
Social Security Abroad

Dental Insurance in Sweden *

The Swedish national health insurance plan will include dental coverage, beginning January 1, 1974, on the basis of legislation passed by Parliament in May 1973. All residents aged 20 and over who are covered by the national health insurance plan are affected. Dental insurance, like the rest of the national health program, will be financed by employer and employee contributions and general revenues. The new program pays 50 percent of the charges for most routine cases and a greater percentage for more extensive work. Travel costs above a certain limit are partially reimbursed. The patient has a free choice of dentist.

HISTORICAL BACKGROUND ¹

Since 1938, school-age children have been protected by a dental care program under the supervision of the National Board of Health. Operated under a public health committee in each county, the program has provided for: (1) The systematic and free dental care of children aged 6-16 on a once-a-year basis, (2) treatment at reduced prices for those aged 17-19 to the extent that personnel and facilities permit, and (3) the treatment of adults at specified rates on a space-available basis. The full implementation of the dental care program, however, has been hampered by the lack of both physical resources and personnel, especially in the thinly populated areas of the country.

Although there had been no general dental insurance program in Sweden until the recent legislation, certain groups and types of dental surgery were specially covered under the national health insurance program. Pregnant women, for example, are entitled to dental care from any

* Prepared by Leif Haanes-Olsen, International Staff, Office of Research and Statistics.

¹ For a further discussion of Swedish social programs, see Albert H. Rosenthal, *The Social Programs of Sweden: A Search for Security in a Free Society*, Minneapolis, University of Minnesota Press, 1967.

dentist with 75 percent of cost reimbursed according to a dental fee schedule. Serious operations and plastic surgery that require dental work are also covered under the national health insurance program.

A national dental insurance program providing care to all residents has been under discussion in Sweden for at least the past 10 years. A lack of dentists and technicians, insufficient dental facilities, and, perhaps most of all, prohibitive costs were given as the main reasons for not introducing such a program. Since 1961, however, the number of dentists has increased 40 percent—from 5,100 to about 7,000, or from 68 to 85 per 100,000 population. Many new training and working facilities were also built during this period. The number of district dental clinics increased from about 750 to approximately 1,200. Growth in these areas provided the incentive for the adoption of a national dental insurance program. It also became feasible to finance a good part of the program through a comparatively modest increase in the employers' sickness insurance contributions.

NEW DENTAL INSURANCE PROGRAM

The 1973 legislation provides dental insurance for all persons aged 20 and over, with the patient having free choice of dentist. It also provides for the expansion of the old dental care program to include both preschoolers and those aged 17-19. In effect, then, the dental care program will be responsible for the free dental care of every resident through his 19th year. At age 20, the national health insurance program takes over. One of the important differences between the dental care program and the new program is that the former was founded on public welfare concepts and the latter is insurance-related.

Due to current shortages in both facilities and personnel, the programs will be implemented gradually to include the entire population by the end of the decade. According to published estimates, total and systematic coverage for the 6-16 age group should be possible by the end of 1974. Under the law on dental care, every youth aged 16 and under was entitled to yearly examinations. Systematic coverage, however, has been difficult in outlying and sparsely populated re-

gions. Coverage for all children aged 3-5 should be possible by 1977, and for those aged 17-19 by 1980.

As a transitional measure, the new dental insurance program will carry the 17-19 age group cost-free until the dental care program has expanded enough to accommodate them. After 1980, responsibility for dental health in Sweden will be divided: The dental care service will give free, complete service to children and youth through age 19, and dental insurance under the national health program will take over at age 20.

To accomplish this extension, it had initially been estimated that the net increase in new dentists would have to be added to the dental care program. Dentists under this program are not in private practice—they are employees of the counties.

It was also assumed that most dentists who were in private practice would join the national health insurance plan (a participation rate of 90 percent of the dentists in private practice within the jurisdiction of each local health insurance office was regarded as a general target). A voluntary approach, however, did not prove feasible. All dentists in private practice are now compelled to join the health insurance program and to treat all insured patients, charging them on the basis of the fee structure of the program. Among the very few exceptions are practicing dentists who have reached age 65. Patients who prefer private care or who are not covered by the program can be charged according to the dentist's own schedule.

Since the immediate emphasis is to expand the dental care program (whose dentists are employed by the counties), the entry of dentists into the private sector will be restricted. The mechanism that makes this possible is the power of the National Social Insurance Board to limit the number of new dentists entering private practice. This approach appears to assume that a basic alternative to private practice for those who contemplate dentistry is employment by the county under the dental care plan.

Covered Services

Charges are on a fee-for-service basis, accord-

ing to an established fee schedule. The dental insurance fund pays one-half the cost when total charges are 1,000 kronor or less.² For extended treatments, the insurance pays 50 percent of the first 1,000 kronor and 75 percent of all charges in excess. Since the costs are usually less than 1,000 kronor, the dentist charges the patient for one-half the cost and bills the local health insurance office for the other half. This is the procedure except when the work is covered by health insurance rather than dental insurance (oral surgery, for example). The patient then pays only 12 kronor per visit to the doctor and the rest is covered by the health insurance program according to established health insurance procedures.

The new program covers preventive dental care (including cleaning, polishing, fluoride treatment, etc.) as well as emergencies. Work done by dental technicians and dental hygienists is also covered.

In order to further ease the cost burden of dental care, travel costs to and from the dentist are reimbursed—to some extent. The policy for dental insurance is not quite as liberal as for medical insurance. Dental insurance pays one-half of all travel expenses in excess of 15 kronor; medical insurance pays the entire cost of transportation to the doctor and all costs above 6 kronor for the return trip. In general, the reimbursement policy for the dental insurance program emphasizes that the necessity for a dental appointment is seldom acute and can usually be worked into a person's daily schedule quite easily.

Administration

The dental insurance plan will be administered by the National Social Insurance Board as part of the national health insurance program. Both dentists and patients will deal with local health insurance offices that are supervised by the Board.

A special committee on dental care will be established within the National Social Insurance

² \$1 U.S. equals 4 kronor (as of July 26, 1973). Average weekly industrial earnings were approximately 635 kronor during March 1973. The 1,000 kronor therefore represents less than 2 weeks wages.

Board. The committee will include representatives of the Board and the counties, as well as dentists and dental technicians. Among its tasks, the committee will conduct the research and background work necessary to set the program's fees. The fees proposed for the opening of the program will be reviewed during 1974, after which biennial adjustments are foreseen.

Costs and Financing

The first-year cost of the dental insurance program has been estimated at 650-675 million kronor. Because of other reforms in health insurance that have also required extensive changes in financing, however, it is not possible to view the financing of this one program separately. Some of these changes in health insurance include a parent insurance to replace the previous system of maternity benefits,³ and an increase in cash sickness benefits and a change in their tax status (making them subject to income tax).

The greater funds needed to finance the entire health insurance package will come from (1) an increase in employer health insurance contributions (from 3.2 percent to 3.8 percent of payroll, currently limited to incomes below 55,000 kronor a year), (2) an increase in general revenue contributions (from one-sixth to one-third of national health insurance costs), and (3) a change in the contribution pattern of the insured themselves (from the current amounts stipulated by income class⁴ to a flat rate of 300 kronor a year plus 1.3 percent of covered earnings).

The new contribution pattern increases the rates for families and individuals with high incomes and reduces the contributions for low-income earners. Concurrently, the character of gen-

³The parent insurance program was discussed in "Sweden: Cash Maternity Benefits for Fathers," by Martin B Tracy, *Social Security Bulletin*, November 1973.

⁴The actual income limit that governs employer contributions equals seven and one-half times the base amount, currently 54,750 kronor a year. Since the base amount is tied to the consumer price index, the income limit will change accordingly.

eral revenue contributions changes from being selective (only certain programs received government support and these programs received various amounts) to being a flat-rate contribution that may be used wherever needed for national policy purposes. One-third of all health insurance costs will be paid from general revenues.

The expanded dental health program operated by the counties will benefit from the transfer of funds from the national health insurance program. Although each county has the power to assess its own income taxes, tax rates are now considered to be so high—20-25 percent of taxable income—that further increases to pay for the expansion in the dental health program are not feasible.⁵

TRANSITIONAL MEASURES

As the time nears for the dental insurance program to become effective (January 1974), the demand for services from private dentists, especially for work that can be postponed, is expected to decrease. To minimize this decrease, the new legislation has provided for a 3-month transitional period from October through December 1973. During this time, the insurance funds will make partial reimbursement for dental costs. For regular dental work, for example, the plan reimburses 25 percent of the cost, compared with 50 percent after January 1.

The transitional period has other functions. It is expected to stabilize the employment of dental technicians toward the end of the year and to enable the counties to get an early start in hiring dentists for the dental health program. Special funds have been made available to the counties for this purpose. After this long a waiting period, the program has generated considerable support. The successful implementation of the plan hinges on an adequate supply of dentists to the county programs.

⁵In addition to the flat-rate county income tax, Sweden has a progressive national income tax whose rates vary from 10 percent to 65 percent of taxable income. Sweden also has a value-added tax with a general rate of 15 percent (calculated on the turnover, including the tax itself), but with a lower rate on some products.