



healthclusternet

Europe's health economies exchange

Business Plan Summary 2008-2010

HCN - A European non-profit interregional network



**PROJECT PART-FINANCED
BY THE EUROPEAN UNION**

North East South West

INTERREG IIC

The challenge for European Regions

It is shared and common prejudice that the costs for health care are rocketing and approaching the limits of affordability. This is not supported by evidence on expenditure over a 10 year period of economic change, intense health sector reform or consumer preferences and demand. A challenge shared by all European regional health systems in a financial climate where cost containment, restriction and rationalization of health care dominates is that health organisations need to be able to demonstrate the added value of investment and expenditure decisions.

The health sector is much more than doctors, hospitals and pharmacies. The health sector absorbs large amounts of labour, commodities and research and thus creates incomes, which in turn flow back into the economic cycle of locations, regions and the overall economy. Within regions, health sector spending ranges from 5.5% to 11% of regional GDP. This is a significant level of economic activity. But it is not optimized to positively contribute to regional development agendas. Nor is it used to maximise the population health benefits of health care expenditure.

This business plan shows how HCN will build on its first phase as an Interreg IIC funded operation to provide an accessible, effective and independent knowledge resource for members, partners and sponsors; supporting regions to join up regional economies and the health agenda.

Relevance of HCN

For **health service decision makers** this Network supports the development of the corporate social responsibility role of your organisations and shows informed practical ways of joining up regional economies and the health agenda. It also shows your commitment to the health inequalities and health improvement agenda.

For **local health organisations** such as acute hospitals and primary care organisations, this Network helps inform your commitment to joint working with local government and other partnerships to develop fully engaged communities at both individual and organisational levels.

For **regional governments across the EU**, the Network promotes greater ownership by regional governments of local health service activities; creating relevant regional centers of excellence contribute to building and maintaining a reputation for supporting the regional knowledge economy. It also provides a means for member regions to promote their expertise, dynamism and creativity.

For **regional governments in the newer EU12 member states** the Network is timely because it supports building political and organisational capacity for collaboration between health care providers, universities, medical schools, related research institutes and regional economies. It suggests areas for investment that will produce effective and sustainable results.

For **regional economic development agencies and SMEs**, engagement with this Network offers a clear basis for simpler, more transparent procurement processes with less bureaucracy, the development of an enterprise aware culture in health service organisations, increasing the skills base in local labour markets and promoting business growth by helping SMEs in your region to become more competitive in wider markets

For **relevant EC Directorates** (DG Enterprise & Industry, DG Social Affairs Employment & Equality, DG SANCO, DG Regional Policy, DG Research, DG Internal Markets) the knowledge sharing facilitated by this Network provides a platform for an approach to regional development that cuts across individual DG competencies in order to achieve added value benefits from health sector investment that contributes to sustainable regional development. These include:

- Promoting regional health sector-related enterprise
- Promoting innovation and health-related research
- Strengthening regional competitiveness and economic development
- Supporting improved health status and better health outcomes for regional populations.
- Actively protecting the environment through new health care design and decreasing overall transport miles.

What HCN delivers

The main aim of HCN is to support regions and EC Directorates to achieve cost-effective economic and social benefits from health sector investments through innovative solutions and practical know-how.

Objectives

- Support regions to **build appropriate capacity** that enables health sector investment to contribute to regional economic and social development
- Facilitate **sharing of examples of policy development and good practice** relevant to four HCN knowledge themes
- Support regions to increase engagement with their own regional and local health systems **strengthening regional policy and integrated planning** in the four key corporate activity areas
- Provide expert advice to regions and **facilitate exchange of expertise** between regions
- Enable access to and **provide appropriate policy, planning and performance measurement tools**
- **Influence relevant policies** and other instruments **at regional/local and EC levels** based on insights developed by HCN and associated initiatives
- **Improve understanding** how health sector investment can contribute to regional development **through spin-off member-led projects, HCN-led projects and partnership initiatives** with other key stakeholders.

Members get access to...

| Practical 'how-to' knowledge programmes | Online resources from the Knowledge laboratory | |
|---|--|------------------------------|
| Engaging local SMEs in regional health markets | Trend analysis | Benchmarking tools |
| Inclusive and attractive health sector employment | Case studies | Performance management tools |
| Affordable health care capital investment | Model policies | Presentations |
| Sustainable and effective health innovation markets | Data sets | News and events |
| Integrated regional planning | Briefing papers | |

| Learning and development options | Network Hub |
|---|---|
| European Master's Degree in Sustainable Regional Health Systems Development | Access to in depth knowledge and expertise |
| Regional Executive Development Programme | Creating shared value through partnership working |
| Action learning sets | Expanding your networks and contacts |
| Master classes | Integrated regional policy roundtables |
| Thematic seminars and workshops | Strengthening members peripheral vision |

Building on success and foresight

As a knowledge hub for regions and members, HCN facilitates the expertise and understanding that makes it possible for members, partners and sponsors to explore and solve common problems through insight, innovation and creating shared value. Three insights are important:

- Regional and cross-border clusters combining public and private sectors in successful partnership, will be a significant part of the twenty-first century's social and economic structure.
- Publicly funded health systems are or can be a net generator of GDP, but nobody has worked out how to release and maximize this hidden capacity effectively. No one has yet shown that they know the rules of this new game
- This is a 'know-how' capacity gap. While that gap exists we will not be effective in maximizing the benefits of public and private sector-based investment.

In Phase 1 as an Interreg IIRC funded operation HCN developed a clearer understanding of how regional health sector investment and assets can better contribute to regional economic and social development priorities through its focus on four connections (local procurement, affordable capital investment, employment and innovation).

Through interregional cooperation the operation has helped partner regions strengthen their integrated planning skills and laid foundations for future EC and regionally funded projects. Four workshops have produced 50 good practice case studies; 21 related to Structural Funds and 29 related to other relevant regional policies and strategies. Four policy forums have produced over 119 clear policy recommendations for regions and EC directorates. The policy recommendations reflect where regions are in terms of economic performance, Lisbon orientation and engagement between regional health systems and regional development agendas.

Since 2005 the impact of HCN activity has resulted in...

- Over 72 actions and pilot projects in partner regions including the setting up of new intersectoral regional partnerships to stimulate and inform local action.
- Eight regions identifying policies that will be reviewed by their region to increase the contribution of health sector investment to regional development in one or more of the four current HCN knowledge themes.
- Four regions confirming that HCN policy recommendations and knowledge have already influenced relevant policies and other instruments at regional/local levels based on insights developed by the Network.
- Four regions leading the development of spin-off Interreg IVC and FP7 bids for 2008.
- A successful Erasmus Mundus bid to fund the launch of a new European Masters Degree in *Sustainable Regional Health Systems Development* in September 2008 (Vilnius University, Universidad de Deusto, Corvinus University, Tampere University, University of Verona, University College Dublin, Glasgow Caledonian University)

Next step opportunities

In 2006, health (and education) was the fourth biggest area of European Investment Bank activity (after transport, energy and services). Investment in and management of these assets can be aligned with wider efforts to promote economic growth and social cohesion. We see six main areas of opportunity for HCN, its members and partners to shape policy, strategic and organisational development.

- European Commission Directorates, national and regional health and finance ministries, regional and local governments and health services are looking at **how to integrate health service investment and reform within regional and local economic and social development frameworks** (sustainable development, spatial planning, urban development, infrastructure, social cohesion and environmental improvement)
- Regional and municipal governments, cities, chambers of commerce, biotechnology, IT, pharmaceutical and health sector supply chain companies, venture capitalists and local communities are looking at **how to develop health clusters based on public-private partnership in regions with low economic activity**, thereby contributing to a spiraling up in economic competitiveness and the well-being of their communities
- Health and Finance Ministries, strategic asset management agencies, local and regional health care service providers are seeking **authoritative and context specific policy option appraisal for capital investment**, based on the most comprehensive global assessment of forms of public-private partnership
- The EC, World Bank and national and regional governments seek **expert advice on drafting of primary and secondary legislation and reviewing laws and strategies** relevant to maximising the added value of health sector investments

- Modernising agendas within regional governments are in the market for support in **fostering an entrepreneurial culture within service delivery organisations that facilitates engagement with the knowledge economy** whilst promoting human values
- National and regional health ministries and local care commissioners are starting to consider **how to design evidence-based integrated care pathways** that enable more effective chronic disease management joined up around the needs of patients.

HCN membership

After its Interreg III C phase, HCN starts as an independent non-profit interregional network in January 2008. New members will be able to apply for membership from October 2007. Members will be attracted from:

- Regional Governments and local municipalities
- Regional and local health services
- Universities and research centers
- Enterprise and other economic actors e.g. Regional Development Agencies.

Three types of membership are available:

- **Full Membership** for organisations from the above four groups representing their region and having a clear or potential role in health sector investment and regional development. 2 votes at Annual General Meeting
 - €10,000 p.a. if from a region in the EU15 (EU members before 2004)
 - €3,000 p.a. if from a region in the EU12 (EU members since 2004)
- **Associate membership** for international agencies, health care organisations, academic and research centres with a strong interest in the HCN Agenda. 1 vote at Annual General Meeting
 - €5,000 p.a.
- Associate membership for regions in EU Pre-Accession states, the Balkans, the NIS and other non-EU regions in the WHO/EURO area. For organisations from the above four groups representing their region and having a clear or potential role in health sector investment and regional development. 1 vote at Annual General Meeting
 - €1,500 p.a. if representing a region from a non-EU region in WHO/EURO area
- **European NGO** membership for interested European NGO's in the health sector, enterprise & innovation, economic development etc who might wish to associate themselves with HCN. 1 vote at Annual General Meeting.
 - €1,500 p.a.

| Membership targets 2008-2010 | | | |
|------------------------------|------|------|------|
| | 2008 | 2009 | 2010 |
| Full (EU15) | 14 | 20 | 25 |
| Full (EU12) | 6 | 36 | 36 |
| Associate organisations | 4 | 6 | 8 |
| Associate non-EU regions | 3 | 5 | 8 |
| NGO membership | 2 | 4 | 6 |

HCN organisation

Management and governance of HCN will be ensured by: the General Assembly, the Network Board and the Network Office (see Business Plan 2008-2010 for more detail).

The **General Assembly** would be the highest governing body responsible for formulating the broad policy of HCN. The GA is open to all members and will meet annually on the day before or after the annual conference.

The **Network Board** will be responsible for overall supervision of HCN within the policy framework set by the General Assembly. The Board will comprise members elected for a two to three-year period and a President or Chair elected for a three-year period. Potential presidents will have experience as a Board member and former presidents may have continuing contributions to make to the Board, the External Expert Advisory Group or Working Groups.

In this context, the Board is responsible for the preparation of the annual General Assembly, financial supervision including establishing and reviewing membership and administration fees, fund raising and will work with the Executive Director of HCN to define the annual work programme and strategic direction of the Office. The Board will meet at least once a year.

The **Network Office** is established and maintained by the Board to deal with day-to-day business and provide a range of services to members, partners, associate members and clients under the supervision of the Executive Director within the framework of the general instructions of the Board and GA decisions (see 'Operational Plan'). As well as the Executive Director it will initially include a Network Manager, Policy Officer and Secretary. Further appointments will be made for specifically funded projects and initiatives.

An **External Advisory Group** will be established to provide added value to HCN development and delivery. Key stakeholders and independent experts will be invited to join this Advisory Group in order to (i) strengthen and sustain effective working relationships with relevant organisations and networks across Europe (ii) advise on and support sharing of HCN learning and knowledge to target audiences (iii) identify spin-off opportunities for new projects.

Development priorities 2008

| Tasks and outputs | Timescales |
|---|-------------|
| Phase 2 'set-up' of HCN as non-profit European Interregional Network | |
| Organisation's statutes drafted and circulated for consultation | 30 Sep 2007 |
| Membership publicity material prepared | 30 Sep 2007 |
| Initiate member recruitment | 1 Oct 2007 |
| Review staffing and location of Network Office | 30 Oct 2007 |
| Conduct online survey across all EU regions | 10 Nov 2007 |
| Non-profit organisation legally established | 12 Nov 2007 |
| Formal announcement at 2007 Brussels Conference of next phase by a Regional Health Minister | 22 Nov 2007 |
| Shadow Network Board appointed for 1 year initially | 20 Dec 2007 |
| Knowledge Programmes | |
| Recruit Knowledge Programme Leads | 1 Nov 2007 |
| Review and finalise Programme Lead remits | 1 Dec 2007 |

| Tasks and outputs | Timescales |
|---|-------------------|
| Ensure linkage between individual Knowledge Programmes and relevant spin-off projects | From 1 Dec 2007 |
| Programme Leads agree initial action plans with Executive Director | 31 Jan 2008 |
| Knowledge Programme working groups set-up | 31 Mar 2008 |
| Working groups develop and plan parallel sessions for 2008 Conference | From 1 Apr 2008 |
| Thematic action learning sets publicised and participants recruited | 1 Sep 2008 |
| First thematic action learning sets launched | 1 Oct 2008 |
| Two Interreg IVC and two FP7 bids successfully funded | 30 Nov 2008 |
| Knowledge Laboratory | |
| Review existing Website design and content | 30 Nov 2007 |
| Commission new Website design and update content | 10 Jan 2008 |
| Launch revised Website | 31 Mar 2008 |
| Manage and edit Website | From 1 Apr 2008 |
| Produce four quarterly newsletters | From 31 Mar 2008 |
| Produce four HCN Briefing Papers on themes agreed with Network Board | From 31 Mar 2008 |
| Study to baseline member regions health sector expenditure in the 4 Knowledge areas | 30 Aug 2008 |
| Assess member regions adoption of recommendations from the 4 initial Policy Agendas | 30 Aug 2008 |
| Network Hub | |
| Initiate planning and organisation of 2008 Bilbao Conference | 1 Nov 2007 |
| Initiate planning and organisation of 2008 Bilbao Regional Minister's Policy Roundtable | 1 Nov 2007 |
| Discuss two collaborative project proposals with DG SANCO | 12 Dec 2007 |
| Contribute to DG SANCO Working Group on health sector investment and structural funds | From 1 Oct 2007 |
| Contribute to HPCPH meeting in Lisbon | 7-8 Nov 2007 |
| Contribute to DG Enlargement 'Public Private Health Sector Initiatives' workshop, Cairo | 26-27 Nov 2007 |
| Development Group | |
| Support marketing of European Masters Degree in 'Sustainable Regional Health Systems Development for launch in September 2008 | From 1 Oct 2007 |
| Liaise with Bilbao Consortium on organisation of European Master's degree inputs | From 1 Nov 2007 |
| Network Board and Executive Director recruit Head of Development Group with strong intersectoral policy and practice experience | 30 Sep 2008 |
| Conduct needs assessment across EU regions, the EC and other key organisations to identify and prioritise professional learning and development needs | 31 Oct 2008 |
| Set-up (non)academic partnership to deliver a 'Regional Executive Development Programme' | 31 Oct 2008 |
| Development Programme proposal agreed with partners and Network Board | 30 Nov 2008 |

HCN contacts

| Network Board | |
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| Network Office | |
|--|--|
| Professor Jonathan Watson - Executive Director | jonathan@healthclusternet.eu |
| Margit Ohr - Network Manager | ohr@policy.hu |
| Edit Sebestyen - Policy Officer | edit.sebestyen@hcn.sote.hu |
| To be confirmed - Administrative Assistant | |

| Knowledge Programmes | |
|--|--|
| Pat Broster - Programme Lead (Health Sector Procurement) (Manager - NHS Supply Chain Initiatives) | PBroster@groundwork.org.uk |
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