



RIKSREVISIONEN
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The central government's work to ensure the quality of private care for the elderly

Summary

The proportion of private providers of publicly financed care for the elderly has increased in Sweden and the Government wishes to stimulate the creation of additional enterprises in this sector. It is very important to ensure that this market is built, regulated and monitored in such a way that the requirement of good quality laid down in the Social Services Act is complied with. *Riksrevisionen* (the Swedish National Audit Office, SNAO) has examined whether the Government, the National Board of Health and Welfare and the county administrative boards have created the conditions necessary to ensure good quality and transparency in privately run care for the elderly.

Principal responsibility for planning, financing and providing care services for the elderly rests with municipalities. The central government has overall responsibility for the public sector's commitment to citizens and thus has a duty to ensure that there are satisfactory conditions for attaining a good level of quality. The SNAO's audit shows that the Government, the National Board of Health and Welfare and the county administrative boards have all failed fully to comply with their duty to create, within their respective remits, the conditions necessary to attain a good level of quality and transparency in privately run care for the elderly. For the elderly people concerned, there is a risk that this may influence the quality of privately run care services.

Conclusions

The legislation governing the quality and transparency of care for the elderly differs in some respects depending on whether the care provider is public or private. Care providers are not always covered by the regulations issued by the National Board of Health and Welfare. Documents drawn up by private providers are not public, but any subcontracting agreements between municipalities and providers must take account of citizens' interests in transparency. Further, private employers are not bound by the safeguards for 'whistleblowers' that prohibit public-sector employers from investigating sources of information or taking reprisals against them. It is also unclear whether private employees enjoy the same protection for their freedom of speech in relation to their employer as their public-sector peers do. Taken together, this entails a risk that abuses in privately run care for the elderly may go undetected. What is more, fewer statistical data are recorded about private than public providers of eldercare services, meaning that it is not possible to compare their productivity.

Agreements between municipalities and private providers are one tool to make conditions more uniform. To maintain a good level of quality and

increase transparency, municipalities need to impose requirements in the agreements they conclude with providers. However, certain differences in conditions cannot be equalised by means of agreements. For example, private employees must report abuses to their head of operations while public employees notify the municipal social-welfare committee.

The SNAO's review of municipalities' agreements with private providers of special residential services and home-help services shows that explicit requirements are often lacking as regards transparency for the general public, the qualifications of managers, support for staff, and criteria for quality and quality assurance.

The Government recently proposed a new law that would give elderly people the freedom to choose care providers. However, agreements will remain equally important even if that law is enacted.

The Government has failed to obtain sufficient knowledge of the workings of the eldercare market

The Government has a duty to make sure that the eldercare market works satisfactorily.

However, the Government has failed to obtain sufficient knowledge of this market. While it has appointed several commissions of inquiry which address quality issues to a varying extent, there are still important areas where it has not taken any action. For instance, it has not taken any initiatives to shed more light on how the present rules have affected quality and transparency. What is more, the Government has not taken any initiatives to obtain information about the design and content of agreements.

The National Board of Health and Welfare has not fulfilled its monitoring duties

The National Board of Health and Welfare has a duty to monitor developments and safeguard the quality of care for the elderly. It is important that the Board should monitor not only publicly run but also privately run services.

The SNAO finds that the Board has neglected its duty to monitor privately run eldercare services. It has failed to obtain knowledge of the agreements that municipalities conclude with private providers, including the quality criteria imposed in them. Further, it is not clear which of the Board's regulations apply to both public and private operations and which have to be included by municipalities in agreements.

Decisions may build on incorrect information

The SNAO's audit shows that neither the Government nor the National Board of Health and Welfare possesses the requisite knowledge about the agreements that municipalities conclude with providers. These agreements are absolutely vital to municipalities' ability to impose requirements and monitor operations. There is thus a risk that the design of reforms to the eldercare market may be decided without adequate information to underpin such decisions having been obtained.

County administrative boards' issuance of permits does not ensure a good level of quality

Special residential services for which a subcontracting agreement has not been concluded directly with a municipality require a permit, which is granted by the county administrative board. Such permits are to be granted only for services exhibiting a good level of quality. The permits are permanent but may be combined with quality requirements. Shortcomings have been found in the examination of applications at all county administrative boards that have granted such permits; in many cases, the documentation on the basis of which permits are granted is inadequate. What is more, county administrative boards do not always follow up operations that have recently been granted a permit to ensure that the provider complies in practice with the undertakings made in the application.

A new permit must be applied for if operations change materially. County administrative boards differ in their views on the new requirements that can be imposed on operations in that situation. They also differ in their views on the quality-related conditions that they are entitled to impose on providers having been granted a permit.

For natural reasons, supervisory activities do not have a wide enough scope to compensate for the shortcomings in the granting of permits. Given that permits are often valid for a very long time and that the ramifications for individual citizens may be major, the SNAO finds these shortcomings to be serious.

Permits may fail to keep up with developments

Changes in views and new knowledge about the needs of the elderly may fail to have an impact since there may be very long periods during which permits are not reviewed in any real sense.

For operations requiring a permit, unlike for subcontracting agreements, there is no obligation to ensure transparency for the general public. As a result, elderly people and their relatives have no legal right to obtain documents from a service provider, for example lists of complaints made against a residential home. This reduces opportunities for elderly people and their families to choose among providers.

Taken together, this entails a risk that the care given will be worse in operations requiring a permit than under subcontracting agreements, such that the quality standards of the Social Services Act are not met to the same extent by permit holders as by subcontractors.

The provision of home-help services requires no permit. These services have changed over time and now include caring in various ways for severely ill people to a much larger extent than before. Where a municipality has not concluded a subcontracting agreement with a provider of home-help services, then, no explicit quality requirements are imposed on those wishing to start operations involving relatively advanced care interventions.

Recommendations

The Government

- The SNAO recommends that the Government should perform investigations and draft the requisite legislative proposals to ensure that:
- reports of serious abuses in privately run operations must be made directly to the municipal social-welfare committee or another public authority.

The SNAO recommends that the Government should review the system of permits to ensure that:

- the requirements imposed on operations subject to a permit can be modified to take into account new views and new knowledge of the needs of the elderly;
- explicit requirements can be imposed on privately run home-help service providers that carry out needs-tested care interventions and that have not concluded a subcontracting agreement with the municipality.

The SNAO further recommends that the Government should:

- determine the extent of private employees' right to comment on conditions at their place of work;
- use the proposals to be presented by the Commission of Inquiry into the Review of the Collection of Statistics on Municipal Finances and Operations in order to enhance the efficiency and productivity of eldercare.

National Board of Health and Welfare

The SNAO recommends that the National Board of Health and Welfare should:

- identify and evaluate conditions for attaining a good level of quality in privately run care for the elderly, including by obtaining better knowledge of the agreements concluded by municipalities and the quality-related requirements imposed;
- issue, within its remit, regulations relating to the design and content of such agreements;
- support municipalities by compiling and disseminating information clarifying which of its regulations apply to private providers and which of them municipalities may need to consider including in their agreements.

County administrative boards

The SNAO recommends that the county administrative boards that grant permits for residential homes for the elderly should:

- develop procedures to ensure that adequate information is obtained and that officials are given appropriate support, so that complete assessments will be performed;
- always perform follow-up, sometime after an operation has begun or been modified, to ascertain whether the provider complies with any undertakings made in his application.