



# Summary

- **Aim**
- **Background** of the health sector and relevant policies
- The **EIB's** role
- **General criteria** for evaluation of health sector projects
- **Specific criteria** for evaluation and monitoring of health sector projects
- **Conclusions**

# Aim

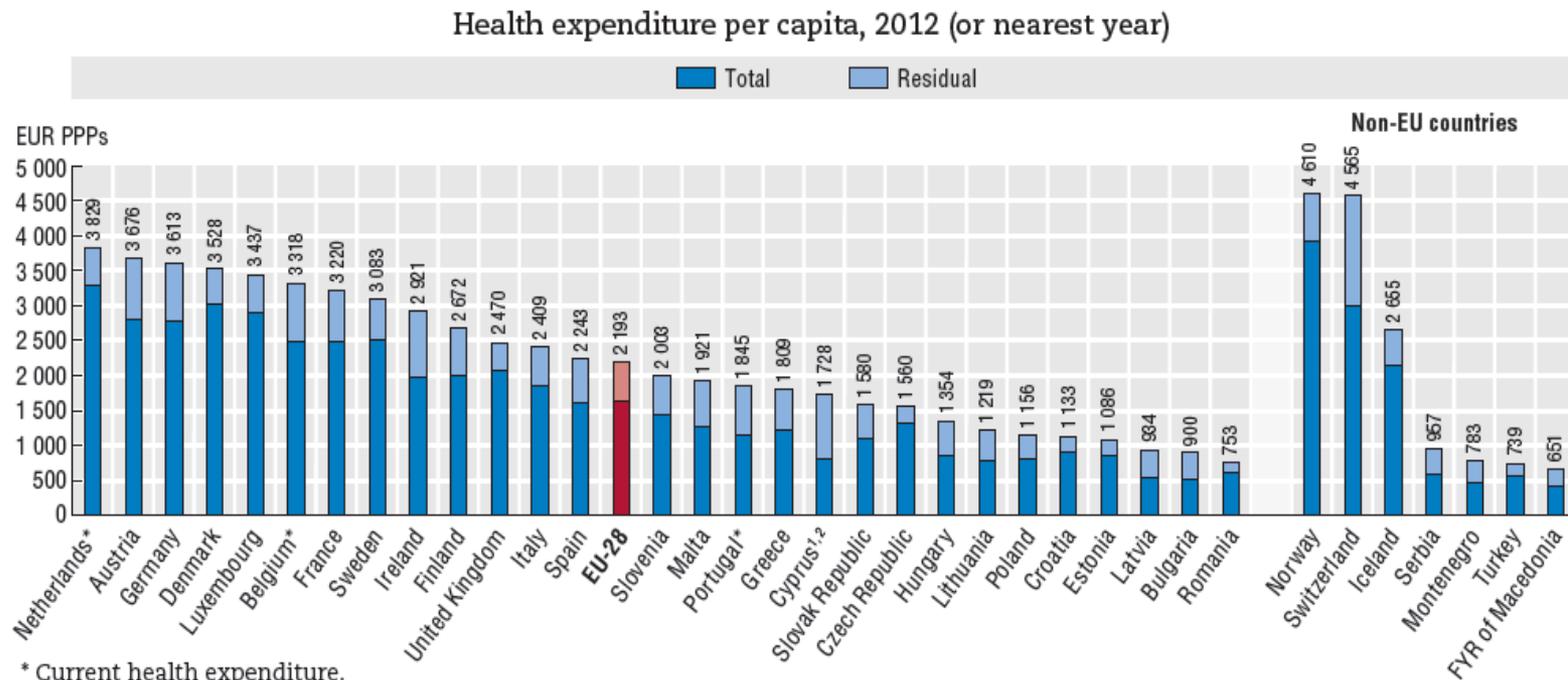
- To update the Bank's approach to lending in the health sector
- To describe and analyse the key issues in the sector
- To provide guidance as to what constitutes an eligible project and how projects are being assessed, prioritized and monitored.
- To consolidate the information on the EIB's health sector portfolio

# Health and the Health Sector (I)

- **Health:** *“a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”*
- **Health sector:** the totality of goods and services produced and consumed in the health system
- **Health system components:**
  - public health;
  - health care services delivery;
  - medical research;
  - medical industry;
  - medical and non-medical staff;
  - patients;
  - health informatics;
  - Organisation and financing.

# Health and the Health Sector (II)

- **The economic value of health: 10% of GDP in the European Union**

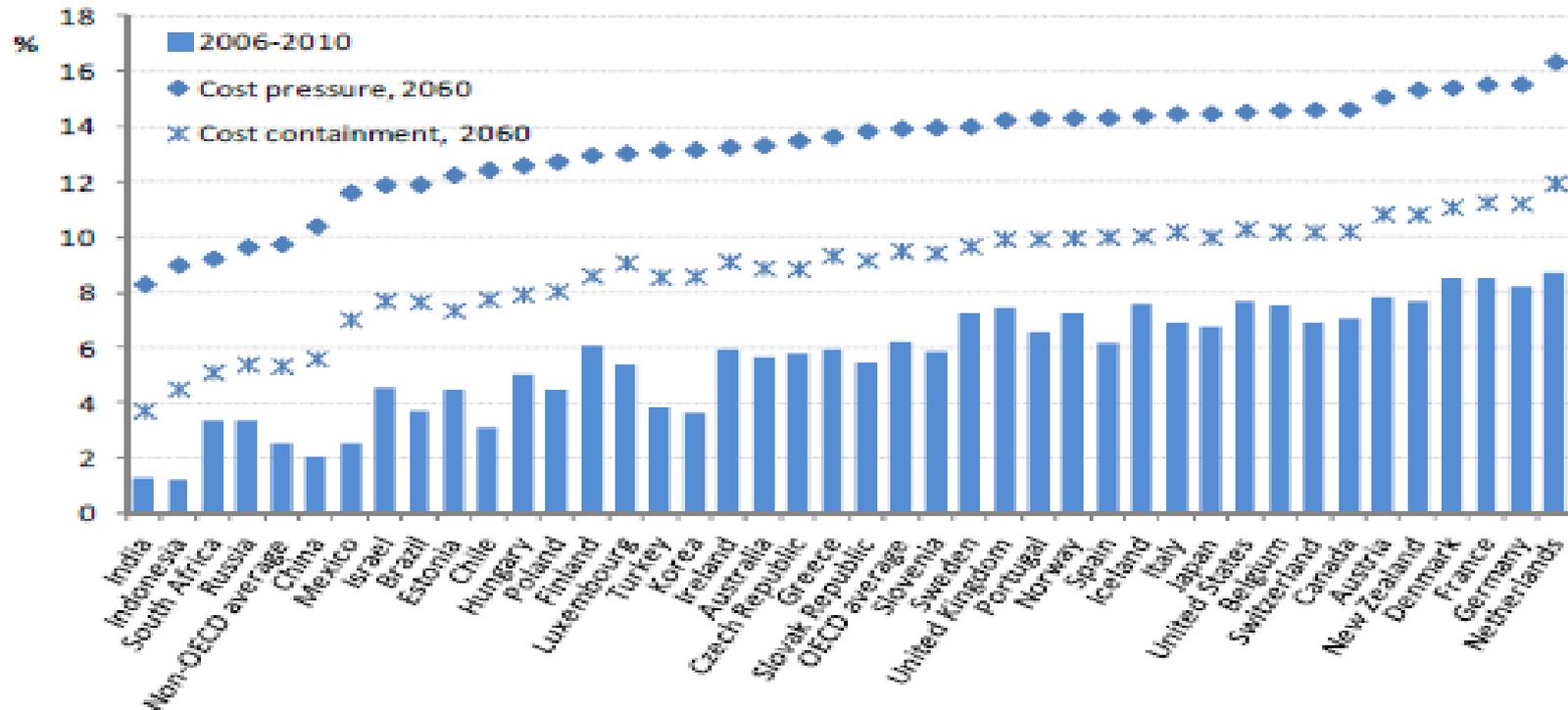


\* Current health expenditure.

Source: OECD Health Statistics 2014; Eurostat Statistics Database; WHO Global Health Expenditure Database.

# Health and the Health Sector (III)

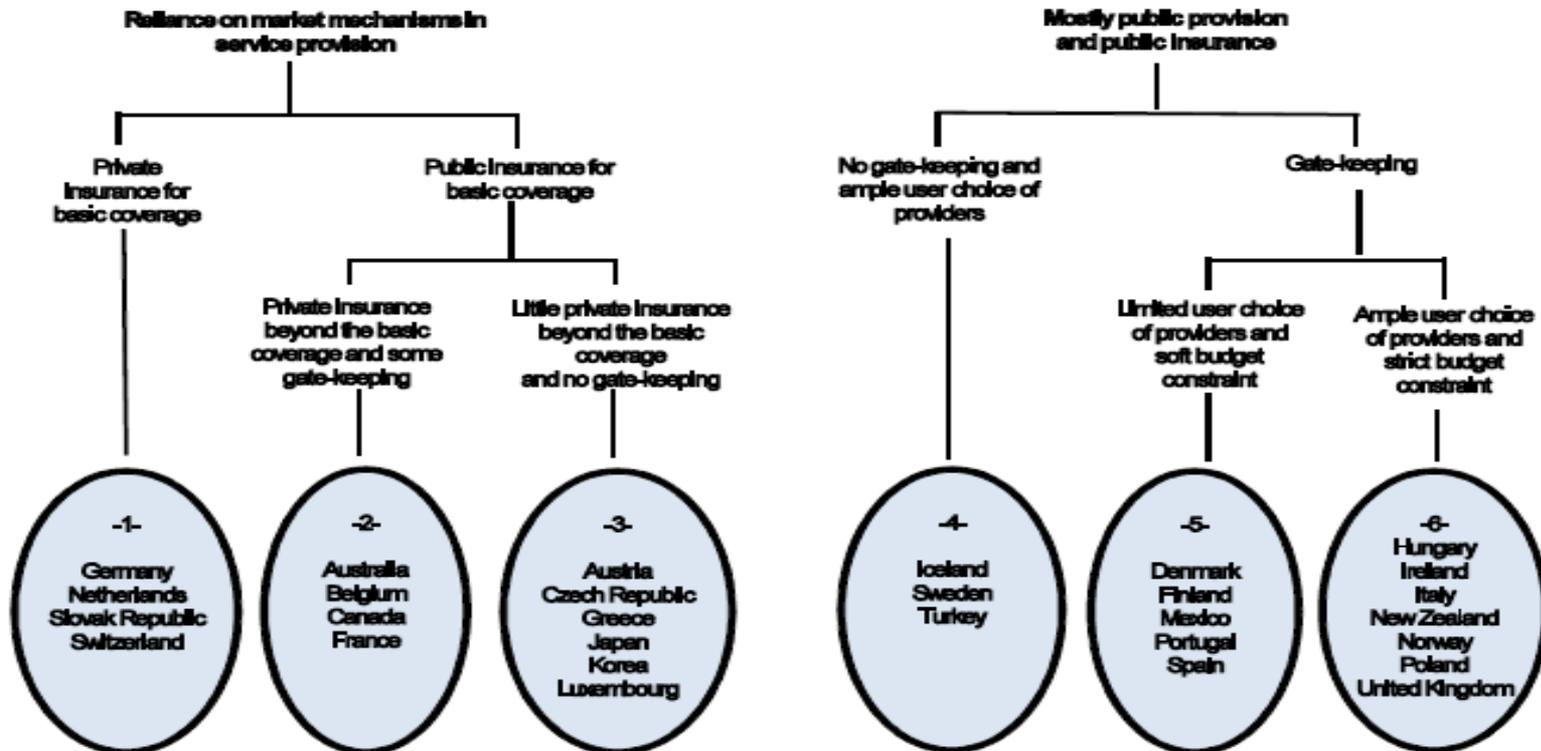
- **Public health spending** represents around 1/3 of the overall social policy budgets.
- From 6.2% of GDP in 2012 in the OECD countries, **public health and long-term care expenditure** is projected to reach 9.5% in 2060.



# Health Systems

## The models:

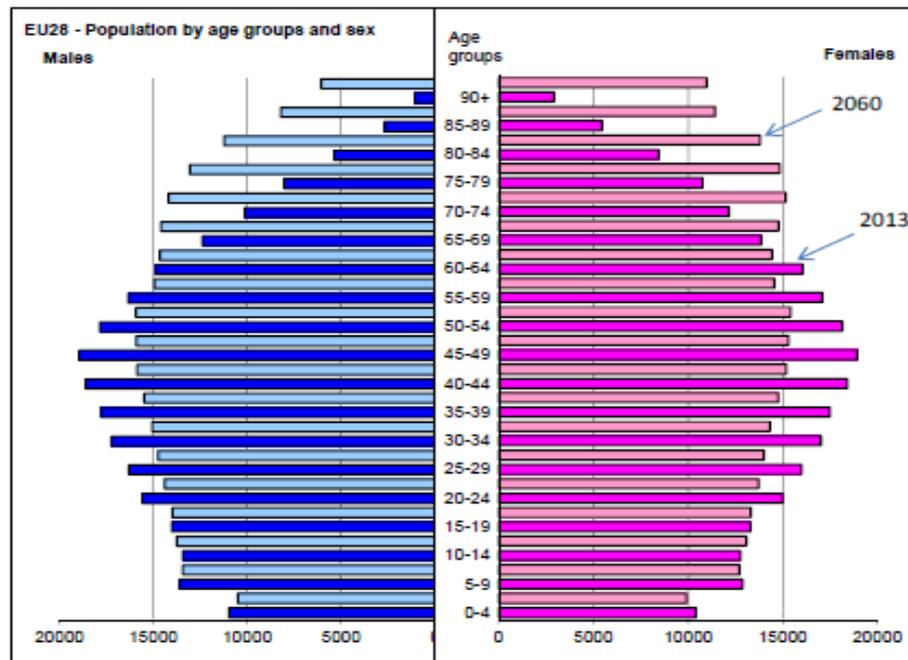
- centralised tax based,
- central social health insurance, publicly or privately operated.
- a combination



# Challenges and Key Trends (I)

## The demographic challenge

By 2060, the average life expectancy in the EU will have risen from 77 to 85 for men and from 82 to 89 for women. Over 65 in the EU will increase by almost 80% while 15 to 64 will fall by 15%.



## Medical professionals

Employment in the health sector has been growing (2000 – 2010: 4 m new jobs), and this trend is expected to continue (7 m in 2010 – 2020).

Most EU Member States suffer from shortages of all categories of healthcare workers. By 2020, 1 m vacancies in the health sector in Europe will be unfilled.

# Challenges and Key Trends (II)

## **Financial sustainability of the health systems**

Spending on health is *economically* sustainable up to the point at which the social cost of health spending equals the value produced by that spending.

*Fiscal* sustainability of a health system relates specifically to public expenditure on health in comparison with the funds available.

A health system may be economically sustainable, yet fiscally unsustainable.

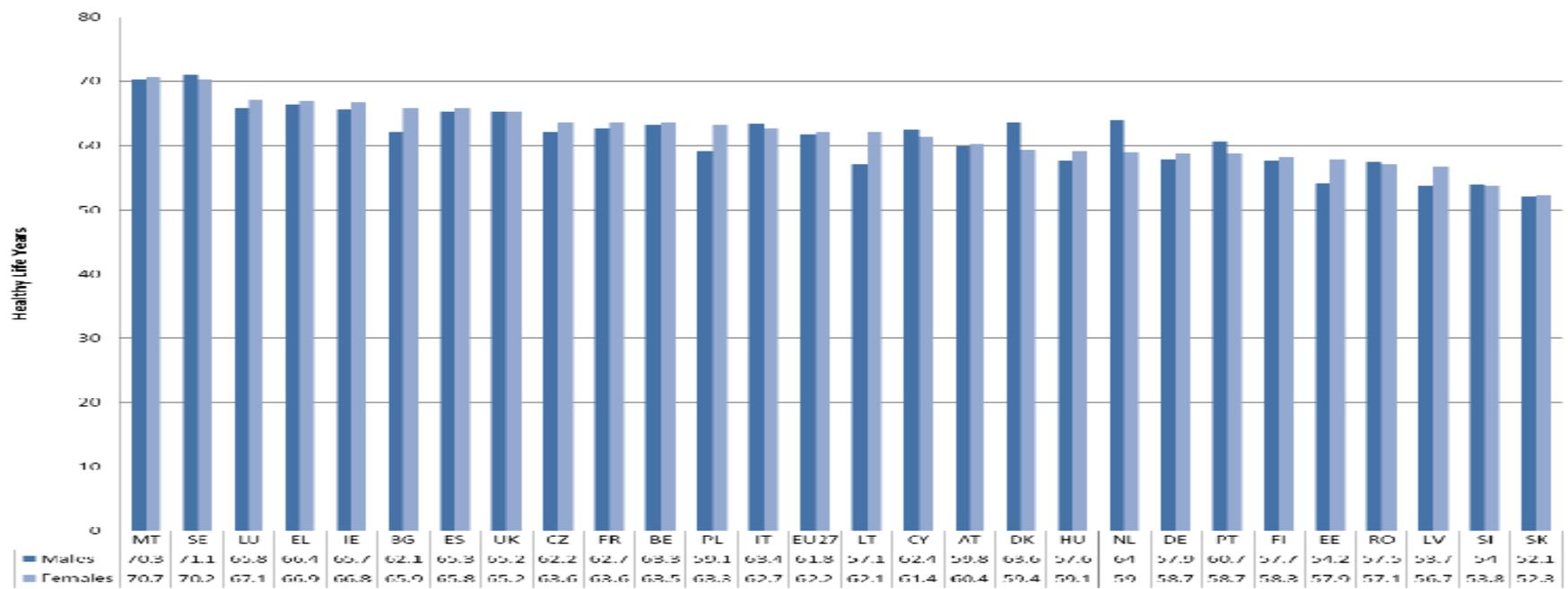
Health spending is on an economically unsustainable course worldwide. Since 1970, in OECD countries, the health expenditure to GDP ratio has almost doubled, from 5% to 9.3% (2012).

# Challenges and Key Trends (III)

## Health disparities

In 2006, the difference between the Member States with the highest and lowest life expectancies was 8 years for females and 14 years for males.

For several countries, the gap between national life expectancy and the EU average has increased in the last twenty years.



# EU Policies and Principles on Health (I)

- The **EU Health Strategy: “Together for Health”** was established in 2007 with the aim to provide a strategic framework for core issues in health; the principles and objectives identified remain valid in the context of the new global EU strategy **“Europe 2020”**.
- EU policy on health matters aims to improve public health, prevent diseases and threats to health. It complements national policies and encourages cooperation between Member States.

# EU Policies and Principles on Health (II)

- The Commission's Communication (2014) on effective, accessible and resilient health systems and the introduction of the European Semester and country-specific recommendations pushes for health system reforms in the Member States
- ***It does not include the definition of national or regional health policies, nor the funding, financing, organisation and provision of health services.***

# UN Development Goals

17 Sustainable Development Goals to end poverty, fight inequality and injustice, and tackle climate change by 2030.

***“Ensure healthy lives and promote well-being for all”***





**European  
Investment  
Bank**

*The EU bank*

# The EIB's Role - Present

*Demographic changes and the changing burden of disease: ROYAL LIVERPOOL HOSPITAL PPP – ENGLAND, UK, 2012*



*Addressing imbalances in the healthcare workforce: VIENNA HOSPITALS PPP Programme – AUSTRIA, 2015*



*Reduce health inequalities in the EU: BASQUE HEALTH INVESTMENT PROGRAMME – SPAIN, 2012*



*EU health sector policy (EFSI): PRIMARY HEALTH CARE CENTRES PPP – IRELAND, 2014*



# The EIB's Role – Future (I)

- **Health infrastructure:** hospitals are a major focus; but, integrated networks of healthcare delivery are becoming more important.
- **Innovation:** technological and non-technological innovations in the health sector derive from medical research and from structural changes in the way health is delivered and financed. The Bank is willing to encourage both the private and the public sector in their innovative approaches.

# The EIB's Role – Future (II)

- **Fundamental medical research** has a high financial and economic risk and often long lead times. Research projects have very variable, but often highly valuable outcomes, from no financial or economic benefit to breakthrough discoveries for society.
- **Medical education and training:** physicians' and other medical professionals' training is costly and time-consuming. The EIB will support educational and training programs in the medical field and necessary reforms in medical education systems.

# The EIB's Role – Future (III)

- **Patients, integrated care and community involvement** : the integration of care across the continuum of care (medical and social) is at the heart of many EU country policies – the Bank supports this holistic approach.
- **Health informatics** : equipment, technology, data or education, small or large scale – the Bank supports their efficient and ethical use in dedicated projects or as separate interventions.

# The EIB's role – inside EU and beyond

Funding priorities inside and outside the EU are slightly different. ***Inside the EU***, the Bank supports both public and private health infrastructure investments (health care delivery research, training) and health technology innovation projects; ***outside the EU*** the principal focus is on modernisation, restructuring and improvement of the public sector.

Particular challenges in ***developing regions*** include communicable diseases, high neonatal and infant mortality, low life expectancy and huge variations in access.

# General Criteria for Evaluation of Health Projects (I)

## **Eligibility of health sector projects**

Health sector projects should be in line with the relevant European, state, regional and local strategies.

Projects should aim at sustainable long-term growth, equity of access, be economically viable and based on sound scientific evidence.

# General Criteria for Evaluation of Health Projects (II)

## Excluded and non eligible projects

- Activities excluded from EIB lending include military and police infrastructure, activities prohibited by national legislation or considered ethically or morally controversial.
- Projects which do not respect the common values and fundamental principles of sustainable solutions for society, sound scientific evidence and equity of access are not eligible.

# Specific Criteria for Evaluation of Health Projects (I)

**The country/regional context, including** the relative development of health systems and the availability of resources to deliver healthcare, national policies, strategies and plans for health improvement;

**The nature of projects for which EIB funding is sought:** specialist centres, university and general hospitals, primary care centres, long-term care facilities, health technologies, research and development, etc.;

**Promoters of health projects:** public sector entities, PPP companies, and private sector providers.

# Specific Criteria for Appraisal of Health Projects (II)

Typically, health sector projects:

- concern a **variety of key stakeholders**, both the private and the public sector;
- are usually implemented in a **highly regulated environment**;
- aim at **complex future outcomes and social benefits** that are difficult to quantify and monitor;
- represent a very dynamic sector with **constantly evolving technology**.

# Monitoring Health Sector Projects (I)

The impact of EIB-supported health investments during the operational phase is monitored through a set of indicators that cover outputs, processes and outcomes resulting from the investment project or programme.

# Monitoring Health Sector Projects (II)

Indicator	Definition	Unit	Type of indicator
<b>Health care resources</b>			
Beds in health facilities	Number of beds in the respective health facility	nr.	Output
Construction floor area in health facilities	Total construction area of the health facility	m2	Output
Health care professionals employed	Number of health care professionals employed in the health facility, in Full Time Equivalent (FTE)	nr	Output
Total number of employees	Total number of employees in the health facility, in Full Time Equivalent (FTE)	nr	Output
<b>Acute health care utilisation</b>			
Outpatient consultations	No. of outpatient consultations in health facility	nr	Outcome
Day cases	No. of day cases in health facility	nr	Outcome
Inpatient admissions	No. of inpatient cases treated in health facility	nr	Outcome
Bed occupancy rate	Beds occupied as a percentage of total (operational) beds	%	Outcome
Average length of stay	Average length of stay for all patients	days	Outcome
Population served (catchment area)	Number of population with direct access to the respective health facility	nr.	Outcome
<b>Long-term care resources and utilisation</b>			
Long-term care workers	Number of dedicated long-term care workers in the facility, in Full Time Equivalent (FTE)	nr	Output
Beds in residential long-term care facilities	Number of beds dedicated for long-term care	nr	Output
Long-term care episodes	No. of long-term care episodes	nr	Outcome
<b>Research and education (particularly for University Hospitals and/or training institutions)</b>			
Medical education graduates	No. of graduates trained in the specific structures of the health facility	nr	Output
Research projects	Number of research grants performed in the year of reporting within the respective health facility	nr.	Output
Research projects	Amount of funds from research grants booked in the year of reporting within the respective health facility	EUR	Output
Scientific publications	Total number of research articles published in the year of reporting with clinicians & researchers working in the health facility as authors/ co-authors	nr.	Outcome
Scientific Publications	Total impact factor (IF) of all scientific publications in the year of reporting with clinicians & researchers working in the health facility as authors/ co-authors.		Outcome

# Monitoring Health Sector Projects (III)

Indicator	Definition	Unit	Type of indicator
<b>Health care resources</b>			
Key medical equipment in health facilities	Key medical equipment (for diagnosis and treatment): CT; MRI; PET; gamma camera; mammography; radiotherapy equipment; lithotripters	nr	Output
Mobility of professionals	Share of foreign-trained medical professionals working in health facility	%	Outcome
<b>Health care utilisation</b>			
Diagnostic exams performed	Exams performed with key medical equipment: CT; MRI; PET	nr	Outcome
Access to services for mental health disorders	Average waiting time for admission to treatment	days	Outcome
Patient mobility	Percentage of non-resident people among all people being discharged from hospital	%	Outcome
<b>Health care quality</b>			
Waiting time for emergencies	Average waiting time for emergency patients	Min.	Outcome
Surgical wound infections	Percentage of patients with post-operative wound infections	%	Outcome
Acute myocardial infarction 30 day in hospital mortality rate	Percentage of deaths that occurred within 30 days of hospital admission among patients with primary diagnosis of acute myocardial infarction	%	Outcome

# Conclusions

- Health is a major and growing expense in all countries
- The Health Sector is a major employer
- Huge opportunities for Bank lending to good projects
- Not all health projects are good projects