



# EUREGIO III Case Study Material

EUREGIO III Work Package 5

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## I. INTRODUCTION

Throughout the period of the EUREGIO III project, case material was produced for three purposes:

- To provide a basis for examination of the SF process and its application;
- As input and teaching material for the workshops and masterclasses, and;
- A reference source for the EUREGIO III web site.

During the course of the project it became evident that development of case material needed to be a more dynamic process to respond to rapidly changing circumstances in the health landscape. These are principally:

- The rapidity of change in thinking about future healthcare investment strategy, for example,
  - The acceptance that planning for the healthcare needs of an ageing population is likely to result in a different set of investment priorities than that seen in previous SF programme cycles;
  - Changing epidemiological trends, in particular the rise in chronic disease, will result in new and innovative models of care which again will change spending priorities;
  - The rapidity and scale of the availability and introduction of new clinical and ICT technologies will transform the way in which services are delivered and open up new areas of investment need – also noted by the OECD as one of the principal drivers of cost escalation in healthcare
  - The need to introduce healthcare reform measures to reconcile these changes – and general increases in service demand - with a limited public capital and revenue resource outlook.
- The subsequent and critical emergence of a downturn in almost all EU Member States economies in the wake of the credit crisis of 2008/9 with the subsequent danger / impact of reduced resources for healthcare delivery.

Opportunity was taken to explore these changes in some considerable depth with attendees at EUREGIO III workshops and masterclasses to compare their perspectives on SF investment with the potential impact of these factors across wider European healthcare systems in general. Some of the more

progressive non-SF investment projects were used as case material to illustrate the variations in approach.

It was clear from this dialogue that the primary concern was to ensure that EUREGIO IIIII provided support for the development of SF strategies that would be more responsive to these increasingly dominant factors. In other words a detailed retrospective analysis of SF performance would be useful but would not necessarily contribute a great deal to future thinking. More valuable would be evidence that looked forward to the forthcoming SF programme guidelines and underpinning *Europe 2020* principles.

This approach was also influenced by the outcome of the Lisbon evaluation that identified the following issues and problems with the former and current generic SF programmes:

- A need to enhance policy effectiveness
- Difficulties with the process
- Weak capacity
- Lack of strategic approach
- Poor integration of process
- Weak outcome assessment
- Need to strengthen leverage – “through financial engineering”

There seemed little point in working up case studies that merely replicated these already authoritative findings.

These factors therefore demanded a reshaping of the portfolio of case studies and which was further redefined in light of three subsequent and important influences that emerged during 2011, they were as follows.

## **II. THE OUTCOME OF THE HUNGARIAN PRESIDENCY (JANUARY / JUNE 2011) AND SUBSEQUENT ACTION BY THE EU COUNCIL**

Hungary has the largest of the current 2007/13 Structural Fund programmes, furthermore is currently implementing major reform of its healthcare system. The Hungarian Ministry of Health was therefore well placed to comment on the focus and effectiveness of its inherited SF programme (following a change of Government in mid-2010) in relationship to its proposed reform model. The conclusions were:

- The need to move on from a capital intensive and costly hospital-centred model of care towards a more integrated and patient-centred and sustainable system of care delivery
- To build future healthcare delivery systems around the principle of patient and professional (disease focused) pathways
- To recognise the impact of volatility in the healthcare labour market
- To ensure that strategies were fit for purpose for “*Investing in Health Systems of the Future*” – the principle headline of the Hungarian Presidency programme for health.

EUREGIO III case material was used to help shape both the Hungarian Presidency programme content and presentation to the informal meeting of EU health ministers (held Godollo, Hungary, April 2011). See EUREGIO III web site.

As a measure of the unanimity of support from Health Ministers the EU Council endorsed the programme recommendations in the EU Council Conclusions of 6<sup>th</sup> June 2011. The key elements, with SF relevance, are as follows:

- Acknowledgment of the scale and urgency in dealing with a rapidly changing (financial) situation in healthcare
- Health should play an adequate role in the implementation of Europe 2020 and investments should be acknowledged as a contributor to economic health
- That in order to create modern, responsive, efficient, effective and sustainable health systems EU Structural Funds should be used in complementing the financing of the healthcare sector for eligible regions including capital investment and – developing new generation approaches to transformation of health systems and rebalance investment towards new and sustainable care models and facilities
- Consider innovative approaches with particular emphasis on effective investment with the aim of moving away from a hospital-centred system towards integrated care systems
- Initiate a high-level reflection process to identify effective ways of investing in health
- Sharing and analysing experiences, best practices to build up success factors for the effective use of Structural Funds for health investments.

### III. NEW COHESION POLICY GUIDELINES

The recently published draft Cohesion Policy guidelines identify:

- The scale of Funding €336 billion (€255 ERDF, €70 billion rest) an uplift of €26 bn on the current programme. Healthcare related projects are unlikely to be given any preferential 'ring-fenced' funding and will be in an open competitive situation with other projects.
- The 11 listed "thematic priorities" of strengthening research, ICT, SMEs, low-carbon economy, climate change adaptation, environment, sustainable transport networks, employment, social inclusion, education, and institutional capacity) – derived from Europe 2020
- Healthy ageing and the importance of e-health as specific issues highlighted
- Health, including in the sense of the healthcare delivery sector, is incorporated within social inclusion, as a horizontal priority

Overall there is considerable scope for healthcare investment. A healthy working population is fundamental to economic growth and the challenge will be to ensure that projects are aligned closely with the core objectives of Europe 2020.

### IV. THE UNCERTAIN ECONOMIC OUTLOOK FOR MEMBER STATES

It is now clear that the deteriorating economic outlook will have a significant impact on healthcare. Although health is a core societal service it will nevertheless feel the pressure of the economic slowdown; at best public spending austerity, at worst reductions in financing or greater 'out of pocket' burden for citizens. Affordability and sustainability will become new watchwords for future healthcare spending including Structural Funds.

The challenge for the EUREGIO III project is therefore how to ensure that case material looks forward to these new challenges and not to past decades where these new factors were manifestly not in play or relevant. This has meant a late order (2011) reshaping of case studies that offer relevant and important precedents and learning experience for the future; where the investment strategy must address at minimum:

- The rapidly changing demands on healthcare services in particular an ageing population (healthy ageing) and the rise in chronic illness
- A slow down (and possible reduction) in new resource availability – likely to be particularly acute in the capital sector due to the problems arising from the credit crisis

- The outcomes of the Hungarian Presidency, EU Council Conclusions in calling for reform of health systems to move on from an unsustainable hospital-centred model towards more sustainable and effective integrated care systems
- The reinforcement coming from the new Cohesion Policy draft guidelines underpinned by Europe 2020 which in turn highlight specific areas of concern – and opportunity e.g. healthy ageing / eHealth.

The final portfolio of case studies therefore reflect this overall new sense of direction – albeit that the Cohesion Policy guidelines will be subject to an 18 month consultation period.

## V. THE CASE STUDIES

This late stage need to rebalance the programme means that some studies are not yet fully developed but arrangements are in hand to ensure that they will continue to be worked on and updated beyond the formal end of the project; MS and Regions will be able to request further detail and advice through ECHAA.

This will be reinforced by the fact that selected case studies will also form part of the evidence for the High Level Reflection Sub-Group 2 led by Hungary and which will address – “Defining success factors for the **effective use of Structural Funds** for health investments”. In this respect they will be subject to further analysis that will also be available as above.

It is also important to note that non-SF funded projects have been included in the review where they demonstrate important progressive features relevant to this new agenda and ahead of those normally found within SF programmes

The following is a matrix chart that cross-references case studies to the new priority focus areas discussed above.

Case study	Healthcare reform and masterplanning	Integrated care	eHealth and technology innovation and integration	Healthy ageing	Hospital development / redevelopment
<b>SF sources</b>					
Hungary masterplanning	***	**			
Slovakia masterplanning	***				**
Kymelaasko Finland masterplanning	***	***		**	**
Brandenburg Germany Cardio-vascular care	*	***	***		
Sicily <ul style="list-style-type: none"> <li>Health needs assessment</li> <li>Technology assessment</li> <li>Technology investment</li> </ul>	*	*	***		*
Norbottenland, Sweden eHealth		***	***	**	
Greece, Cancer Centre					***
Slovenia eHealth			***		
Poland, Hospital Investment			**		***
Greece, mental Health, Autism Services	***	**			
Estonia – SF Structural Plan	***				

Case study	Healthcare reform and masterplanning	Integrated care	eHealth and technology innovation and integration	Healthy ageing	Hospital development / redevelopment
<b>Non-SF comparative reference Sources</b>					
Orbis Medical Park, Netherlands		**			***
Groningen Hospital, Netherlands					***
Karolinska Institute, Sweden		**			***
Coxa Hospital, Finland		***	***		
Hospital de la Ribera Spain		***			
Tuscany, Italy masterplanning	***				
The Private Finance Initiative, UK					***
Northern Ireland, UK masterplanning	***	**			

In conclusion there can be no fixed end point for case study development, but rather increasingly deeper level analysis and evaluation as more (and better quality) outcome evidence is produced. A selected range of case studies will therefore remain dynamic and will be available as an ongoing resource to MS, Regions and the EU Commission.

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