



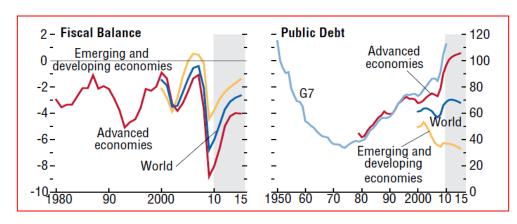


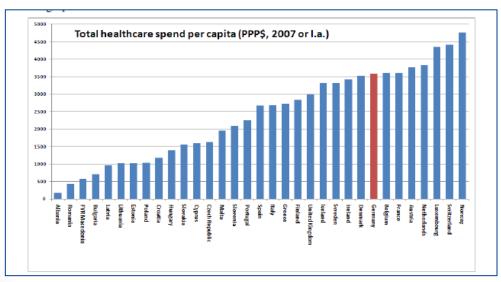
Examining the point at which debt stops supporting growth and turns damaging, the research found that for government debt, the threshold is in the range of 80pc to 100pc of a country's gross domestic product (GDP).

Bank for International Settlements (BIS)



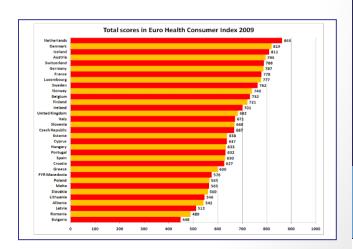
We can no longer 'buy' progress





The credit crisis and aftermath is much deeper and longer lasting than presumed:

- A decade or more of severe public service austerity
- Debt accumulation and cost inflation exceeding
 GDP
- Lack of investment funding
- Lack of transparency



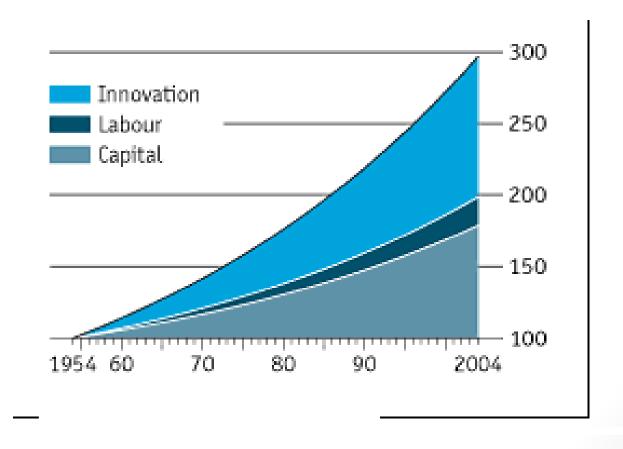


"Consider innovative approaches and models of care responding to challenges and develop future long-term health sector strategies with the aim of moving away from hospital centered systems towards integrated care systems, enhancing equitable access to high quality care and reducing inequalities"

> EU Council 6th June 2011 (Hungarian Presidency, Godolo, 2011)



Why innovation is important Productivity growth USA, Output per hour, 1954=100





The trajectory of new policy and strategy development (aimed at sustainability) within the EU

- The 'Lisbon Accord' reflection
- Europe 2020 a new strategic direction for Europe
- The importance of the Hungarian Presidency (2011) programme for health
- The EU Council Conclusions 2011
- The Polish Presidency (2011) a preview



EU Commission responses Lisbon Accord evaluation document

MAIN FINDINGS

- The Lisbon Strategy has helped build broad consensus on the reforms that the EU needs:
 - it has delivered concrete benefits for EU citizens and businesses
 - but increased employment has not always succeeded in lifting people out of poverty
- Structural reforms have made the EU economy more resilient and cohesion policy worked (to a point)
- However, the Lisbon Strategy was not sufficiently equipped to address some of the causes of the crisis from the outset
- Whilst much has been achieved, the overall pace of implementing reforms was both slow and uneven



"Europe 2020" – a strategy document for the future

- "SMART, SUSTAINABLE AND INCLUSIVE GROWTH Where do we want Europe to be in 2020?"
- "Three priorities should be the heart of Europe 2020:
 - 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."
- Supported by 7 flagship programmes



Europe 2020 - "for a healthier EU"

Promoting good health is an integral part of **Europe 2020**:

- keeping people healthy and active impact on productivity and competitiveness
- innovation making the healthcare sector more sustainable (new cures for health conditions)
- an important role in creating jobs employs 1 in 10 of the most qualified workers in the EU
- with a projected 45% increase in the number of people aged 65 and over in the next 20 years, financing rising healthcare costs and access to a dignified and independent life for the aging population will be central to the political debate.



The 7 Flagships



- Smart Growth
 - Innovation Union*
 - Digital agenda for Europe*
 - Youth on the move
- Sustainable Growth
 - Resource efficient Europe
 - An industrial policy for the global era
- Inclusive Growth
 - An agenda for new jobs and skills*
 - European platform against poverty*

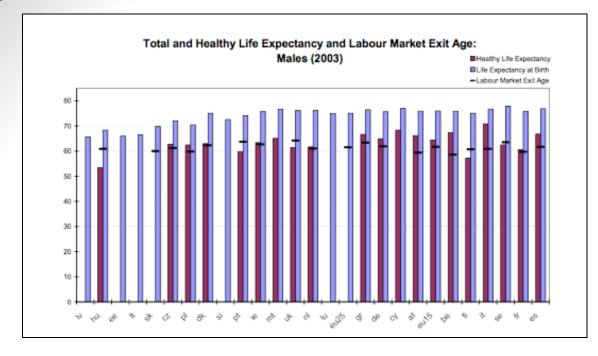


^{*} Identified by the EU as directly relevant to health

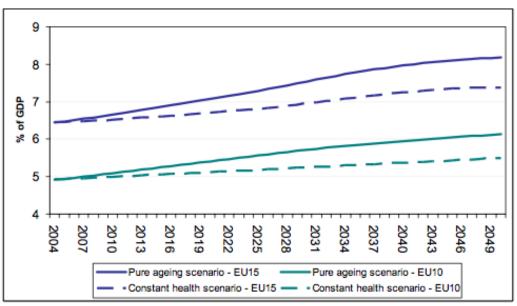
Key flagship areas - Innovation Union

- The <u>Innovation Union</u> aims to maximise the EU's capacity for innovation and research and channel it towards societal challenges.
 The aim is to make Europe a world-leader in developing innovative ways to promote active and healthy ageing – a challenge common to all European countries.
- A new pilot scheme <u>European Innovation Partnership on Active and Healthy Ageing</u> was launched in 2011. Its main objective is to increase the average healthy lifespan in the EU by two years by 2020. In doing so it aims to:
 - enable older EU citizens to lead healthy, active and independent lives;
 - improve the sustainability and efficiency of social and healthcare systems;
 - boost and improve the competitiveness of the markets for innovative products and services that respond to the ageing challenge both at EU and global level, thus creating new opportunities for businesses.



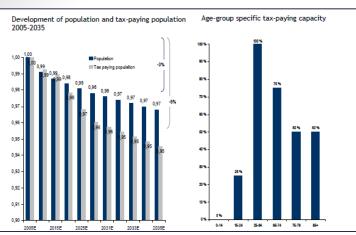


Why healthy ageing is important

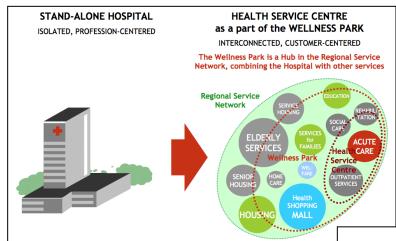


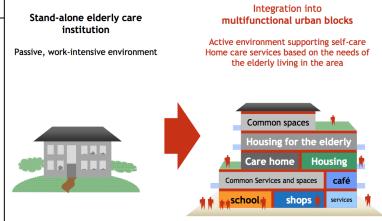
Graph 6: Projected increases in public health care expenditure (in % of 2004 level)





Kymenlaasko Finland







A Digital Agenda for Europe

- "The <u>Digital Agenda for Europe</u> focuses on developing and using digital applications. Under the banner <u>ICTs for social challenges</u>, the Agenda includes plans to improve the quality of care, reduce medical costs and foster independent living among people who are sick and disabled.
- Four key actions relate to health:
- Action 75: Give Europeans secure online access to their medical health data and achieve widespread telemedicine deployment
- Action 76: Propose a recommendation to define a minimum common set of data
- Action 77: Foster EU-wide standards, interoperability testing and certification of eHealth
- Action 78: Reinforce the Ambient Assisted Living Joint Programme"



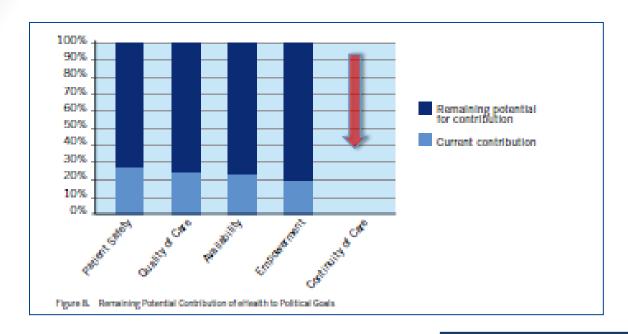
OECD review of transformational technology 'eHealth 2010'

4 broad categories

- Increasing quality of care and efficiency
 - "Generating a culture of safety" clinical and operational governance
 - Chronic disease patient support and compliance with guidelines
- Reducing operating costs of clinical services
 - saving time with data processing, and by reducing multiple handling of documents
 - E-prescribing
 - Diagnostic imaging and processing
- Reducing administrative / management costs
 - Reducing the paper trail and transaction time
- Enabling entirely new models of care
 - Transformational change



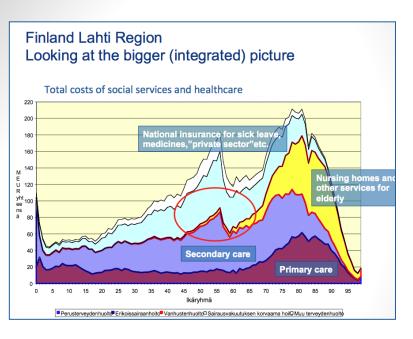
eHealth: underachieving?

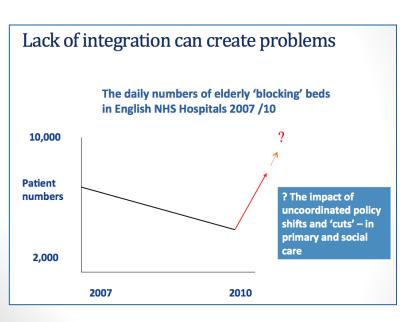


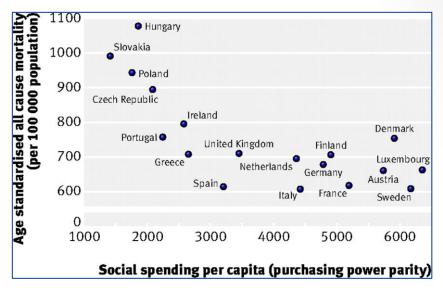
Professional resistance
Public mistrust and apathy
Poor absorption capacity
Wrong focus

- From technical
- To operational and strategic Weak evaluation







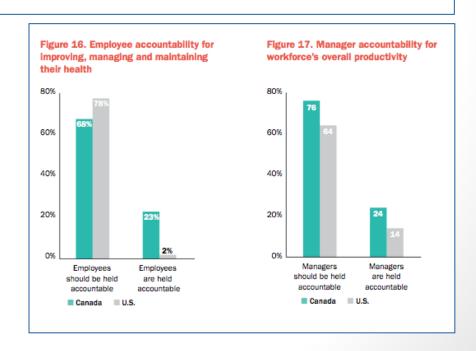


eHealth and Integration must look beyond the immediate health sector



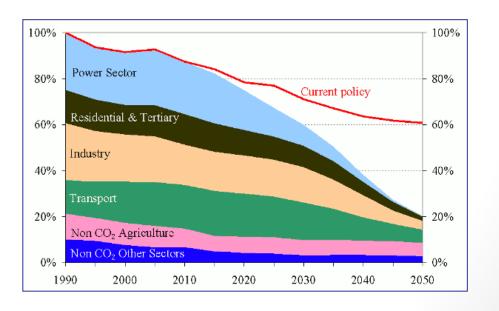
An Agenda for new skills and jobs

- The <u>Agenda for New Skills and Jobs</u> will help to highlight the economic role of mental health and the health of the workforce. This should result in improved working conditions and workplaces that prioritise the health and well-being of their employees, thus reducing health inequalities, workforce shortages and absenteeism. The EU is also supporting research into the growing incidence of mental illnesses in the work place.
- A large-scale review of health-in-the-workplace legislation is also underway, and should be completed by 2014:





Sustainable growth – promoting a more resource efficient, greener and more competitive economy





Brussels, 20 September 2011 – "Today the European Commission set out a 'roadmap' aimed at transforming Europe's economy into a sustainable one by 2050"

- The sustainable growth (flagship) initiative a framework for policies to support the shift towards a resource-efficient and low-carbon economy which will help to:
 - boost economic performance while reducing resource use;
 - identify and create new opportunities for economic growth and greater innovation and boost the EU's competitiveness;
 - ensure security of supply of essential resources;
 - fight against climate change and limit the environmental impacts of resource use
- An energy efficiency plan with a time horizon of 2020 which will identify measures to achieve energy savings of 20% across all sectors, and which will be followed by legislation to ensure energy efficiency and savings



"Resources are often used inefficiently because the information about the true costs to society of consuming them is not available with the result that businesses and individuals cannot adapt their behaviour accordingly"

EU Sustainable Growth Flagship



We need more publicity -? early stage development of the systematisation of carbon targets in care pathways

- Healthcare accounts for 8% of US Carbon Footprint
- In the UK the health service accounts for one-quarter of the total public sector carbon footprint. Between 1992 and 2004, NHS emissions rose by 12%, meaning the NHS must reduce its existing carbon footprint by 86% by 2050 to meet government CO2 targets
 - A high-level UK Cancer Care Group agreed to lead the transformation of cancer services into sustainable, low carbon care systems by persuading their organisations to adopt a number of measures such as:
 - developing a carbon reduction strategy,
 - · signing up to the climate change campaign, and
 - supporting the research, dialogue and action necessary to create environmentally sustainable cancer services
 - Dr Adam Glaser (clinical director of the National Cancer Survivor Initiative) "patients make a median number of 53 separate trips for their treatment, while many follow up appointments are "empty" encounters failing to address their concerns"



The typical cost of a heart bypass to the UK's National Health Service is £6324, it adds up to more than 1 tonne of CO2e

- Overall, UK healthcare has a footprint of 27m tonnes CO2e, or just over 3% of the national consumption
 - Pharmaceuticals 20%

 Fuel 16%
 Electricity 13%
 Medical instruments 10%
 Sewage and sanitary 4%
 Transport 4%
 Paper and card 2%
 Other 31%
- So what can we do to reduce the emissions of our healthcare system
 - Stay healthy
 - Endorse transformative models of care
 - Support innovative planning and building and technology investment



There is a change in attitude emerging (BMA)

- Energy efficiency
 - Building energy is responsible for 22 per cent of the 18 million tonnes of carbon emitted by the NHS annually.
- New building design
 - Buildings are a significant part of an organisation's carbon footprint, and new building design provides the opportunity to incorporate low-carbon measures.
- Procurement and commissioning
 - It is estimated that over half of the NHS's carbon emissions result from the way it buys and disposes of products.
- Food and drink
 - Many healthcare organisations provide patient meals, and new ways of sourcing and providing these can reduce their carbon footprint.



Attitude change (cont'd)

- Encourage behaviour change
 - Engaging staff and patients is essential for effective organisational change as they are the ones who will need to implement new ways of doing things and feedback progress and problems.
- Travel and transport
 - Five per cent of the UK's road transport emissions are attributable to NHS-related journeys. Developing a sustainable transport plan can help.
- Reduce waste and recycle
- Water management
- Corporate governance
 - Embedding action on climate change in all organisational and employment policies will help address its threat as a corporate issue.



A 'hidden' dimension of 2020

PPP, an ongoing ambition and conviction in Europe

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Brussels, 19.11.2009 COM(2009) 615 final

Mobilising private and public investment for recovery and long term structural change: developing Public Private Partnerships

- The combination of public and private capacities and money can help the process of recovery
- But, just at the time when the more systematic use of PPPs would bring considerable benefits, the crisis has made them more difficult to implement
- Although there is now some evidence of recovery, the volume and value of projects currently is still significantly below pre-crisis level.



PFI The UK Parliamentary Select Committee Report This does not appear consistent with EU strategic aims

- "Efforts to meet fiscal rules at a national and European level may have contributed to the misuse of PFI. Rules designed to promote fiscal sustainability have had the paradoxical effect of incentivising the use of off-balance sheet finance—which is likely to prove less sustainable."
- "In the long term, the PFI arrangement will build up big commitments against future years' current budgets that have not even yet been allocated or agreed. We are concerned that this may have encouraged, and may continue to encourage, poor investment decisions. PFI continues to allow organisations and government the possibility of procuring capital assets without due consideration for their long-term budgetary obligations"



'Godolo' Hungary 2011



Hungarian Presidency programme 2011 "Patient and Professional Pathways, Investing in Health Systems of the Future"

- Launching of a new EU-wide common reflection process
 - "How do you see the benefits for national governments as well as added value at EU-level of possible joint activities, such as facilitation and linking of exchanges, experts, data bases, programmes and projects, mapping and framing these resources into an integrated tool?"
- Improving the effectiveness of the use of national and EU Structural Funds - working together in identifying more innovative ways in which Structural Funds can be used
- The Europe 2020 Strategy should create the momentum to shift health policy from its previous predominant focus on cost containment towards a position where innovation in health care itself becomes an acknowledged driver, and the health sector is regarded as an active and critical contributor on a number of levels to economic progress.

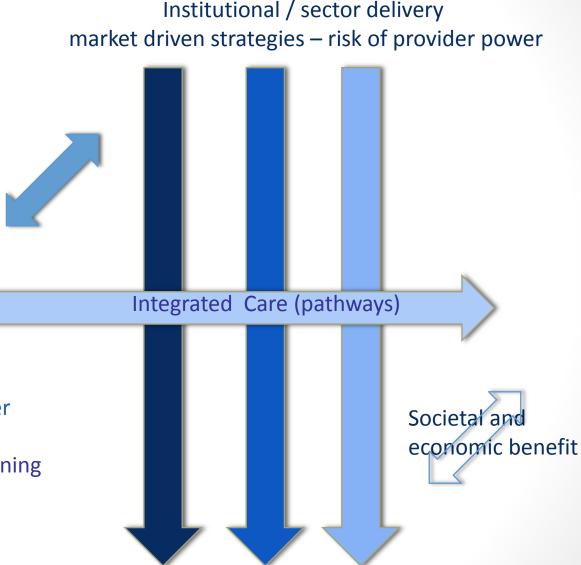


Pathways for change – a strategic decision

Changing focus
What works and what
doesn't in the 'new'
healthcare landscape?

Whole systems disease management

- Coherence
- Population sensitivity
- The patient as co-producer
- More effective commissioning
- Resource reallocation
- Workforce realignment
- New capital models





7

But we need to ensure convergence in understanding what integrated care means

Key concepts of Integrated Care

Basic concepts & components

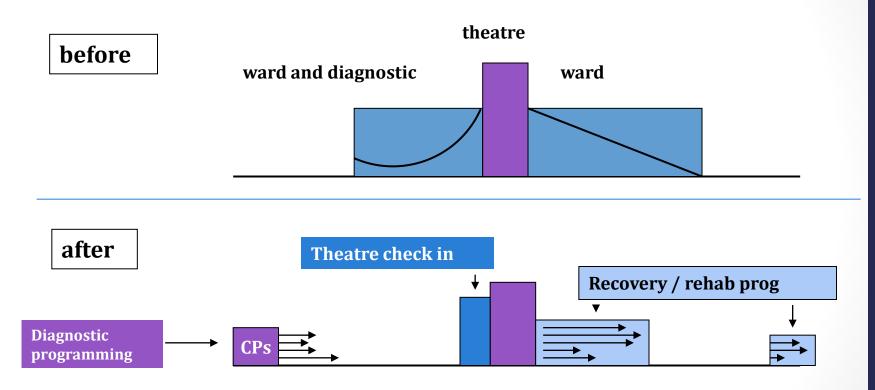
- Shared information among professionals from different sectors
- Standardized communication protocols and formats
- Single assessment processes
- Defined pathways of care
- Vertical and horizontal integration
- User vs. provider integration

Whole systems approaches

- 1 Indication based
 - Vertical integration, aims at single indications, e.g. joint replacements
- Population based
 - Vertical & horizontal integration, aims at a whole regional population
 - Greatest impact on continuity and quality of care!



COXA care pathways for regional joint replacement services

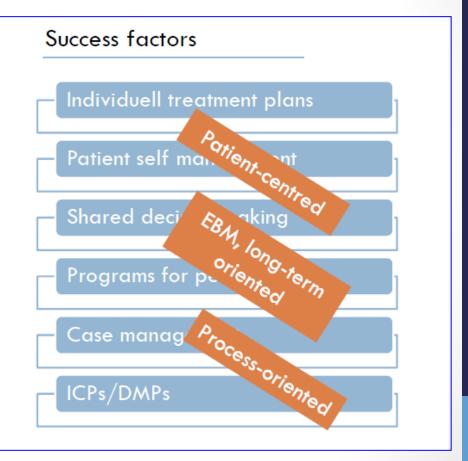


- Coxa Hospital and patient flow, 90+% compliance with care programmes and local diffusion Hyvinka Surgery; 129 beds to 69 (95% compliance)
- Significant (but not yet measured) savings in carbon emissions



Integrated (social fund) care model, Kinzigtal, Germany

- Integrated concept for a whole regional population
- Run by management company (IVGK), founded 2006
- Has contracted sickness funds, various healthcare providers and gyms
- Focus on prevention and health promotion
- E-Health: EHRs, e-Referral, online services, intranet
- "shared health gain contract"
 - Positive cash flow since 2008
 - Investment costs, e.g. ICT, are carried by IVGK





The benefits of integrated pathway influenced investment – technology & capital asset synergy

Clinical Governance

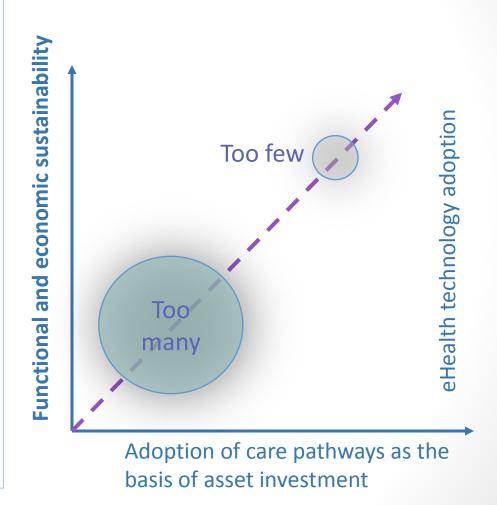
Systematisation of clinical and care processes

Predictive clinical and care pathway models

Integrated disease pathway models of care

Intersectoral integration

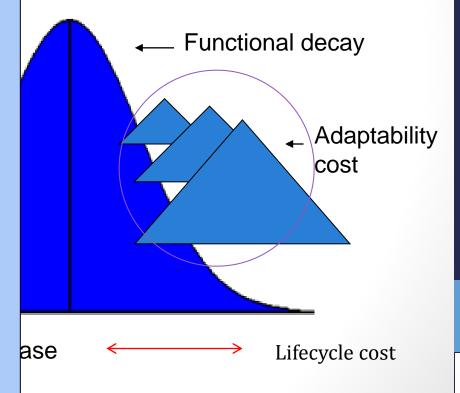
Integrated investment strategies





The lifecycle economy - a better framework for strategic planning and investment in HC facilities

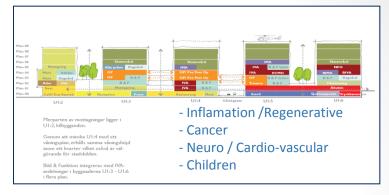
- The cost of repairing functional decay is now rapidly outstripping conventional depreciation models
- Across the EU the average 'repair' spend is variable between
 2% and 12% we are losing ground
 - deteriorating quality
 - future debt creation
- The value of backlog maintenance does not predict future investment need
- A shift from tactical spending to strategic investment is pivotal
 - from cost efficiency
 - to lifecycle cost effectiveness
- Care pathway models provide the means of making this shift

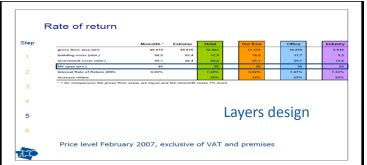


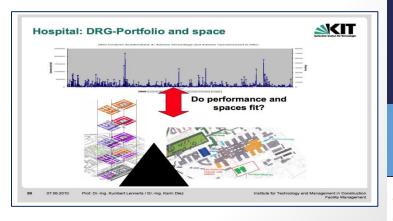


Functional and Economic Rationalism A basis for future Capital / PPP decision criteria?

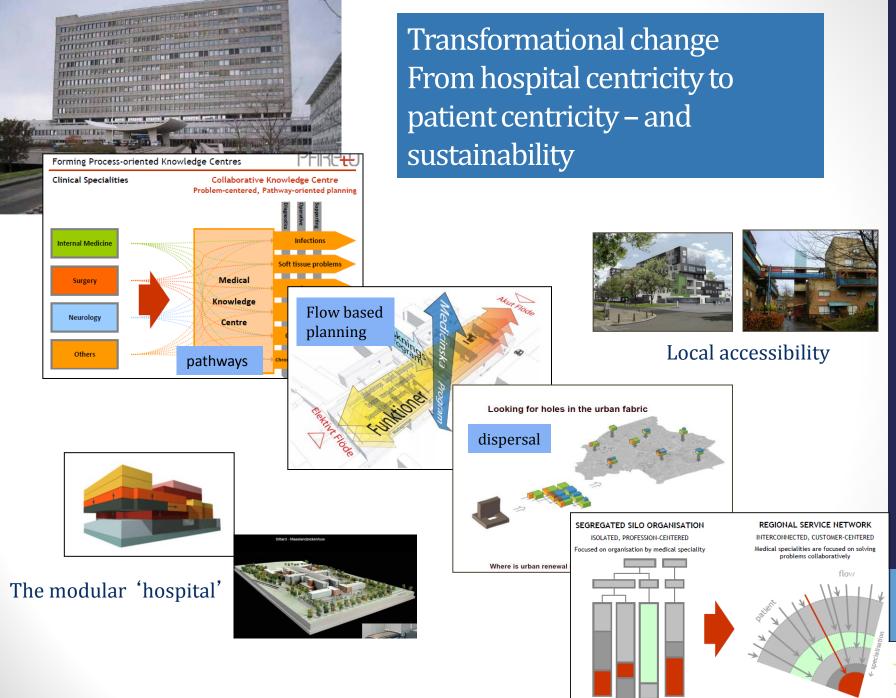
- Rapidly changing demand
 - New models of care
 - Technology diffusion
 - New adaptable design configurations
- Variable income flow
 - Debt management
 - Workforce volatility
- The carbon agenda
- Patient and professional safety
- Economic sustainability
- Return on investment
 - What / How













EU Council Conclusions June 2011

It is the scale and urgency of the situation that is changing – if unaddressed it could become a crucial factor in the future economic and social environment.

- Health should be acknowledged as a contributor to economic growth (2020)
- Initiate a reflection process aiming to identify ways of investing in health, so as to pursue modern, responsive and sustainable health systems
- Facilitate access for member states to informal and <u>independent</u> advice from experts in policy areas relevant to this reflection process
- Stress the importance of evidence based policy-making and decision-making – a need to share evidence
- Secure and direct appropriate funding to foster transformational change in healthcare (SF)



Some General Conclusions



An issue of developing an integrated approach to 'green' planning and investment during difficult times

- Health systems were already facing up to transformative change before the economic crisis
- There is a strong consensus across Europe and the EU to develop a more sustainable - integrated - healthcare model
- The deteriorating economic outlook is fast becoming the new tipping point for (radical) change
- So far the EU approach to the carbon agenda seems disjointed as regards specific focus on health – and there seems little encouragement to promote SF investment for this purpose
- Although new building design, technology and procurement models will make a contribution to the carbon agenda this alone will not achieve the overall targets if 'health' is to play a full part
- New less hospital-centric, but more integrated and dispersed models of care can make a considerable contribution; the transformative change agenda



Conclusions cont'd

- Integrated (care pathway) principles of planning and investment service and capital – have the potential to provide an important framework for addressing carbon targets
- The necessary skills and knowledge are available to deliver the targets - some good exemplars are emerging but diffusion remains a problem
- There is still a lack of joined up thinking and shortage of reliable data
- There is a lack of transparency and public (and some) professional engagement
- Strong political leadership is necessary to make progress quickly enough



It will not be easy



Thank you for your attention b.dowdeswell@echaa.eu

