friends of europe les amis de l'europe

SUMMER 2016

DISRUPTIVE MODELS OF HEALTHCARE FOR EUROPE

BUILDING VALUE NETWORKS FOR CHANGE

REPORT

Cover image credits: Image by freepik

This event is part of a series of three high-level roundtables that examine the steps needed to create “disruptive models” for overhauling and improving healthcare systems across the EU. By assessing the regulatory changes needed together with new business models and value networks, this series aims to build a holistic picture of how healthcare structures can be adapted to keep pace with the revolution in diagnostic and clinical advances.

In partnership with

DocMorris
Meine neue Apotheke

TEVA

Media partner

Europe's World
THE ONLY EUROPE-WIDE POLICY JOURNAL

Friends of Europe has launched a reflection process on disruptive innovation for health in Europe. European health systems are under unprecedented pressure from demographic change, growing demand for care and ever-smaller budgets. The need for reform is urgent and technology could play a role in driving change.

On 14 June 2016, Friends of Europe hosted the last of three high-level roundtables devoted to disruptive models of healthcare for Europe. This event focused on how to create new value chains that combine traditional health actors like clinicians and insurers with technology and data companies. It discussed whether protected silos within healthcare can be opened up to engage relevant players from across the value chain.

A FOCUS ON IMPLEMENTATION SCIENCE

The difficulties of integrating technology into healthcare in Europe are well known – from contracting and governance issues, data-sharing challenges, to environmental and legal problems, fragmented systems, multiple physical locations and poor coordination. The result is that people go into hospital when they shouldn't, stay in hospital too long, come out with uncoordinated follow-up care and have to keep repeating their stories.

Despite pockets of good practice or innovation, a revolution in healthcare in Europe has not yet happened. A key problem is the misalignment of incentives which can create huge differences in terms of uptake of technologies. For example, GPs in the United Kingdom are paid per patient that they manage, resulting in an incentive to invest in new tools such as telemedicine. In contrast, French doctors are only paid for face-to-face consultations, so using telemedicine may improve their efficiency, but would also reduce their revenue.

Switching to a focus on health outcomes implies identifying 'what' needs to be achieved rather than prescribing 'how' it is done. This is implementation or improvement science, which explores how healthcare can be delivered differently – better, cheaper, stronger. It covers the organisation of delivery of care taking into account elements like the concept of appropriate care (reducing both over- and under-treatment), overcoming administrative complexity, reducing waste (thanks to digitisation) and tackling fraud.

The supply side for innovation in health is flourishing, but the demand side is weak. New types of contracts that embed technology in healthcare are needed between commissioners and providers. These would allocate the sharing of risk and reward in a transparent way. A core set of indicators on health and technology could help innovators find business models that work and improve procurement.

The EU has a role to play, but existing funding mechanisms, from the European Structural and Investment Funds to Horizon 2020, are underutilised. On the one hand, health policymakers talk about funding shortages, on the other hand there are pots of money that are not being used because they are not known about, explained **Nicole Denjoy**, Secretary General of COCIR. For instance, there are instruments to assist faster adoption of technology, such as funding for pre-commercial procurement or bringing together public procurers to learn from one another.

On the one hand, health policymakers talk about funding shortages, on the other hand there are pots of money that are not being used because they are not known about.

Nicole Denjoy,
Secretary General of COCIR

We need better evidence so that we can radically challenge models.

Jenny Billings,
Professor of Applied Health Research and Director for Integrated Care Research at the University of Kent

IMPROVING THE DECISION-MAKING PROCESS

The combination of two trends – digitisation and personalisation – has been driving much of the recent innovation in healthcare. Stakeholders need to come together to co-create a new system designed for wellbeing. We need better evidence so that we can radically challenge models, said **Jenny Billings**, Professor of Applied Health Research and Director for Integrated Care Research at the University of Kent. Randomised Clinical Trials (RCTs) are considered the gold standard, but they neither process information on why things work nor provide rapid data. It is important that academics, clinicians, healthcare commissioners, industry and patients come together to co-design what is meant by failure and success at each stage of the process.

The capacities and responsibilities of people working in healthcare systems need to be redefined. For example, if a hospital's expensive new IT system disrupts the daily routine of nurses and is not relevant given the way that they work, it will not be used. Co-designing new processes would allow the rapid evaluation of outcomes at an early stage and help with potential upscaling.

Good evidence is critical for policy makers, but innovation comes from people, not legislation, said **Michal Boni MEP**, Member of the European Parliament and Polish Minister of Administration and Digitisation (2011-2013). This is particularly important given the fast pace of technological change and the slow timetable of law-making. Medical apps will need a strong framework to ensure the quality of information sent by these devices to healthcare professionals. In contrast, wellbeing apps might just require soft law tools such as codes of conduct and guidelines.

LEADERSHIP

Within the next five years, healthcare models will evolve radically as new apps and digital devices that monitor individual health status in real-time become more widely used. This is a game-changer for patient care in terms of treatment, but also for prevention and wellbeing. Industry is increasingly shifting towards managed services delivered closer to the patient rather than selling large equipment to hospitals. This new approach requires new forms of contracting and public procurement with greater clarity on risk sharing, financing and quality assurance.

At the level of healthcare systems, change is not happening – not because Europe lacks the capacity to innovate and pilot test, but because implementation is inconsistent due to the fragmented nature of the system and because of incentives that support the status quo. The diversity of Europe's healthcare systems can be a strength if solutions can be deployed in different environments and the learning shared across Europe.

We need to prepare healthcare leaders to be open to innovation, explained **Sylvie Bove**, Chief Executive Officer of EIT Health. They can see the big challenges coming such as demographics, but they are already struggling with the pressures of cost containment. Some of the resistance to change comes from the impact of innovation on how healthcare professionals work

and, more importantly, how they are paid. The health ecosystem will have to be enlarged to bring in new players and update educational curricula to cover the use of technology. This also means new types of professionals with different skill sets entering the health arena.

CONNECTING REGIONAL INNOVATION TO NATIONAL AND EUROPEAN LEVELS

Regions could be key to implementing new technologies. Getting pilot projects or prototypes to a regional level means impacting on 5 or 10 million people. This is sufficient scale to prove evidence of effectiveness. Multi-stakeholder coalitions exist at EU level for innovation in health, but these need to connect to equivalent networks at national or subnational level. Innovation champions need to be linked up to help drive change.

Denjoy highlighted the importance of a European framework to create entry points to national and regional level. The European Commission has already established relevant networks, but people active in these networks are not necessarily the decisions-makers at the national level. Often there is extensive discussion at EU level, but no action at member state level.

The European Structural and Investment Funds are a valuable mechanism to support regions to implement change. Negotiations will start later this year on the priorities for cohesion policy after 2020. This is a political window of opportunity to prioritise health as a central element in these key EU investment funding programmes.

Innovation comes from people, not legislation.

Michal Boni MEP,
Member of the European Parliament and Polish Minister of Administration and Digitisation (2011-2013)

KEY MESSAGES AND RECOMMENDATIONS

1 Regulators have a brief window of opportunity to manage the changes rather than just responding to external developments. Brave decisions will be needed to tackle the vested interests that stifle attempts to reform health systems. This is a pivotal disruptive moment that could be the catalyst for introducing disruptive innovation, but transforming this moment into real sustainable models of change will take a strategy, scale and time.

2 Healthcare has to evolve from treating illness to maintaining health. In terms of information management, this means starting to look forward using digital tools for insights and patient engagement. The first building block is trust – if people don't trust a technology, they won't use it regardless of the certification process. Buyers, providers and users need to collaborate to build trust in technologies.

3 Outcome and value-based measurements are the way to properly assess the benefits of disruptive innovations. Lessons could be drawn from experience across Europe of outcome measurements for health technologies and pharmaceuticals.

4 Building trust into the system is critical for people to feel comfortable sharing their health data. This requires authorisation mechanisms, robust third party authentication and smart regulation.

5 A focus on implementation science is needed that covers contracting, disinvestment strategies, evidence for decision-making, incentives and measurements. Attention also needs to be given to the human factor of changing behaviours and mentalities.

"We need to prepare healthcare leaders to be open to innovation."

Sylvie Bove,
Chief Executive Officer of EIT Health

Friends of Europe

Connect, Debate, Change.

4, Rue de la Science, B-1000 Brussels

+32 2 893 98 25

+32 2 893 98 29

info@friendsofeurope.org

www.friendsofeurope.org

Friends of Europe is a leading think tank that connects people, stimulates debate and triggers change to create a more inclusive, sustainable and forward-looking Europe.