



# Denmark: Health IT and telemedicine Industry Overview

Sabina Kroigaard  
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## Summary

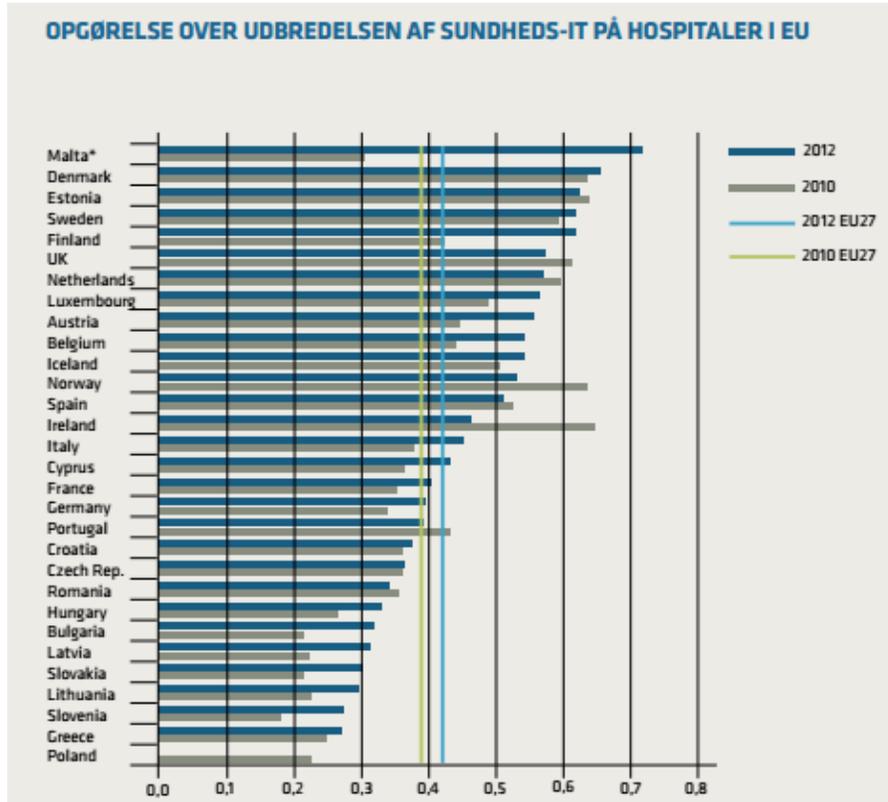
The Danish health IT and telemedicine market is developing with rapid pace. Major regional consolidation projects, an ongoing effort to implement international standards, and large national projects all contribute to a high demand for a great variety of solutions. While some obstacles such as a language requirements do hinder a truly international sector, the market does look promising for U.S. suppliers.

## Market Overview

Healthcare expenditures in Denmark account for approximately 11 percent of GDP (2011), or USD 37 billion. 85 percent of the sector is public and financed through taxes, a model recently discussed in a widely-circulated [article](#) by the *New York Times*. All Danish citizens have access to free healthcare. The following describes the structure of the sector:

- The [Ministry of Health](#), The [Danish Health and Medicines Authority](#) are responsible for central regulations and services and [eHealth strategy](#), while other state agencies such as the [National eHealth Authority](#) (NSI) and [MedCom](#) work specifically with the digital health agenda, standardization and interoperability. The official Danish health portal, which is accessible to all citizens and health professionals, is called [sundhed.dk](#).
- Denmark is divided into five [Regions](#) that are responsible for public hospitals (there are currently 53, but many of these are undergoing consolidation with nearby hospitals). Most of the Danish regions have formed teams that are dedicated to create innovation in the healthcare sector, and health IT and digital health services in general play a significant role.
- Private healthcare only accounts for 15 percent of the total sector. However, there are as many as 249 private hospitals and clinics—a significant increase over the last five years. Danish citizens have the right to choose treatment at a private hospital and get reimbursed if the waiting time in public hospitals exceeds two months ("[det frie sygehusvalg](#)"), which has contributed to the upswing in the private sector. 97,000 patients made use of this in 2010. We also see an increase in the use of private health insurance, with roughly 14 percent of the population covered by these supplementary plans. Read more about private healthcare in Denmark [here](#) (only in Danish) .
- 98 municipalities, covering about 20,000 inhabitants each, are responsible for nursing homes, home care services and the emerging health centers (rehabilitation and preventive care). They are organized under the interest group / member authority [Local Government Denmark](#) and [health](#) is a major area of responsibility that is discussed.
- General Practitioners (GPs), specialist clinics are all operated as private business units and reimbursed by the government. Most GPs are member of the [Danish Medical Association](#). There is about 5,000 GPs in Denmark. About 92 percent of the population contacts their GP annually. According to the membership there are more than 26,000 doctors in total.

The Danish healthcare system is among the best in the world in its use and adaptation of IT and it is renowned for its electronic patient record system ([CPR](#)), which gives individuals a personal identification number and stores personal information. The adoption of basic IT management systems is widespread across the entire sector. 100 percent of GPs and psychologists, 98 percent of specialists and physical therapists, 85 percent of chiropractors and podiatrists and 50 percent of dentists all use electronic health records. Nearly 100 percent of pharmacies and hospitals complete their referrals, discharge summaries, clinical data exchanges and scripts online.



Deployment of health IT in European hospitals. Source: European Commission

The EMR (in Denmark often referred to as Electronic Patient Journal / EPJ) landscape is quite scattered. The idea of a universal EMR solution has thus far been abandoned in favor of a strategy towards a portal based system with a common front end and underlying diversified solutions. Quite far in the process, however, the Danish government has had to postpone the release of the so-called National Patient Index (NPI), a module-based structure built on privately supplied solutions from a range of different national and international firms.

### Market Demand

The Danish government recently announced plans to build 16 new major hospitals across the country and to renovate one-third of all existing hospital space. The building and renovation project began in 2010 and will continue until 2020 at the cost of approximately 7 billion USD. Expected investments in health IT amounts to almost 3 billion USD.

### Best Prospects

The new hospital building projects call for a broad variety of high end health technology, including upcoming EMR tenders.

Telemedicine is emphasized as one of the most important and promising prospects in the Danish healthcare sector. The [Danish National Strategy for Digital Healthcare 2013-'17](#) calls for more centralized healthcare and remote treatment and monitoring, which helps keep patients in their own homes.

Greenland and the Faroe Islands is part of the Danish Kingdom, and because the American Thule Air Force Base is based on Greenland, a Joint Committee exists between Denmark, Greenland and the United States to tackle common challenges such as the provision of healthcare. In Greenland, all settlements with more than fifty inhabitants host a connected telemedicine center. In fact, an American

company won this tender. The remote autonomous regions of Greenland and the Faroe Islands may pose good prospects for more American technology or research pilots.

### Key Suppliers

Currently, the different regions use different EMR systems. Historically the space has been dominated by local suppliers, however, some of them acquired by American companies, such as [CSC Scandihealth](#) and [IBM Acure](#). Swedish [Cambio](#) and Danish [Daintel](#) and [Systematic](#) are also present in the landscape. In a current tender with the Danish Capital Region and Region Zealand, two American companies are in the final round: Cerner partnering with [CGI](#) and Epic partnering with [NNIT](#). The final decision will be made late 2013.

### Market Entry

Some kind of local presence is highly recommended in this sector. [Invest in Denmark](#) offers a range of services for foreign companies wishing to establish in the market. The U.S. Commercial Service can help identify potential partners and distributors as a mode of entry. Sometimes pilots directly with Danish hospitals, on a department level, or research institutions may be the way forward. But most tender business require Danish language skills.

All major public and regional tenders are listed at [udbudsavisen.dk](#) or [regionsudbud.dk](#). This [procurement guide](#) has a section specifically dedicated to health IT. You can furthermore ask the author of this report or guidance on public procurement and upcoming health IT tenders.

### Market Issues and Obstacles

One of the most essential requirements is Danish language. Within the health IT sector, there are strict rules for translation where only symbols and short common words are allowed to be in English. Denmark uses XML standards for data exchange. The Danish government has invested heavily in translating and distributing the SNOMED CT terminology. There is an ongoing further implementation of HL7 in all solutions throughout Denmark to ensure easier import and export of health IT solutions.

There is also a need to comply with MedCom's standards for interoperability, and most international solutions have to be customized. Solutions furthermore need to be customized to encompass the Danish CPR number (personal identification number). When it comes to telemedicine, Denmark is one of the first countries outside of the United States to incorporate and adopt [Continua Health Alliance guidelines](#) for personal connected health devices as part of the [national telemedicine action plan](#).

Data security is high on the agenda. As of 2008, all Danish public institutions must comply with the Danish Information Security Management System (ISMS) called DS484 which is built around the ISO 27001 international standard.

All goods are also subject to a 25 percent VAT (Value Added Tax) calculated on the landed cost, or c.i.f. cost, plus the duty. VAT applies on a nondiscriminatory basis to all goods, whether imported or locally produced. In addition to import VAT, most goods are subject to import duty tariffs. The duties for medical equipment are generally low and in line with EU averages. Software is not subject to these tariffs when imported to Denmark. Once cleared by customs, goods may move freely within the EU.

## Trade Events

MedInfo 2013  
August 20-23, 2013  
[www.medinfo2013.dk](http://www.medinfo2013.dk)

Hospital + Innovation  
September 30 – October 1, 2013  
[www.hospitalplusinnovation.com](http://www.hospitalplusinnovation.com)

E-sundhedsobservatoriet (The E-health Observatory)  
December 2-3, 2013  
[www.e-sundhedsobservatoriet.dk](http://www.e-sundhedsobservatoriet.dk)

## For More Information

For further information please contact U.S. Commercial Service, Commercial Specialist Ms. Sabina Kroigaard.

Address: Dag Hammarskjölds Allé 24  
DK-2100 Copenhagen O  
Phone: +45 3341 7202  
Cell: +45 2521 0550  
E-mail: Sabina.Kroigaard@trade.gov  
Internet: <http://www.export.gov/denmark>

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