

Direct payments for de-institutionalization

the Swedish market for social services

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Swedish De-institutionalization Timeline

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1960s - 1980s Phasing out large institutions for people with

- physical disabilities under 65 years;
- cognitive disabilities;
- psychiatric disabilities.

Swedish De-institutionalization Timeline

1960s - 1980s Phasing in smaller institutions

- cluster housing (“Fokus”) for people with physical disabilities;
- group homes for up to 4-5 persons per apartment or house for:
 - people with cognitive disabilities
 - people with psychiatric disabilities

1960s - 1980s Phasing in community-based solutions

- individual supported housing;
- in-home support service.

Swedish De-institutionalization Timeline

1979 Building Codes for Universal Design in residential construction

1994 Direct Payments for Personal Assistance Act

Situation today

Situation today

No institutions with more than 10 persons for non-elderly persons with

- physical disabilities;
- Cognitive disabilities;
- psychiatric disabilities.

30,000 persons with multiple disabilities live in group homes

19,000 persons receive direct payments for personal assistance services

10-15% of housing stock is wheelchair accessible

The Market for Personal Assistance Services

The Market for Personal Assistance Services

Market size:

- 19,000 persons legally entitled to direct payments from social insurance fund for purchase of personal assistance services;
- not means-tested;
- not taxable;
- full coverage of costs including administration;
- full accountability;
- money follows the recipient not the service provider;
- 2 billion Euros/year paid to individuals.

Market actors

Market actors

- 300 local governments provide services plus;
- over 500 private for profit companies;
- 5 owners together control 20% of market;
- the three biggest owners are risk capital funds.

Market shares

Market shares

- Local government providers 46%
- Private for profit providers 41%
- Personal assistance user cooperatives 11%
- Individual users as employers 2%

Labor market impact

Labor market impact

- 19,000 personal assistance users;
- 80,000 personal assistants;
- assistants are people in transition from education to labor market;
- immigrants.

Risks

Risks

- Limits to the taxpayers' willingness to support the program;
- Lack of understanding of the cost-efficiency of direct payments versus services in kind;
- Demographic changes.

Opportunities

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- direct payments offer higher quality at same cost;
- direct payments offer freedom of choice – a revolution that can spread to the market for.

Requirements :

- money follows the user not the service provider;
- sufficient amounts for direct payments to attract private business;
- informed consumers .

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