

Long-term institutional care client fees as of 1 July 2021

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1 General

Institutional care refers to activities involving upkeep, treatment and care in a hospital and a hospital ward of a health centre, a social welfare institution such as a nursing home, a special care institution for persons with intellectual disabilities and a substance abuse rehabilitation centre or other similar operating unit. Institutional care requires checking in and a decision on admission to institutional care (Decree 1806/2009 of the Ministry of Social Affairs and Health on the criteria for defining outpatient and institutional care).

The City of Espoo also outsources institutional care to private service providers. Outsourced services are treated the same as services organised by the municipality itself, and client fees are determined and charged by the city in accordance with the city's client fee criteria.

According to Section 7b of the Act on Client Charges in Healthcare and Social Welfare (734/1992), a municipality may charge a client fee for long-term institutional care in accordance with these fee criteria if the service is estimated to last at least three months from its commencement or if the service has actually lasted at least three months. The fee may be charged for institutional care referred to in Section 67(1) of the Health Care Act (1326/2010) or for 24-hour health care or social services provided in an operating unit of an institutional service referred to in Section 22 of the Social Welfare Act (1301/2014).

However, the client fee in accordance with these fee criteria may not be charged for medical rehabilitation in an institution referred to in Section 29(2)(7) of the Health Care Act, rehabilitation in an institution referred to in Section 2(3) of the Act on special care for persons with intellectual disabilities (519/1977) or institutional care referred to in Section 57 of the Child Welfare Act (417/2007).

2 Client fees

Client fees in health care and social welfare are generally regulated by the Act on Client Charges in Healthcare and Social Welfare (734/1992) and the Decree on Client Charges in Healthcare and Social Welfare (912/1992). Section 7c of the Act on Client Charges in Healthcare and Social Welfare defines the fees to be charged for long-term institutional care.

A client fee decision is made for the client based on the fee criteria of long-term institutional care. Clients in long-term institutional care are charged a client fee based on the client's net monthly income.

The client fee covers treatment, including:

- necessary examination, rehabilitation, treatment and care according to the patient's age and condition
- complete upkeep, including appropriate clothing, medicines and medical supplies and other services provided by the institution
- necessary dental care
- transports, when they are part of the patient's care and maintenance.

3 Determination of the client fee

According to Section 7c of the Act on Client Charges in Healthcare and Social Welfare, the fee for long-term institutional care is 85% of the client's net monthly income after deductions in accordance with Section 3.4. The client must be left 15% of their monthly net income as available funds; the minimum amount is EUR 110 per month (in 2021). The same fee criteria are applied if the client lived in a marriage or cohabitation immediately before the start of the service and the person in institutional care has lower income than their partner. If both spouses are in long-term 24-hour service housing, long-term family care or long-term institutional care, the fee is determined on the basis of the above criteria.

If the client lived in a shared household in a marriage or a relationship resembling marriage immediately before the start of the service and their monthly income is higher than their partner's monthly income, the client fee is determined by the spouses' combined net monthly income. In such cases, the fee is 42.5% of their combined net monthly income after deductions in accordance with Section 3.4. However, the minimum funds that must be available for the client to use is EUR 110 per month.

The fee may not exceed the expenses incurred from providing the service (Section 2 of the Act on Client Charges in Healthcare and Social Welfare).

The client fee is valid until further notice. Client fees for institutional care are reviewed annually for changes in income and expenses. In addition, according to Section 10j of the Act on Client Charges in Healthcare and Social Welfare, the fee must be reviewed at the application of the client or their representative or at the initiative of the municipality, when:

- the client's or their family's income has changed;
- the client's or their spouse's right to deductions on income has changed;
- the circumstances of the family have changed;
- the fee proves to be incorrect;
- the client plan prepared for the client is changed in a way that affects the amount of the client fee;
- the municipal fee criteria are changed in a way that affects the amount of the client fee.

If the decision on the fee has been based on incorrect information provided by the client or their representative, the fee may be rectified retroactively for a maximum period of up to one year.

3.1 Determining income

In order to determine the client fee, the client's income is determined. Income information is primarily requested from the client or their representative. Information may also be requested from other authorities, entities or bodies. Income data can be verified using, for example, through Kela and the incomes register of the Tax Administration.

According to Section 14a of the Act on Client Charges in Healthcare and Social Welfare, a state authority, a municipal authority and other bodies governed by public law, the Social Insurance Institution of Finland (Kela), the Finnish Centre for Pensions, a pension fund and other pension

institutions, an insurance institution, an employer and an unemployment fund, and a provider of social and health care services are obliged, at the request of a municipal authority, to provide, free of charge and without prejudice to confidentiality provisions, the information and statements in their possession concerning the financial standing of a client and necessary for determining the amount of a client fee if the municipality or group of municipalities imposing the fee has not received sufficient and reliable information from the client or their legal representative for the purpose of determining the fee.

Where the fee is determined on the basis of the combined income of the person in institutional care and their spouse, the above-mentioned right to information also applies to the spouse. The above-mentioned parties are only requested to provide information relevant to the determination of the client fee.

The reporting obligation also applies to a financial institution if the municipality or joint municipal authority does not receive sufficient information and explanations from other parties mentioned above and if there are reasonable grounds to doubt the adequacy or reliability of the information provided by the client or their representative.

The Act on the Status and Rights of Social Welfare Clients (812/2000) lays down the obligation of the client and their representative to provide information (Section 12) and the right of a social welfare authority to confidential information (Sections 20 to 22).

If the income on which the fee is based changes, the client or their representative must notify the authority deciding on the client fee of the changed income data. A client fee decision based on incorrect income information may be rectified retroactively for a period of one year.

3.2 Available funds

A client in long-term institutional care must be left 15% of their monthly net income as available funds; the minimum amount is **EUR 110 per month**. The amount of the available funds is revised every two years according to the change in the employment pension index. The euro amounts revised by the index are rounded to the nearest whole euro and enter into force at the beginning of the year following the revision year. (Section 7c of the Act on Client Charges in Healthcare and Social Welfare)

3.3 Income on which the client fee is based

Section 10b of the Act defines the income on which long-term institutional care client fees are based. The client fee is determined by the monthly income of the client. Income taken into account as the client's monthly income includes the client's continuous or repeatedly received annual income after withholding tax, less the costs incurred in obtaining income, as well as tax-exempt income and calculated forest income. If the fee is determined on the basis of the total monthly income of the client and their spouse, the corresponding income of the spouse is also taken into account as monthly income.

Income is continuous when it continues for at least three months from the date on which the fee is determined. Continuous income includes, for example, salary, pension and benefit income. Annual recurring income includes net income from capital and other assets, such as dividends and interest income. Dividends paid to an equity savings account and returns paid from investment funds to the client annually are also taken into account as income. Income paid to so-called growth shares of investment funds that are not distributed annually from the fund is not taken into account as income.

In the case of so-called non-tax-subsidised pension insurance, the income taken into account is that part of the pension corresponding to yield accruing on the capital invested. Conversely, capital repayments from non-tax-supported pension insurance are not taken into account as income.

Rent received from a rental unit, less the costs incurred in obtaining income, is considered as rental income. Costs incurred in obtaining income include maintenance fees and interest on the investment loan taken to acquire the unit. Payments of an investment loan or any housing company loan are not taken into account as a deduction of rental income.

Continuous or repeatedly received grants and recognition awards are taken into account as income to the extent that they are regulated as taxable income in Section 82(2) of the Act on income tax.

Calculated forest income means the average annual forest yield per hectare multiplied by the area of forest land, established in accordance with Section 7(3) of the Act on the valuation of assets for taxation (1142/2005). This amount is reduced by 10% and by forestry interest rates. At the request of the client or their representative, the municipality or joint municipal authority must reduce the calculated forest income if the net monetary value of the annual felling opportunity per holding is at least 10% lower than the forest income, based on a statement issued by the Finnish Forest Centre or forest management association. The discount is equal to the difference between the forest income and the net monetary value of the felling opportunity. (Section 10i of the Act on Client Charges in Healthcare and Social Welfare)

Incidental or non-recurrent income, reimbursement of expenses and other grants for a specific purpose or other similar income which is not regular or continuous and does not form part of taxable income is not taken into account as income.

Tax-exempt social benefits referred to in Section 92 of the Act on income tax (1535/1992) are not taken into account as income, with the exception of the allowance for persons with disabilities and care allowance for pensioners. A veteran's allowance paid as part of care allowance for pensioners is not taken into account as income.

Child support referred to in Section 4 of the Act on child maintenance is also not taken into account as income.

If the income of the client or their spouse varies, the average monthly income of the previous 12 months is taken into account.

Deductions in accordance with Section 3.4 are taken into account from the income on which the long-term institutional care client fee is based.

Net income to be taken into account, e.g.:

- Salary
- Pensions
- Benefits
- Student grant
- Adult education allowance
- Child home care allowance
- Disability allowance for persons under 16
- Disability allowance for persons aged 16 and over
- Care allowance for pensioners
- Interest income
- Dividend income
- Investment fund yield shares
- Forest income
- Rental income (less maintenance fee and interest on investment loan)
- Scholarships and recognition awards in so far as they are continuous or annual and subject to tax
- Other personal income

Income not considered, e.g.:

- Child benefit
- Child increase in accordance with the National Pensions Act
- Housing allowance
- Student allowance housing supplement
- Conscript's allowance
- Conscript's per diem allowance
- Front veteran's supplement
- Extra front veteran's supplement
- Veterans' supplement
- Child support or child maintenance allowance to minors
- One-off scholarships and recognition awards
- Income support
- Medical and examination costs under accident insurance
- Upkeep costs referred to in the Act on the social insurance institution of Finland's rehabilitation services and rehabilitation allowances
- Reimbursement of family care

3.4 Deductions from income

Before imposing a client fee for long-term institutional care, deductions in accordance with Sections 10c and 10d of the Act on Client Charges in Healthcare and Social Welfare must be deducted from the client's monthly income. If necessary, deductions according to Sections 3.4.1 and 3.4.3 are also made from the spouse's monthly income if the fee is determined by the spouses' total income.

3.4.1 Maintenance obligations, actual family relationships and traditional life annuity

- **Child support confirmed as to be paid by the person.** Child support is not deducted if the child support recipient is the client's spouse with whom the client lived in a joint household immediately before the start of long-term institutional care;
- **Other corresponding costs resulting from actual family relations** of the person;
- **Allowance withheld for a fixed period or a lifetime in connection with the transfer of property**, which they must pay in cash (traditional life annuity);
- **Compensation ordered by the receiver or the court**, referred to in the Act on the Dissolution of the Household of Cohabiting Partners (26/2011), which they must pay in cash.

3.4.2 Maintenance of a spouse and children staying at home

According to Section 15 of the Decree on Client Charges in Healthcare and Social Welfare, before imposing a fee for long-term institutional care, it must be determined whether the client lived in a cohabiting household in a marriage or conditions similar to marriage before the start of long-term institutional care, or whether they have underage children whose maintenance was wholly or partly dependent on the income of the service user.

On the basis of the determination, the fee should be set, if necessary, lower than provided for in Section 7c(2) (determination of a fee based on the spouses' combined income) and Section 10c (deductions from income) of the Act on Client Charges in Healthcare and Social Welfare, to secure the maintenance of the person living in the joint household and minor children.

The report must also take into account what is provided for in Section 3(2) of the Act on child maintenance (704/1975) on parental responsibility for the costs of the education of an adult child. An education support agreement or court decision approved by a child supervisor must be presented on the costs of the education of an adult child.

3.4.3 Remuneration of a guardian and audit fee of the Digital and Population Data Services Agency

The remuneration of a guardian consists of an annual basic fee and additional fees (Government Decree 696/2012 on the amount of the guardian's remuneration).

When determining the client fee, the basic fee of a guardian's fee (EUR 440 or EUR 280 per year) and the audit fee of the Digital and Population Data Services Agency per month are taken into account as deductions from the income. Correspondingly, the remuneration of a guardian is taken into account as a reduction of up to the amount of the basic fee of the above-mentioned guardian. (Section 10c of the Act on Client Charges in Healthcare and Social Welfare)

In addition, an additional fee of EUR 200 for measures to initiate guardianship is taken into account as a deduction from income.

The client or guardian must inform the client fee decision maker of any expenses incurred in the guardianship.

3.4.4 Expenses for dwelling

According to Section 10c of the Act on Client Charges in Healthcare and Social Welfare, when long-term institutional care begins, the actual housing costs of the previous dwelling are deducted from the client's income. This is intended to provide the client with sufficient time for housing arrangements. Costs for a dwelling other than the main dwelling are not taken into account as a deduction. The client's share of housing costs is taken into account as a deduction of income as follows:

The rent and compulsory home insurance for a **rental dwelling** are taken into account in accordance with the notice period of the Act on Residential Leases until the end of the month of admission to institutional care and immediately thereafter for one (1) month's notice period.

For right-of-occupancy homes, costs taken into account in accordance with the above-mentioned conditions include the maintenance fee and compulsory home insurance for three (3) months.

For owner-occupied homes, costs may be taken into account until the end of the month of admission to institutional care services and immediately thereafter for a maximum period of six (6) months:

- Costs taken into account for detached houses include property tax, reasonable heating and maintenance costs and compulsory home insurance.
- Costs taken into account for a share in a housing company are the maintenance fee and compulsory home insurance.

3.4.5 Debt recovery proceedings

As a rule, garnishment of a person's recurring income is not taken into account as a deduction. In exceptional circumstances, it may be taken into account if ignoring the garnishment would cause the person to incur client fee debts to be garnished.

4 Interruption of service

The municipality may charge an institutional care fee even if the service is temporarily interrupted due to the client. However, if the service is interrupted for more than five days, no fee is charged for the time exceeding five days. If the service is interrupted due to reasons attributable to the municipality or because the client is in institutional care, no fee is charged for the said five days, either. If the service is interrupted for an entire month, no fee is collected. (Section 10k of the Act on Client Charges in Healthcare and Social Welfare)

For hospital care, rehabilitation and other institutional care, the client pays the client fee charged for the service in question.

5 Client transfer to another institution

When the client moves from one unit to another in long-term institutional care arranged by the City of Espoo, the fee remains the same. The decision on the fee is transferred with the patient records.

6 Reduction of or exemption from client fees

On the basis of Section 11 of the Act on Client Charges in Healthcare and Social Welfare, the fee imposed for social welfare services and the fee imposed for health care services according to the client's capacity to pay must be waived or reduced to the extent that charging the fee would undermine the preconditions for the client's or family's livelihood or the client's statutory maintenance obligations. Applying for a reduction in the client fee or exemption from the fee takes precedence over income support.

Reduction of or exemption from long-term institutional care client fees is applied for using the appropriate application form or a free-form application. The application must state the fee for which a reduction or exemption is applied for, the start date and grounds. The decision on the reduction or exemption is made on the basis of case-specific consideration.

Inquiries on client fee reduction or exemption:

E-mail: asiakasmaksut@espoo.fi

Tel.: +358 9 8165 7261, weekdays 9:00–13:00

www.espoo.fi/asiakasmaksut

8 Dealing on behalf of one another

If matters related to long-term institutional care client fees are handled by someone else on behalf of the client, for example a relative, a power of attorney signed by the client must be presented for authorisation. Without written authorisation, information related to client fee decisions cannot be disclosed or handled in relation to the client fee. A guardian or trustee may act without a separate power of attorney. Information on guardianship and guardianship powers can be checked through the Digital and Population Data Services Agency.

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