevailing policy in Europe. In Finland, as in other European countries, national policies emphasise that older people should live in their homes for as long as possible, supported by long-term care services (OECD, 2005; Ministry of Social Affairs and Health, 2018). Ageing-in-place also reflects the preferences of older people in Finland, presuming that care and help are available when needed (Nykänen, 2007; Räsänen, 2019).

In Finland, health and social welfare legislation states that care services should be available to all and according to people's needs, regardless of their social and financial status or place of residence. The right to receive services is primarily based on the Finnish Constitution, which entitles citizens to 'indispensable subsistence and care' (The Constitution of Finland, section 19). Furthermore, local authorities are obliged to organise care services for citizens according to their needs (*Act, 710/1982; Act on Supporting the Functional Capacity of the Older Population and on Social and Health Care Services for Older Persons, 2012*). Nordic universalism is the bedrock of the ideology of the Finnish welfare state and the provision of health and social welfare services (Anttonen, 2002; Kröger *et al.*, 2003; Szebehely and Meagher, 2018). Universalism is a theoretical concept that can be used to characterise a welfare state model. It is also a principle of distribution: a social benefit can be called universal if 'people in the same situation must be treated in the same way' (Anttonen *et al.*, 2012: 6).

Home care and auxiliary services are some of the most important forms of care and help for community-dwelling older people. Over the last two decades, the content of care at home has changed in Finland. The previously separated services of home help and home nursing have been combined to a service called home care. Home care covers medical needs and help with activities of daily living, such as washing, eating and dressing. Instrumental activities of daily living are covered by auxiliary services of home care. Older people do not have the subjective right to receive home care or auxiliary services at a certain age, for example. Instead, the services are needs assessed, which means, in practice, an assessment of care needs made by municipal social care authorities (Kröger and Leinonen, 2012). The evaluation criteria vary between Finnish municipalities as there are no legally binding national regulations for the right to home care (Rintala *et al.*, 2010). As the criteria regarding home care have been tightened, it has been argued that older persons with care needs must, at least partly, rely on informal care and privately purchased services to have their needs met. This has contributed to the increased role of private care service providers and the marketisation of social care (Kröger and Leinonen, 2012; Vabø and Szebehely, 2012; Kalliomaa-Puha and Kangas, 2018; Kröger *et al.*, 2019). For these reasons, researchers have discussed that, in practice, the Finnish care system embodies, at most, only weak universalism (Kröger *et al.*, 2003; Szebehely and Meagher, 2018).

Furthermore, it is questionable whether universalism in social care services is attained in terms of economic equality (Moberg, 2017; Hjelmar and Rostgaard, 2020). In Finland, service users pay user fees for public home care and for auxiliary services. The accessibility and attractiveness of services is, to a large extent, dependent on the level of user fees. True universalism requires that services are affordable to all social groups (Vabø and Szebehely, 2012). It is known that older people, especially those with low incomes and/or poor health statuses, face negative effects of user fees on their subsistence (Scheil-Adlung and Bonan, 2013; Muir, 2017; Tervola *et al.*, 2018). Moreover, previous studies have indicated that the user fees of care services are one reason behind unmet care needs and insufficient care. Older people with low incomes are more likely to face care poverty and unmet care needs (Van Aerschot, 2014; Kröger *et al.*, 2019) and foregone care compared to those with higher incomes (Mielck *et al.*, 2009; Aaltonen *et al.*, 2015; Schokkaert *et al.*, 2017).

To our knowledge, only a little attention has been paid to the levels of home care user fees and the financial burden these fees pose for service users in Finland – maybe due to the scarcity of data available (especially concerning auxiliary services). Not much information is available on home care user fees in Nordic countries or Europe either. In Finland, no statistics or datasets exist on the actual user fees in municipalities, and only a few research reports have addressed questions regarding the user fees of social welfare services (Vaalavuo, 2018, 2019; Ilmarinen *et al.*, 2020; Saarela, 2020). In this article, we examine the levels of user fees of the public home care and auxiliary services organised by Finnish municipalities. We use specifically collected data on the actual fees in the municipalities since no previous datasets are available. Using the information on user fees, we ask a) what are the total user fees of home care and auxiliary services for an individual service user? and b) how severe is the financial burden of these fees for a service user? We discuss whether user fees challenge the principles of equal accessibility and the availability of services. The detailed data also help us to understand the scale of regional variation in the user fee levels of home care and auxiliary services in Finland.

## **Organisation and provision of home care services in Finland**

Home-delivered services are of utmost importance for the ageing population, as over 90 per cent of people over seventy-five years old live at home in Finland (Finnish Institute for Health and Welfare, 2019: 228). The purpose of home care and auxiliary services is to maintain the health and functional abilities of older persons and offer care and help in cases of illness or disorders. Also, home care aims to ensure that older persons living at home are active and safe (Ministry of Social Affairs and Health, 2018). The care needs of older people usually start with requiring support with instrumental activities of daily living, such as cooking, cleaning, laundry or grocery shopping. When more severe disabilities, frailty or cognitive impairments emerge, such care needs are related to activities of daily living, including washing, eating and dressing.

In Finland, public needs-tested home care and auxiliary services are organised by municipalities, which either provide the services themselves or outsource or contract them out to private providers, either to for-profit companies or non-profit organisations (Table 1). Public home care is mostly provided by the public sector. Municipalities can also offer customer vouchers to older persons who are entitled to services according to needs assessment. The vouchers are meant for purchasing these services from private providers (Johansson, 2010; Kalliomaa-Puha and Kangas, 2018).

Older persons may also purchase services directly from the private providers if they want or need help but do not meet the criteria of the needs assessment for public services (Table 1). In this case, the services are not organised by the municipality, and users pay the market price. The users of private services may claim a tax deduction for household service expenses (Vero.fi, 2019).

The responsibility for organising public health care and social welfare services, including home care and auxiliary services, will be transferred from municipalities to wellbeing services counties from 2023. It is still unclear how care services will be affected, but the main principles based on public funding and the responsibility for organising public services will remain intact. The political aim of the reform is to 'improve the availability and quality of basic public services throughout Finland' (Health and Social Services Reform, 2021). Also in 2023, the use of the Resident Assessment Instrument (RAI) will become obligatory in the needs assessment of care services for older people. This might alleviate regional variation and inequalities in assessment process (Finnish Institute for Health and Welfare, 2021).

In Finland, home care is included in the public tax-funded health and social welfare service system. The largest proportion of financing for home care services comes from the state and municipalities, whereas private long-term care insurance is not a significant part of the funding (Kalliomaa-Puha and Kangas, 2018; Roland *et al.*, 2022). User fees cover approximately one fifth of the funding of home care services in Finland (Finnish Institute for Health and Welfare, 2020).

## **The content and coverage of home care**

Home care services did not exist in Finland in the early 1990s, but instead, home help used to be the most common form of support thirty years ago. The service covered almost one third of persons over seventy-five years old (Finnish Institute for Health and Welfare, 2019: 65) and consisted mainly of supporting instrumental activities of daily living, including shopping, cooking, cleaning and laundry, but also of non-medical one-on-one

Table 1 Organisation and provision of home care and auxiliary services in Finland

	Public services	Outsourced public services	Private services
<b>Access</b>	Needs assessed	Needs assessed	Not needs assessed
<b>Service organisation and provider</b>	Services are organised and provided by the municipality	Services are organised by the municipality but outsourced to a for-profit or non-profit service provider	The service users choose and draw up a contract with a for-profit or non-profit service provider
<b>User fees</b>	The service users pay user fees set by the municipality (within the framework established by legislation)	The users pay user fees set by the municipality (within the framework established by legislation). Service vouchers are an option for acquiring services. The allocation of vouchers varies between municipalities	The users pay the market price and may subtract 40% of the labour costs through a tax deduction. The deduction applies to household services only, not to medical care
<b>Provision</b>	Home care: 90 per cent provided by the municipalities Auxiliary services: Statistics not available	More than a quarter of municipalities outsourced services in 2015 <sup>1</sup> , and large variation exists across municipalities Auxiliary services: Statistics not available	Statistics not available

<sup>1</sup>Mathew Puthenparambil, 2018

assistance with activities of daily living, such as washing, eating and getting dressed. In addition to home help, home nursing (including, for example, wound dressing or blood sugar monitoring) was provided to people with medical needs. Auxiliary services such as washing clothes, security services and transport services, were also offered.

Over the last two decades, home help and home nursing have been combined to home care. Home help in the form of assistance with instrumental activities of daily living is almost erased from such care, and the focus of home care is on health care and activities of daily living (Kröger and Leinonen, 2012; Karsio and Anttonen, 2013; Mathew Puthenparambil, 2018). This means that whereas thirty years ago a care worker came to an older person's home and helped to cook, clean, wash and do grocery shopping, now, cooking is replaced with meals-on-wheels, groceries are ordered from a shop, cleaning has to be purchased as a separate service<sup>1</sup> and washing is sent to a laundry. Yet, variation exists between

municipalities regarding what is included in home care and what is not. Sometimes, clothes washing is included in home care but sheets are sent to a laundry, and on occasion, home care workers do basic cleaning tasks. However, municipalities are still responsible for organising services that cover the instrumental activities of daily living of community-dwelling older people. Therefore, home care is topped up with auxiliary services, which include, for example, meals-on-wheels, grocery services, security alarms and laundry. One important auxiliary service is day centres for older people: community-dwelling frail or disabled persons have the possibility of spending one or two days a week in a day centre with social activities, meals and, for example, the option of going to a sauna, which is a part of the weekly routine of many older Finnish people and an important cultural tradition. Door-to-door transportation to the day centre is often organised but at an extra cost (Ministry of Social Affairs and Health, 2021).

Home care is delivered as a regular service or in a short-term manner. Regular home care is – as opposed to services allocated for a particular, short-term need – provided based on a valid service and care plan and involves receiving home care at least once a week for a longer period of time (time not defined) (Ministry of Social Affairs and Health, 2018). In 2018, regular home care was provided to 11 per cent of the population aged seventy-five or over and 22 per cent of the population over eighty-five years old (Finnish Institute for Health and Welfare, 2019: 58 – 9). In 2018, nearly 30 per cent of regular home care clients had from one to eight visits per month, about 10 per cent had from nine to sixteen visits, 20 per cent had from seventeen to forty visits and about 40 per cent had over forty visits per month (Finnish Institute for Health and Welfare, 2019: 65). Information on the number of home-care hours received is not available. In 2018, auxiliary services were used by 19 per cent of persons over seventy-five years old and 38 per cent of persons over eighty-five years old (Finnish Institute for Health and Welfare, 2019: 65).

### **A considerable share of older people live at risk of poverty in Finland**

In Finland, the median net income of persons aged seventy-five or older was €1 530 a month in 2018<sup>2</sup>. About one fifth of this group was at risk of poverty – that is, their net incomes were 60 per cent or less of the median income of the population. In 2018, a single person was considered to be at risk of poverty with a net income of less than €14 970 a year, i.e. with a net revenue of €1 250 a month (Statistics Finland, 2020). Older women are more likely to be at risk of poverty than older men: in 2018, the poverty rate for men aged seventy-five or older was 15 per cent, and for women, it was 26 per cent (Statistics Finland, 2022). According to subjective estimations, about 40 per cent of Finnish pensioners consider that making ends meet is difficult, or they state that they have encountered some difficulties in doing so. Nearly 60 per cent of those whose pension is less than €1 500 a month have faced difficulties (Ahonen *et al.*, 2019). It is worth noting that the use of home care services is more common among people with low incomes compared to people with higher incomes (Vaalavuo, 2019).

Table 2 is presented to better understand livelihoods and the income distribution of older people. The table shows that about 40 per cent of households belong to the two lowest deciles, with a monthly maximum median net income of €1 340. About one in three belong to deciles III and IV, with a median net income of €1 574 and €1 801.

Table 2 Net income and income structure of households with persons aged 75 years and over in Finland in 2018 (Statistics Finland, 2022)

Decile group	Median net income per consumption unit <sup>2</sup> in a month, € <sup>a</sup>	% of households in the decile group <sup>b</sup>
I (Lowest income 10%)	1 096	22
II	1 340	19
III	1 574	21
IV	1 801	12
V	2 029	10
VI	2 259	5
VII	2 520	4
VIII	2 846	4
IX	3 325	2
X (Highest income 10%)	4 626	2

<sup>a</sup>Income concept: Household's disposable monetary income per consumption unit.

<sup>b</sup>Decile groups have been formed among persons according to the disposable income per consumption unit. Income concept: Household's disposable cash income.

### Home care user fees are regulated by law

User fees of social welfare and health care, including fees for home care and auxiliary services, are regulated by the *Act on Client Fees in Social Welfare and Health Care* (734/1992) and by the *Decree on Client Fees in Social Welfare and Health Care* (912/1992). Accordingly, public social welfare and health services are either free of charge; the user fee is the same for everyone, i.e. a flat rate; or the user fee is income-related. In each case, municipalities are not permitted to collect service fees above the amount of the production cost of the service. The user fees of social welfare and health care laid down in the legislation are maximum fees. Based on local autonomy, municipalities may opt to apply lower charges or to provide the relevant service free of charge (Kröger, 2011).

The level of the user fees of a public service does not depend on whether the service is provided by the municipality or contracted out. A voucher may cover the whole price of the service, or older people might pay something in addition. In these cases, the user fee is the difference between the value of the voucher and the service price.

Municipalities also need to take into account that, according to the legal regulations, user fees of social welfare and health care may not 'endanger the subsistence of the person or the family' (*Decree on Client Fees in Social Welfare and Health Care*, 912/1992). In practice, municipalities should either reduce the user fees or make the decision not to impose them if the fees endanger a person's or a family's subsistence. In some municipalities, the decree is implemented, but in others, this principle is ignored or there is a lack of information on how to apply the law (Saarela, 2016). No precise information is available on the prevalence of fee relief in municipalities. New amendments to the *Act on Client Fees in Social Welfare and Health Care* entered into force on 1<sup>st</sup> July 2021. The

principle for reducing, or not collecting, user fees is emphasised in the amendments (Ministry of Social Affairs and Health, 2020). The aim is that, in the future, the situation of people with economic difficulties will be more carefully considered than before the amendments and that user fees will be reduced or not imposed if a service user's livelihood is endangered.

The monthly user fee of regular public home care is an income-related fee. It is calculated according to the number of service hours received, the gross income of the household and the household size. The fee will only be charged in cases where the user's gross income is above a threshold set in the legislation. In 2018, the threshold was €576 a month for a person living alone, €1 063 for a two-person household and €1 667 for a three-person household. Municipalities set the user fee as the percentage of the client's income that exceeds the threshold. The maximum percentage is set by law: 35 per cent for a person living alone, 22 per cent for a two-person household and 18 per cent for a three-person household. The maximum applies to any number of home care hours (Decree on Client Fees in Social Welfare and Health Care, 912/1992). So, for example, for a person living alone with a monthly gross income of €1 500, the maximum monthly home care user fee was €323 in 2018 ( $[\text{€}1\ 500 - \text{€}576] \times 35$  per cent).

The user fees of auxiliary services organised by municipalities typically are a flat rate and not under strict regulation by legislation. Thus, municipalities are free to decide on the levels of the fees for these services. User fees can be set, in principle, at any amount as long as they do not exceed the production costs (Decree on Client Fees in Social Welfare and Health Care, 912/1992).

## **Data and methods**

No statistics exist on the level of user fees of regular home care and auxiliary services in Finnish municipalities. Therefore, the information used here was drawn from the municipalities' official web pages one by one in 2018. The data consist of information on the user fees of regular home care and of four auxiliary services: a daily meal service (meals-on-wheels), a grocery delivery, a laundry service and a day spent in a day centre for older people. These services are among the most common public auxiliary services. There is some variation in the local supply of auxiliary services that are available as public services. In some municipalities, a grocery delivery service, for example, is not organised by the municipality, but people purchase the service from a private provider. In this study, however, we only consider user fees of services organised by municipalities and not user fees of services that older persons purchase from private service providers (see Table 1).

The user fees of social welfare and health care laid down in the legislation are maximum fees. Based on local autonomy, municipalities may opt to apply lower user fees. The level of regular home care user fee varies between municipalities, and it also varies according to the service hours received. To study the actual level of user fee of home care and local variation, we collected information on user fee of regular home care for three levels of home care use: a person who lives alone receiving regular home care for four, eight or twenty-eight hours a month. These figures were selected in order to describe the scale of the user fee in terms of different levels of home care use.

The information on regular home care user fees was obtained from 232 municipalities and from 231, 142, 128 and 204 municipalities regarding a daily meal service, a laundry

service, a grocery delivery, and a day spent in a day centre, respectively. The total number of municipalities in Finland was 295 in 2018, so information was acquired from most of them. We aimed to get information from all the municipalities. However, information was missing from some of the municipalities because the service concerned was not available as a public service or, in most cases, because the information on user fees was not available on the web pages. The collected data were considered sufficient despite the missing cases, since the large majority of the municipalities was included. The data allowed the examination of the general levels of the fees and the variation in fees across municipalities. The province of Åland was excluded from the analysis since the Finnish legislation of user fees does not apply to the Åland Islands.

It should be noted that some municipalities grant discounts to certain groups of people. War veterans, for example, pay lower user fees than other persons, or do not pay any fees at all. Home care auxiliary services have a flat-rate fee in most of the municipalities, but in some cases, households with low incomes have lower fees. These exceptions in user fees are not considered here because there are no data available for the purpose of the present study.

To assess how severe the financial burden of public home care and auxiliary services is for an individual service user, we calculated the total sum of the user fees of these services and divided it by income. We used two exemplary cases – people with gross incomes of €1 500 and €2 100 – for comparative purposes. The data analysis consisted of the calculation of descriptive statistics on the home care and auxiliary service user fees.

## Results

### *User fees of regular home care and auxiliary services*

The fees of regular home care are presented as percentages since the fee is calculated as a share of a person's gross income that is above the threshold income (€576 for a person living alone in 2018). On average, the user fee of public home care was 16 per cent of the income above the threshold when home care was needed for four hours a month. However, the variation was wide across municipalities, with a minimum user fee of 2.5 per cent and a maximum of 24 per cent (Figure 1). The variation in user fee percentages means, for example, that a person living alone who had a gross income of €1 500 a month paid a fee ranging from €23 to €222 a month for four hours of home care, depending on his or her place of residence.

When home care was needed for eight hours a month, the average user fee was 20 per cent, but it ranged from 5 to 30 per cent. Thus, for a person living alone who had a gross income of €1 500 a month, the monthly fee varied between €46 and €277 a month, depending on the place of residence. A person living alone who needed home care for twenty-eight hours a month paid a user fee of an average of 30 per cent of his or her income above the threshold. This varied between the lowest fee of 15 per cent and the highest fee of 35 per cent. Thus, twenty-eight hours of regular home care cost between €139 and €323 a month for a person living alone with a gross income of €1 500 a month.

The user fees of four auxiliary services (a meal delivered to one's home, the delivery of groceries, a laundry service and a visit to a day centre) are presented in Table 3. The results show that the user fees of home care auxiliary services vary substantially between municipalities.



Table 3 User fees for auxiliary services in Finnish municipalities in 2018

	User fee (€)			N
	Percentiles (25, 50, 75)	Minimum	Maximum	
Meals-on-wheels	7, 8, 8	5	11	231
Grocery delivery	7, 9, 10	3	20	128
Laundry	6, 7, 8	2	17	142
Day centre	15, 16, 18	6	23	204

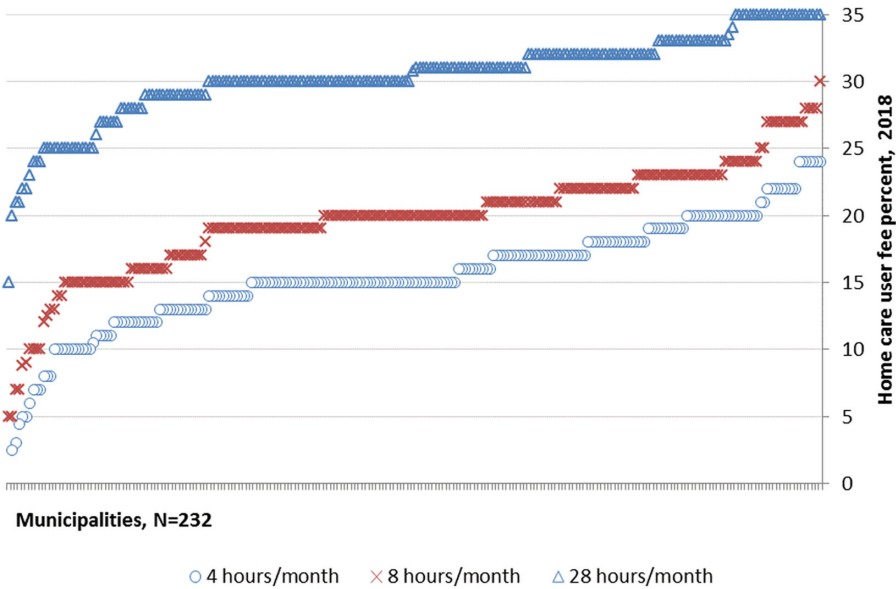


Figure 1. User fee percentages of regular home care for four, eight or twenty-eight hours a month in single-person households in Finnish municipalities in 2018

*Financial burden of public home care and auxiliary services for an individual service user*

In order to determine how severe the financial burden of public home care and auxiliary services is for an individual service user, we calculated the total sum of the user fees of these services and divided it by income. We calculated the user fees of public home care and auxiliary services for people with gross incomes of between €1 500 and €2 100 for comparative purposes. Gross income was used since the user fee of home care is calculated based on this. In the example, we also included three levels of home care use: a person who needed home care for four, eight or twenty-eight hours a month. In addition, in our example, the person needed a daily meal delivered to his or her home, a laundry service once a week, weekly groceries delivered and a weekly visit to a day centre. The user fees are presented in Table 4 (calculated using the average user fees presented earlier).

Table 4 Example cases of monthly user fees of home care and four auxiliary services in 2018 based on two income levels and different numbers of home care hours, calculated using the average user fees

	Gross income of €1 500 a month			Gross income of €2 100 a month		
Home care, h	4	8	28	4	8	28
Home care, €	148	185	277	244	305	457
Meals-on-wheels, €	240	240	240	240	240	240
Laundry, €	28	28	28	28	28	28
Grocery delivery, €	36	36	36	36	36	36
Day centre, €	64	64	64	64	64	64
<b>Total per month, €</b>	<b>516</b>	<b>553</b>	<b>645</b>	<b>612</b>	<b>673</b>	<b>825</b>
<b>Share of gross income, %</b>	<b>34</b>	<b>37</b>	<b>43</b>	<b>29</b>	<b>32</b>	<b>39</b>

## Discussion

Finland is considered a Nordic welfare state with available and affordable public services for all, following the idea of universalism. Yet, it is questionable whether home care services are affordable to all social groups and whether equal access to social care services is attained. Despite the fact that in Finland home care services are organised on a public basis, in this article, we show that the user fees may constitute a significant monthly sum and place a heavy financial burden on older people, especially for those with low incomes.

In Europe, user fees of long-term care services are a common concern for older people. In particular, persons who have low incomes often face unaffordable costs and, consequently, unmet care needs (Scheil-Adlung and Bonan, 2013; Muir, 2017). In Finland, the user fees of public social welfare services and health care are legally regulated, and the user fee of public home care is income-related based on a threshold value. This implies that the fee is related to the home care users' ability to pay, and in practice, persons with low incomes pay a lower share of their incomes than persons with higher incomes for home care service (Ilmarinen *et al.*, 2020). Yet, home care usually only meets a part of the care needs that an older person has, and other care needs are met by auxiliary services. The user fees of auxiliary services are not income-related, they typically are a flat-rate, and they are not under strict regulation by legislation. The fees may add up to a significant sum as we show here. This has an important practical implication: not only fees of home care but also the fees of home care auxiliary services must be taken into account when the financial burden of home-delivered services is considered.

This article broadens and deepens the knowledge on the financial burden of public home care and auxiliary services for an individual service users. Using typical user fees of home care and auxiliary services of the Finnish municipalities, we show that for a person with a gross income of €1 500, the user fees are 43 per cent of his or her gross income when home care is needed twenty-eight hours per month and, in addition, the auxiliary services of meals-on-wheels, laundry, grocery deliveries and one day per week at a day centre are used. For a person with a higher income of €2 100, the user fees of these

services are nearly 40 per cent of his or her gross income. Our findings are in line with a study across European countries by Scheil-Adlung and Bonan (2013). They concluded that user fees of long-term care constitute significant sums for older people: the households concerned allocated nearly 10 per cent of their incomes in the form of user fees for long-term care. With our research, we show that the user fees of home care and auxiliary services may cause even more severe economic distress or deprivation.

A gross income of €1 500 is the equivalent of a net income of about €1 300. Of persons aged seventy-five years and over, 40 per cent belong to the two lowest income deciles, with a maximum median net income of €1 340 a month (Table 2). The at-risk-of-poverty level was a net income of €1 250 in 2018 (Statistics Finland, 2020). This means that a considerable share of older people is close to being at risk of poverty, and this is especially true with regard to home care users since their incomes are lower than the earnings of those who do not use home care (Vaalavuo, 2019). According to Muir (2017), the user fee affordability threshold for service users is the proportion of their income that they could use for long-term care without being pushed into poverty. Our results show that the user fees of home care, especially when they are topped up with auxiliary services, are above the affordability threshold. This implies that user fees are not well adjusted to the at-risk-of-poverty threshold and the legislation on subsistence. The user fee of home care, and the auxiliary services of home care, should be decreased for persons with low income levels. To fulfil the core principles of a Nordic welfare state, these public services should be available and affordable for all.

It is unlikely that the older persons in Finland would pay such a high share of their monthly incomes for user fees. Rather, they would certainly try to cope without (or less) auxiliary services as far as possible. It has been shown that care poverty in needs of instrumental activities of daily living (i.e. those that have to be met with auxiliary services) is related to a low income and living alone. Also, among older Finnish people, the most common reason for not using care services is expensive user fees (Van Aerscht, 2014; Kröger *et al.*, 2019).

Those older persons who have care needs and use home care services often also need medication and health care, which cost money too. In Finland, people with low incomes and poor health pay a considerable share of the user fees of public services, and the economic burden of these fees is high when their incomes are taken into account (Vaalavuo, 2018; Tervola *et al.*, 2018, 2020). It has been shown that older people with low incomes may need to save on medication or make choices between essential purchases, such as food or health care (Laihiala, 2019; Saarela, 2020). Therefore, it is likely that older people with low incomes do not purchase auxiliary services and forego the care they need or choose to rely on informal care. Yet, informal care is not available for everyone as nowadays it is more common for older people to live alone and not everyone has strong familial or social ties and networks. In addition, persons living alone more often have lower income levels compared to those living with their spouses (Lievonon and Mattila, 2021). The unaffordability of services might lead to situations in which older persons are left to cope with unmet care needs and face care poverty, which is incompatible with the principles of the universal model of the Nordic care system (Kröger *et al.*, 2019).

According to the legislation, the public authorities should reduce the user fees or decide to not charge them when the fees endanger a service user's subsistence and create a risk of poverty. The recently renewed *Act on Client Fees in Social Welfare and Health Care* (from 1<sup>st</sup> July 2021) emphasises this even more clearly than the previous formulation

of the act. Before this new formulation, it was common for local authorities to ask home care clients to apply for social assistance from the Social Insurance Institution to cover their user fees. The clients, however, were not always aware of how to process their applications, had difficulties doing so or saw applying for social assistance as disgraceful, and thus many applications were not completed (Saarela, 2020).

The information on user fees presented in this article shows that older people find themselves in unequal positions depending on their place of residence as the user fees of both home care and auxiliary services vary considerably across municipalities. The maximum levels are established in the national legislation but, as we have shown, when home care was needed, for example, for twenty-eight hours a month, the typical user fee in municipalities was 30 per cent of one's income, but it ranged from 15 to 35 per cent. Such a large variation shows that municipalities can alter the fees to a considerable extent and that the national legislation is rather loose. The large local variation also means that the ideals of universalism in terms of equal accessibility and affordability are not attained. Tervola *et al.* (2019) has shown that there is also a great deal of regional variation in public health care user fees in Finland.

One of the purposes of the reform of the *Act on Client Fees in Social Welfare and Health Care* (from 1<sup>st</sup> July 2021) is to even out the differences in the user fees of public social welfare and health care services between municipalities. User fees for regular home care, for example, are regulated more strictly than in the previous version of the law. This is likely to equalise the user fee percentages between municipalities. The user fees of auxiliary services, however, were left intact by the law reform. In addition, the regional variation may decrease along the Health and Social Services Reform as the organisational responsibility will be shifted from municipalities to wellbeing services counties from 2023.

As stated by Vabø and Szebehely (2012), true universalism requires that services are affordable to all social groups. The fact that user fees of home care and auxiliary services may constitute two fifths of one's monthly income – added to the findings on large regional variation in user fees – seriously questions whether public welfare services for older people live up to the accessibility and affordability ideals of the Nordic welfare state. This implies that the Finnish home care system is drifting away from the principles of the Nordic welfare state and the idea of affordable and accessible services.

## Acknowledgements

This work was supported by the Academy of Finland through its grants to the Centre of Excellence in Research on Ageing and Care (CoE AgeCare, number 312303).

## Notes

1 This might change in the future as the *Social and Welfare Act* is currently being reformed, and it has been suggested that cleaning will be included in the services that the public authorities must organise.

2 Statistics Finland's income distribution statistics consist of data on the annual incomes of households. Income is calculated by using the OECD's adjusted consumption unit scale. The statistics describe the amount of disposable cash income (gross income – paid transfers, mostly taxes). Disposable income includes households' and persons' income transfers, social security benefits and social benefits, for example. In the text, "net income" is used instead of disposable income for the sake of clarity.

## References

- Aaltonen, K., Miettinen, J., Airio, I., Martikainen, J.-E., Saastamoinen, L.-K., Bell, J. S., Hartikainen, S. and Norris, P. (2015) 'Cost-related barriers to use of health services and prescription medicines in Finland: a cross-sectional survey', *European Journal of Public Health*, 25, 3, 368–72.
- Act 710/1982, *Social Welfare Act*, Unofficial translation, [https://www.finlex.fi/fi/laki/kaannokset/1982/en19820710\\_20140491.pdf](https://www.finlex.fi/fi/laki/kaannokset/1982/en19820710_20140491.pdf) [accessed 14.06.2021].
- Act 734/1992, *Laki sosiaali- ja terveydenhuollon asiakasmaksuista (Act on Client Fees in Social Welfare and Health Care)*, Valtion säädöstietopankki Finlex, <https://www.finlex.fi/fi/laki/ajantasa/1992/19920734> [accessed 14.06.2021], in Finnish.
- Act 980/2012, *Act on Supporting the Functional Capacity of the Older Population and on Social and Health Care Services for Older Persons*, <https://www.finlex.fi/en/laki/kaannokset/2012/en20120980?search%5Btype%5D=pika&search%5Bkieli%5D%5B0%5D=en&search%5Bpika%5D=services%20> [accessed 14.06.2021].
- Ahonen, K., Kuivalainen, S., Liukko, J., Nivalainen, S., Palomäki, L.-M. and Polvinen, A. (eds.) (2019) *Tutkimuksia eläkeläisten toimeentulokokemuksista ja taloudellisesta hyvinvoinnista (Study of Retirees' Subjective Perceptions of Making a Living and of Economic Well-Being)*, Eläketurvakeskuksen tutkimuksia 2/2019, Helsinki: Eläketurvakeskus, <https://urn.fi/URN:ISBN:978-951-691-006-5> [accessed 04.04.2022], in Finnish with English summary.
- Anttonen, A. (2002) 'Universalism and social policy: a Nordic-feminist reevaluation', *NORA – Nordic Journal of Feminist and Gender Research*, 10, 2, 71–80.
- Anttonen, A., Häikiö, L., Stefánsson, K. and Sipilä, J. (2012) 'Universalism and the challenge of diversity', in A. Anttonen, L. Häikiö and K. Stefánsson (eds.), *Welfare State, Universalism and Diversity*, Cheltenham: Edward Elgar, 1–15.
- The Constitution of Finland 731/1999, translation from Finnish, <https://www.finlex.fi/fi/laki/kaannokset/1999/en19990731.pdf> [accessed 14.06.2021].
- Decree 912/1992, *Valtioneuvoston asetus sosiaali- ja terveydenhuollon asiakasmaksuista (Decree on Client Fees in Social Welfare and Health Care)*, Valtion säädöstietopankki Finlex, <https://www.finlex.fi/fi/laki/ajantasa/1992/19920912> [accessed 14.06.2021], in Finnish.
- Finnish Institute for Health and Welfare (2019) *Statistical Yearbook on Social Welfare and Health Care 2019*, Helsinki: Finnish Institute for Health and Welfare, <http://urn.fi/URN:ISBN:978-952-343-388-5> [accessed 14.06.2021].
- Finnish Institute for Health and Welfare (2020) *Social Protection Expenditure and Financing 2018. Social Protection Expenditure in Relation to GDP Went Down for the Third Consecutive Year*, Statistical report 10/2020, Helsinki: Finnish Institute for Health and Welfare, <http://urn.fi/URN:NBN:fi-fe2020042822823> [accessed 13.12.2021].
- Finnish Institute for Health and Welfare (2021) *Information on the RAI Assessment System*, <https://thl.fi/en/web/ageing/assessment-of-service-needs-with-the-rai-system/information-on-the-rai-assessment-system> [accessed 25.11.2021].
- Health and Social Services Reform (2021) <https://soteuudistus.fi/en/frontpage> [accessed 13.12.2021].
- Hjelmar, U. and Rostgaard, T. (2020) 'Supplemental home care and topping-up: a shift from service universalism towards a new and privatised public service model?', *International Journal of Social Welfare*, 29, 2, 118–28.
- Ilmarinen, K., Mukkila, S. and Tervola, J. (2020) 'Kotihoidon asiakasmaksut iäkkäillä (Home care user fees for the elderly)', *Yhteiskuntapolitiikka*, 85, 4, 407–15, <http://urn.fi/URN:NBN:fi-fe2020091669818> [accessed 11.02.2022], in Finnish.
- Johansson, E. (2010) *The Long-Term Care System for the Elderly in Finland*, ENEPRI Research Report, No. 76 (The ANCIEN project, Centre for European Policy Studies), <https://www.ceps.eu/ceps-publications/long-term-care-system-elderly-finland> [accessed 14.06.2021].
- Kallioma-Puha, L. and Kangas, O. (2018) *ESPN Thematic Report on Challenges in Long-Term Care: Finland*, European Social Policy Network (ESPN), Brussels: European Commission.

- Karsio, O. and Anttonen, A. (2013) 'Marketisation of eldercare in Finland: legal frames, outsourcing practices and the rapid growth of for-profit services', in G. Meagher and M. Szebehely (eds.), *Marketisation in Nordic Eldercare: A Research Report on Legislation, Oversight, Extent and Consequences*, Stockholm Studies in Social Work 30, Stockholm: Department of Social Work, Stockholm University, 85–125, [https://vbn.aau.dk/ws/portalfiles/portal/80766101/Marketisation\\_in\\_Nordic\\_eldercare.pdf#page=87](https://vbn.aau.dk/ws/portalfiles/portal/80766101/Marketisation_in_Nordic_eldercare.pdf#page=87) [accessed 13.12.2021].
- Kröger, T. (2011) 'Retuning the Nordic welfare municipality: central regulation of social care under change in Finland', *International Journal of Sociology and Social Policy*, 31, 3/4, 148–59.
- Kröger, T., Anttonen, A. and Sipilä, J. (2003) 'Social care in Finland: stronger and weaker forms of universalism', in A. Anttonen, J. Baldock and J. Sipilä (eds.), *The Young, the Old and the State. Social Care systems In Five Industrial Countries*, Cheltenham: Edward Elgar, 25–54.
- Kröger, T. and Leinonen, A. (2012) 'Transformation by stealth: the retargeting of home care services in Finland', *Health and Social Care in the Community*, 20, 3, 319–27.
- Kröger, T., Mathew Puthenparambil, J. and Van Aerschot, L. (2019) 'Care poverty: unmet care needs in a Nordic welfare state', *International Journal of Care and Caring*, 3, 4, 485–500.
- Laihiala, T. (2019) 'Eläkeläiset hyväntekeväisyysruoka-avun asiakkaina (The retired as customers of food-aid)', *Yhteiskuntapolitiikka*, 84, 4, 443–55, [https://www.julkari.fi/bitstream/handle/10024/138581/YP1904\\_Laihiala.pdf](https://www.julkari.fi/bitstream/handle/10024/138581/YP1904_Laihiala.pdf) [accessed 11.02.2022], in Finnish.
- Lievonen, M. and Mattila, M. (2021) *Yksinasuvat esiin! Miten huomioida yksinasuvat politiikassa (How to Take into Account Single Persons in Policy)*, Kalevi Sorsa -säätiö, [https://sorsafoundation.fi/wp-content/uploads/2021/11/KSS\\_Yksinasuvat\\_esiin\\_Web.pdf](https://sorsafoundation.fi/wp-content/uploads/2021/11/KSS_Yksinasuvat_esiin_Web.pdf) [accessed 11.02.2022], in Finnish.
- Mathew Puthenparambil, J. (2018) 'Outsourcing within the Nordic context: care services for older people in Finland', *Journal of Aging and Social Policy*, 30, 5, 440–57.
- Mielck, A., Kiess, R., von dem Knesebeck, O., Stirbu, I. and Kunst, A. E. (2009) 'Association between forgone care and household income among the elderly in five Western European countries – analyses based on survey data from the SHARE-study', *BMC Health Services Research*, 9, 52.
- Ministry of Social Affairs and Health (2018) *Quality Recommendation to Guarantee a Good Quality of Life and Improved Services for Older Persons 2017–2019*, Publications of the Ministry of Social Affairs and Health 2018:1, Helsinki: Ministry of Social Affairs and Health, <http://urn.fi/URN:ISBN:978-952-00-3906-6> [accessed 13.12.2021].
- Ministry of Social Affairs and Health (2020) *Proposal for Reforming Act on Client Charges in Health and Social Services to Parliament – More Cost-Free Health and Social Services*, Press release, <https://stm.fi/en/-/proposal-for-reforming-act-on-client-charges-in-health-and-social-services-to-parliament-more-cost-free-health-and-social-services-> [accessed 13.12.2021].
- Ministry of Social Affairs and Health (2021) *Kotihoito ja kotipalvelut (Home Care and Home Services)*, <https://stm.fi/kotihoito-kotipalvelut> [accessed 14.06.2021], in Finnish.
- Moberg, L. (2017) 'Marketisation of Nordic eldercare – is the model still universal?' *Journal of Social Policy*, 46, 3, 603–21.
- Muir, T. (2017) *Measuring Social Protection for Long-Term Care*, OECD Health Working Papers, No. 93, Paris: OECD Publishing, DOI: [doi.org/10.1787/a411500a-en](https://doi.org/10.1787/a411500a-en).
- Nykänen, S. (2007) "Kot on paras paikka". *Kotona asumisen merkitys ikääntyvälle ("Home is the Best Place". The Importance of Living at Home for the Elderly)*, Rovaniemi: Rovaniemen yliopisto, <https://www.ulapland.fi/loader.aspx?id=b60f1f16-b935-4f6c-a50c-0a843f0958c6> [accessed 04.04.2022], in Finnish.
- Organisation for Economic Co-operation and Development (OECD) (2005) *Long-Term Care for Older People*, The OECD Health Project, Paris, France: OECD, DOI: [doi.org/10.1787/19901291](https://doi.org/10.1787/19901291).
- Räsänen, K. (2019) *Kotona asuvien iäkkäiden näkemyksiä muuttohalukkuudesta ja asumismuodosta (Views of the Elderly Living at Home on the Willingness to Move and the Form of Housing)*, Pro gradu -tutkielma, Kuopio/Joensuu: Itä-Suomen Yliopisto, [https://erepo.uef.fi/bitstream/handle/123456789/21954/urn\\_nbn\\_fi\\_uef-20191396.pdf](https://erepo.uef.fi/bitstream/handle/123456789/21954/urn_nbn_fi_uef-20191396.pdf) [accessed 13.12.2021], in Finnish.

- Rintala, T., Jämsä, A. and Soukainen, J. (2010) *Vanhuspalvelut, Säännöllinen Kotihoito (Services for Older People, Regular Home Care)*, Valtiontalouden tarkastusviraston tuloksellisuustarkastuskertomus 214/2010, <https://www.vtv.fi/app/uploads/2018/07/02132256/vanhuspalvelut-214-2010.pdf> [accessed 14.06.2021], in Finnish.
- Roland, D., Forder, J. and Jones, K. (2022) 'What is out there and what can we learn? International evidence on funding and delivery of long-term care', *Social Policy and Society*, 21, 2, 261–74.
- Saarela, T. (ed.) (2016) *Raportti kyselystä Asiakasmaksulaki 11 § (A Report on the Survey on the Act on Client Fees in Social Welfare and Health Care, 11 §)*, Helsinki: European Anti-Poverty Network Finland, EAPN, [http://www.eapn.fi/wp-content/uploads/2017/01/asiakasmaksulain-raportti\\_final.pdf](http://www.eapn.fi/wp-content/uploads/2017/01/asiakasmaksulain-raportti_final.pdf) [accessed 14.06.2021], in Finnish.
- Saarela, T. (ed.) (2020) *Asiakasmaksut aiheuttavat ahdingkoa: Raportti kyselystä julkisen sosiaali- ja terveydenhuollon maksuista johtuvasta taloudellisesta ahdingosta paljon palveluja käyttävien arjessa (User Fees are Causing Economic Distress)*, Helsinki: European Anti-Poverty Network Finland, EAPN, <http://www.eapn.fi/wp-content/uploads/2020/05/Asiakasmaksut-aiheuttavat-ahdingkoa.pdf> [accessed 11.02.2022], in Finnish.
- Scheil-Adlung, X. and Bonan, J. (2013) 'Gaps in social protection for health care and long-term care in Europe: are the elderly faced with financial ruin?' *International Social Security Review*, 66, 1, 25–48.
- Schokkaert, E., Steel, J. and Van de Voorde, C. (2017) 'Out-of-pocket payments and subjective unmet need of healthcare', *Applied Health Economics and Health Policy*, 15, 5, 545–55.
- Statistics Finland (2020) *Tulonjakotilasto, 2018 (Income distribution, 2018)*, Helsinki: Statistics Finland, <http://www.stat.fi/til/tjt/2018/06/index.html> [accessed 11.02.2022], In Finnish.
- Statistics Finland (2022) Statistics Finland's free-of-charge statistical databases, Income distribution statistics, Tables: Dwelling population by income decile, main income source of household-dwelling unit, and age of person, 2010–2020, and Distribution of households and persons by income decile and age of reference person, 1966–2020, and Household population's risk of poverty indicators by age and sex, 1966–2020, [https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin\\_\\_tul\\_\\_tjt/](https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__tul__tjt/) [accessed 11.02.2022].
- Szebehely, M. and Meagher, G. (2018) 'Nordic eldercare – weak universalism becoming weaker?' *Journal of European Social Policy*, 28, 3, 294–308.
- Tervola, J., Aaltonen, K., Heino, P., Kajantie, M., Kari, H. and Ollonqvist, J. (2020) *Kotitalouksien terveysmenojen vaikutukset köyhyyteen Suomessa (Impact of Household Health Expenditure on Poverty in Finland)*, INVEST Working Paper 1/2020, Turku: University of Turku and Finnish Institute for Health and Welfare, <http://urn.fi/URN:ISBN:978-951-29-7977-6> [accessed 11.02.2022], in Finnish.
- Tervola, J., Haaga, T. and Ilmarinen, K. (2019) *Terveydenhuollon asiakasmaksujen alueellinen vaihtelu Suomessa (Regional Variation in Healthcare User Fees in Finland)*, Tutkimuksesta tiiviisti 48, 2019, Helsinki: Finnish Institute for Health and Welfare, <https://urn.fi/URN:ISBN:978-952-343-433-2> [accessed 04.04.2022], in Finnish.
- Tervola, J., Mukkila, S., Ilmarinen, K. and Kapiainen, S. (2018) *The Distributional Effects of Out-of-Pocket Health Payments in Finland 2010–2018*, Discussion Paper 35/2018, Helsinki: Finnish Institute for Health and Welfare, <http://urn.fi/URN:ISBN:978-952-343-220-8> [accessed 04.04.2022].
- Vaalavuo, M. (ed.) (2018) *Sosiaali- ja terveydenhuollon asiakasmaksujen kohdentuminen, vaikutukset ja oikeudenmukaisuus (User Fees of Social Welfare and Health Care Services, Targeting, Impacts and Equality)*, Valtioneuvoston selvitys ja tutkimustoiminnan julkaisusarja 30/2018, Helsinki: Valtioneuvoston kanslia, <http://urn.fi/URN:ISBN:978-952-287-534-1>, in Finnish with English summary.
- Vaalavuo, M. (2019) 'Use of public health and social care services among the elderly in Finland: an under-examined mechanism of redistribution', *Journal of European Social Policy*, 30, 2, 176–89.
- Vabø, M. and Szebehely, M. (2012) 'A caring state for all older people?', in A. Anttonen, L. Häikiö and K. Stefánsson (eds.), *Welfare State, Universalism and Diversity*, Cheltenham: Edward Elgar, 121–43.

- Van Aerschot, L. (2014) *Vanhusten hoiva ja eriarvoisuus. Sosiaalisen ja taloudellisen taustan yhteys avun saamiseen ja palvelujen käyttöön (Care of Older People and Inequality: How Socio-Economic Background is Related to Receiving Care and Using Services)*, Tampere: Tampere University Press, <http://urn.fi/URN:ISBN:978-951-44-9568-7>, in Finnish with English summary.
- Ver.fi. Finnish Tax Administration (2019) *Tax Credit for Household Expenses*, <https://www.vero.fi/en/individuals/tax-cards-and-tax-returns/income-and-deductions/Tax-credit-for-household-expenses/> [accessed 28.06.2021].