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A new structural reform has been adopted in Denmark and this changes the tasks between the state, regions and municipalities.

Until now, the health care area has been controlled by 14 counties and one for the capital area. These will be replaced by 5 regions each controlled by a region council with 41 elected politicians.

The regions are responsible for the running and planning of the hospital sector and practising health personnel, among others general practitioners and specialists. In addition, the regions are responsible for some tasks concerning regional development and traffic.

The financing of the health care sector will also be changed, so that the regions have no right to levy taxes as it was the case for the counties previously.

1. The county tax is replaced by earmarked national tax – the health care grant. This is 8% of the total tax basis.
2. The regions’ health care sector will be financed by national block grant, that are granted according to population composition in the regions, considering a social and age perspective.
3. Financing by the state according to the number of treatments performed by hospitals.
4. The municipalities must assist the regional health care sector in two ways; they must pay for each citizen using it and pay the region a basic subsidy of 130-200 Euros per citizen.

The state finances the health care area with about 80% which consists of a block grant of 75% and an activity based grant of 5%. The municipalities must pay a basic subsidy per citizen and an activity based grant (in all 20%).

Each region must provide hospital treatment free of charge for the citizens of the region. There is free choice of hospital for all patients; either own local hospital, another hospital in the region or a hospital in another region. Highly specialized functions are limited to few hospitals.

If a patient has to wait for more than 2 months for a treatment, he/she may chose treatment in a private hospital, a clinic or a hospital abroad, which has a special agreement with the regions. The waiting time is reduced to 1 month in 2007.

The municipalities will receive more tasks in the health care area; among others care, rehabilitation and prophylactic out of the hospital and rehabilitation during hospitalisation.

In November 2005, there was an election to the new region councils, which during 2006 will act as preparation committees before the reform come into force on 1 January 2007. The regions must cooperate with the municipalities and enter health agreements in the various areas.

The Danish Medical Association supports the reform which may form a basis for a health care sector based on professionally more functional units. Thus, the reform is expected to result in a continuing strong gathering of treatment offers in fewer hospitals and reducing the number of hospitals with emergency departments.
The Danish Specialist Association is critical, along with several economists and the political opposition, towards the new financing system, which deprive the regions from levying taxes. This is a breach of the basic principal that responsibility for financing and expense level should be in the same place.