



Position statement

New perspectives on the application of healthcare
related Structural Funds



“Objectives are European, funds are national and needs are regional”

An overview

The 80s' and 90s' saw considerable consolidation of the hospital-centric model of healthcare in Europe. By the turn of the millennium concerns were growing about the appropriateness and sustainability of this dominance. New models of community focused care, in particular for the chronic ill and elderly, were promoting a shift away from hospitals whilst at the other extreme clinical governance was suggesting minimum threshold volume levels justified more acute service specialisation. Transformational change was clearly needed.

It now seems evident that the 2008/09 credit crisis and its aftermath will have proved the decisive tipping point for healthcare reform. There is increasing consensus across Europe about current pressures and the means by which these can be resolved. Europe is not short of ideas about what to do but evidence suggests how to do it is proving a problem. Reforms mostly imply a greater degree of integration between different sectors of the healthcare community. However, this is not obviously reflected where health system reform has been included in national reform programmes in some EU12. The focus still seems to be on short-term easing of pressures resulting from ongoing financial instability.

Major investment domains such as eHealth and capital assets play an important role but strategy and performance in these fields seems fragmented to the extent that it is holding back progress. The Hungarian Presidency programme for the EU has identified these shortcomings and promotes a new cross-Europe drive to adopt a more rigorous evidence-based approach to healthcare reform - with integration principles at its core. Also, there is recognition in the Innovation Union initiative that social innovation has an important role at local levels and with marginalised groups where evidence is limited. Together, these hold important messages for the future aims of structural fund investment.

Structural Fund investment: replication or reform?

Evidence suggests that much of the focus for SF investment during the past and current programme cycles (2000/6 – 2007/13) has been on capital expenditure for

hospital and health facility renewal and eHealth projects. In addition, there has been a more recent (2007/13) shift towards spending on 'healthy ageing' projects in line with the new 'Europe 2020' Strategy.

Capital asset spending has largely resulted in replication of existing hospital centric models of service delivery – now being challenged by alternative and more effective and sustainable models of care. There has been little evidence of innovation aimed at transformational change away from the dominance of hospitals as the primary focus of healthcare. Projects of this kind are unlikely to meet future SF criteria (see below).

eHealth is the fastest growing area of new investment (SF and non-SF) and now represents about 35% of all new capital investment in healthcare. There are four primary areas of focus:

- Quality improvement, including patient safety
- Improving patient access and empowering patients
- Managing clinical costs and reducing administrative costs, and
- Facilitating the introduction of new models of care

The principle areas of spending in support of these initiatives seem to be:

- Computer-based patient records
- ePrescribing, and
- interoperability of ICT systems

Investment aimed at applying eHealth to improve continuity of care is lagging behind these growth areas.

However a number of recent authoritative reports (OECD, EU Commission and the Swedish Presidency) suggest that progress is slow and fragmented. Also, development of eHealth programmes to support integration / continuity of care (a pre-requisite of transformational change in models of care) is significantly under-developed, with little evidence of operational impact. In large part this results from professional resistance, public apathy and perhaps concentrating too much on the purely technical dimensions of eHealth. As with capital investment above, eHealth programmes are under intensive review with a view to improving operational performance and impact.

The recent 'Lisbon evaluation' of SF tends to endorse many of these overall problems, it describes:

- *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”*
- *Health remains a high value investment”*

The EURGEGIO III case study review findings are consistent with the Lisbon evaluation.

Overcoming these shortcomings will be implicit in the determination of future SF strategy. This is critical if current pressures are to be satisfactorily addressed.

This should be seen against how the consensus view of EU member states views both the problems facing healthcare – and how these should be resolved.

There is convergence between MS in identifying the principle pressures in healthcare:

- Affordability – the impact of the credit crisis and beyond
- Ageing
- Chronic illness
- The increasing costs of technology development and diffusion
- Rising personal and professional expectation
- Workforce mobility
- The carbon agenda
- Health equity as a core element of social cohesion

There is also widespread agreement on how these pressures should be resolved through common patterns of change:

- Moving to economically more sustainable models
- Facilitating innovation and applying new technology as a driver of change
- Making health systems more patient-focused and less provider-centred
- Strengthening primary care and reducing the unnecessary demands (the elderly and chronic ill) on the hospital sector
- A diversity of service providers to improve standards and promote efficiency
- Improving the effectiveness of commissioning / purchasing
- Improving the effectiveness of SF

Keynote dimensions are the emphasis on: moving to new more sustainable models of healthcare, technology as a factor of change and improving the effectiveness of SF in pursuing these aims. A core issue is that SF should be directed more towards innovation in delivering transformational change in healthcare; this is strongly reflected in the Hungarian Presidency programme.

EU Council conclusions

The EU Council meeting (held 6th June 2011) considered and endorsed the Hungarian Presidency Programme recommendations, for example:

- *“Investments in health should be acknowledged as a contributor to economic growth*
- *European Structural Funds resources can be used in complementing the financing of health sector development of eligible regions of Member States, because:*
- *Achieving social cohesion, reducing major disparities and closing serious health gaps are of utmost importance;*
- *Developing ‘new generational’ approaches to healthcare will require appropriate funding to foster transformation of health systems and rebalance investment towards new and sustainable care models and facilities;*
- *Recognising the importance of evidence-based policy-making and decision-making processes supported by adequate health information systems;*
- *Recognising that there is a need for sharing evidence on health systems’ modernisation and of new healthcare approaches;*
- *Moving away from hospital-centred systems towards integrated care systems;*
- *Make smarter use of EU Structural Funds that can contribute to health systems innovation.*

In summary the Conclusions aim to promote more effective application of SF in particular aimed at developing more innovative investment that in turn will deliver transformative change and a more sustainable health system. The Conclusions will overall create the context within which the Europe 2020 strategy will be applied.

Anticipating the next programme cycle

‘Europe 2020’ begins to set the template against which future SF projects will be assessed. Whilst not explicitly addressing health issues ‘2020’ implicitly sets guidelines. It’s three priorities are:

- **Smart growth** – developing an economy based on knowledge and innovation.
- **Sustainable growth** – promoting a more resource efficient, greener and more competitive economy.
- **Inclusive growth** – fostering a high-employment economy delivering economic, social and territorial cohesion.

Furthermore these themes are developed in the identification of 7 flagship programmes. How health

systems investment might align with these programmes is summarized in the Table 1 below.

Table 1: Indicative alignment of health sector investment with EU2020 flagship initiatives

Flagship	Relevant actions
Innovation Union	Regional excellence clusters based on public health systems, universities and health industry collaboration, innovation partnership (healthy ageing), bio-economy, functional foods
Youth on the Move	Inclusive employment, life long learning, transnational and interregional mobility
European Digital Agenda	E-health, ICT-based support for dignified and independent living, telemedicine, tele-coaching, dispersal technology, eLearning, patient information services
Resource Efficient Europe	Pluralistic health care model (less hospital-centric), cross-border health care, improved local procurement with the health sector supply chain, energy efficient capital investment
Industrial Policy for Globalisation	Joint R&D regional platforms for medical device SMEs, regional health sector supply chain SME Networks
New Skills and Jobs	Inclusive employment, flexible workforce, active ageing, life long learning, mobile health professionals
Platform Against Poverty	Inclusive employment, improved social protection (pensions), closer to home health care access; healthy ageing

Other direct health related problems already embedded in the SF agenda will continue, for example:

- Healthy ageing
- Health equity
- Cross-border care

Finally the new '20/20/20 carbon agenda targets will also be explicit and should be reflected in future capital investment proposals.

The 'EU Council Conclusions' will nevertheless set the health context within which Europe 2020 will be applied and provide clear indicators of priorities.

In preparing for the next round of SF programme proposals it is inevitable that these new and more rigorous targets will be backed by some form of conditionality; stronger decision criteria. This is an issue under current discussion but it can be assumed that 'common sense' proposals will require projects to demonstrate:

- **Connectivity** - that the project fits within, and makes a measurable contribution to population-based strategic (master) plans at regional and/or national levels.
- **Transformational change** - investment in new models of care that address issues of patient quality and equity built on a reliable evidence base including appropriateness of treatment and care, location and accessibility, and impact on personal and population health status. Integration across the whole health and social sector will become increasingly important as a change factor.
- **Affordability** - that the life cycle cost of the investment can be resourced.
- **Sustainability** - once joint funding ends the revenue costs of the project can be absorbed into existing health budgets without prejudice.

The aim is to avoid future opportunistic or ad-hoc projects. These are inadequate in meeting needs for transformational change to deliver a more sustainable healthcare model in line with 'masterplan'/ regional development plan/ 'structural programme' relevance and impact.

Building on EUREGIO III

EUREGIO III faces increasing demand at EU, national and regional levels for knowledge & learning generated by the project as well as guidance & support for translating them into practice.

In summary, there is a need to build on EUREGIO III with:

- A platform for exchanging practical "how-to" knowledge (**clearinghouse** function)
- A mechanism for bridging the evidence base with policy implementation (**knowledge brokerage**)
- A **capacity building** programme and **technical support** at national and regional levels that improves access to and use of structural funds from strategic planning, through project conception to implementation.

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