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# SMART (DIS)INVESTMENT CHOICES IN HEALTHCARE

EVENT REPORT



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## TECH, EMPOWERMENT NEEDED TO REBOOT EUROPEAN HEALTHCARE

A greying Europe needs to empower patients and take advantage of new technology to make healthcare more effective and less costly, panellists concluded at the launch of our *Smart (dis)investment in Healthcare* report on 7 November.

The Friends of Europe report resulted from a series of working groups and other contributions ahead of next year's European elections. It has two focal points: smarter investment to achieve better health outcomes and disinvestment from health interventions that are ineffective, inefficient and outdated. The report came up with recommendations for innovation that is citizen-centred, data-fuelled and outcome-focussed.

"We are at a tipping point. The scale of cheaper technology is huge," said **Loubna Bouarfa**, Chief Executive Officer and Founder of OKRA Technologies, an artificial intelligence data analytics company for healthcare. "We see an increase in health services consumption and at the same time in computer storage. We need to use that storage to allow for this huge consumption."

Though it is up to national governments to organise and provide healthcare, the European Commission complements their policies by helping them achieve shared objectives, generate economies of scale and tackle shared challenges such as pandemics, chronic diseases and the impact of increased life expectancy.

The report put forward five recommendations for the future of healthcare in Europe: citizen empowerment through health literacy efforts; an outcome-based approach to health; a health-data zone to better understand healthcare needs; making innovation the norm in health to maximise the opportunity of digitalisation; and redesigning health to make it fit for purpose in the 21st century.

### CITIZEN EMPOWERMENT

Social disadvantage, low functional literacy and ill health are closely interlinked. Where someone lives can have a dramatic impact on their health status, and life expectancies between different social groups can vary by as much as 10 years in some cities. Informed citizens could overcome some of these differences by taking action to improve

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their own health, through higher vaccination uptakes, increased adherence to treatments and greater use of prevention services. If patients take greater ownership over their health outcomes, they will demand better performances from health systems, adding much needed public pressure to break down institutional silos in care.

“Empowering citizens is at the centre,” said **Dharmendra Kanani**, Director of Insights at Friends of Europe, who presented the report’s outcomes. “People can buy pharmaceuticals on Amazon and diagnose themselves via the Internet. To make this work in this century, we are going to have to make sure that patients are empowered to do the right things and are involved centrally in solution-making and problem-solving. Patients have to cease being passive recipients and instead become a dominant feature in how you solve problems and create systems.”

### AN OUTCOME-BASED APPROACH

Healthcare systems and national health plans are typically based on targets and needs. To spend and invest more effectively in healthcare, systems should focus more on outcomes. Here, the EU could help by generating ideas across member states, which would then add value to national and local decision making on health.

“People realise that a strong transformation of our healthcare systems is needed, and they are ready for that,” said **Sylvain Giraud**, Head of Unit for Performance of National Health Systems of the European Commission Directorate-General for Health and Food Safety. “It is clearly sometimes about spending more. But in many cases, it is about spending better. Reducing waste is one of the most important elements in the transformations and reforms in all the EU member states. It is not only about the sustainability of public finances but also about effectiveness, accessibility and resilience.”

However, national governments are still not used to thinking in these terms, said Kanani. “Many of the healthcare systems across the globe rarely think about what their purpose is,” he said. “Is it about alleviation? Is it about cure? Is it about prevention? How many national governments really think deeply about the purpose of their healthcare systems? We’re saying: think through differently and better how the money aligns with the purpose together with the process and make it into a more outcome-based approach.”

### A HEALTH-DATA ZONE

Big Data and artificial intelligence can process the enormous quantities of underutilised health data, with huge potential impact. They can be powerful tools for, among other tasks, detecting trends and predicting the best treatments for individual patients. A health-

data zone would function as a public, transparent and secure platform to enable the centralisation of health data. The EU General Data Protection Regulation (GDPR) goes some way towards creating the ethical, security and privacy framework for data to flow.

But barriers to data flow across the EU still remain in the form of politics, issues of sovereignty and the different standards used in health management. A starting point would be an EU-wide clearing house that made national, regional and local health data accessible to health practitioners, private sector representatives and patients on an opt-in basis. Countries like Estonia and Finland are already pioneers in public infrastructure to securely host data exchanges.

“Technology can be a major contributor to improving our global health system over various parts of the health chain,” said **Khalil Rouhana**, European Commission Deputy Director-General for Communications Networks, Content and Technology. “We need to invest better and spend better and less. A McKinsey study shows that in Germany, a digital transformation across the whole health chain – from healthy lifestyle to diagnosis to treatment to follow-up and monitoring – could reduce costs by up to 12%. But you need to invest in making this digital transformation happen.” To do this effectively, he said, investment should come in four areas: data systems, testing, cybersecurity and skills. “We need to tailor our investment. At the EU level, we have limited scope for regulation when it comes to the health sector, but we are using it as much as we can.”

Bouarfa called on the European Commission to develop means to make it easier for entrepreneurs to scale up solutions based on data. “In America you can scale, but in Europe we are regulated. That is great for citizens but a barrier for innovation.” She said that EU citizens should be able to access and make use of their health data wherever they are in the EU. “My perspective as a citizen is that, when I move to another country, my health record starts from scratch. That information is lost, which is a shame. The information should be available like a passport. We need a certified document that goes with us everywhere.”

## NORMING INNOVATION

The European Commission should create a health technology sandpit for Europe to allow the private sector, entrepreneurs, health policymakers, clinicians and patients to jointly elaborate on problems and explore solutions. The sandpit should be connected directly to a funding pipeline, co-invested by public and private investors, to support the full cycle of innovation.

Europe has a good record in innovation, but not in the large-scale, commercial application of those advances, said **Andrea Rappagliosi**, Vice-President for Market Access and Public Affairs &

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Communication EMEA, Canada and LATAM at Edwards Lifesciences. “Are we looking at one common goal: if I have an innovation, how can European patients enjoy it faster?” he asked. “We obviously need security, safety and norms. The issue is: how can we move from a risk-adverse culture to a really pro-innovation culture where new technology is adopted faster?” He added that healthcare facilities are often very old, making it hard to implement the latest technology-based treatments.

## REDESIGNING HEALTH

Current healthcare systems are a legacy of post-war Europe and were designed to fit the “boom generation”. They do not fit today’s ageing population, so they need urgent reform to become fit for purpose in the 21st century.

However, healthcare systems currently devote most of their efforts and funds to firefighting existing needs with little focus left for the forward planning needed for transformation. To facilitate change, the EU should establish a health system transformation fund to support research and modelling on smart investments for health; explore regulatory or administrative barriers to innovation; identify low-value interventions for disinvestment; and rethink the organisation and funding of hospitals.

Still, healthcare is politically highly charged, making governance questions critical, said **Wolfgang Burtcher**, European Commission Deputy Director-General for Research and Innovation. “Citizens are extremely hostile to organisational changes” he said. “I am from a region where they have been debating for three months whether to close the oncology department of a local hospital because the treatment 30 kilometres away is much better.”

In the future, an important task will be the assessment of new treatments. “How can we ensure that developments become current practice in all our public healthcare systems?”, he asked. “All member states have health technology assessment groups, which look at things coming in the pipeline and then consider quality and costs. These groups are key to translate innovation to healthcare systems. It is not sufficient to have the researchers in business. You need people involved who ensure that these things are rolled out and accepted in public healthcare. It’s about governance, because the quality of the research is there.”



**Dharmendra Kanani**, Director of Insights at Friends of Europe



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