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Europe's health economies exchange

The Liverpool Agenda

Social and technology health innovations contributing to regional development



**PROJECT PART-FINANCED
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North East South West

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The challenge

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 EU 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 optimised to positively contribute to regional development agendas. Nor is it used to maximise the population health benefit of health care expenditure.

Effective and sustainable regional health innovation landscapes are one way of achieving these contributions. They should: help create dynamic local businesses that are competitive in wider markets; boost local employment; widen the skills base; improve workplace & population health; and strengthen social cohesion. These are the kinds of added value that we should expect from public organisations spending public money.

Relevance

For **health service decision makers** this agenda builds on evidence that health innovations (IT, pharmaceuticals, equipment, new technologies and processes) are shaping and supporting the prevention, treatment and rehabilitation of acute and chronic disease conditions across European regions. In some regions this has led to investment in technologies that minimise hospitalisation. This agenda increases general understanding of the 'health is wealth' relationship e.g. how local health economies can work more effectively with regional and wider health market economies.

For **local health organisations** such as acute hospitals and primary care organisations, this agenda helps them exploit developing technologies from local industries & services to improve diagnostic and treatment services; it also helps them maximise local procurement opportunities.

For **regional governments across the EU**, it 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. Its political realisation must support development of innovation capabilities as well as access to the regional health market.

For **regional governments in the newer EU12 member states** the agenda 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 development agencies and SMEs**, the adoption of this agenda in your region identifies new opportunities to be competitive creating an environment in which relevant SMEs can develop and flourish; it provides a knowledge background for intermediary bodies.

For relevant **European Commission Directorates** (DG Enterprise & Industry, DG Internal Markets, DG Research, DG Regional Policy, DG Health & Consumer Protection), this agenda offers a platform for an approach that cuts across individual DG competencies in order to strengthen EC policy development by:

- 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.

Benefits

Like procurement, employment and capital investment, engagement by health service organisations in social innovations and the health innovation market has the potential to stimulate the development of capable local businesses, strengthening their competitiveness in wider markets and so supporting a positive drive to achieve the goals of the Lisbon Agenda (growth, competition, employment). Specifically, effective and sustainable health innovation markets have proven benefits to local economies and regional development. These include:

- increasing local employment
- increasing the skills base in local labour markets
- increasing wealth in the region
- promoting business growth (SMEs) competitive in wider markets
- contributing to quality of health care and health improvement
- enhancing community well being and social cohesion
- protecting the environment through environmentally friendly design.

Origins and purpose of the agenda

This Agenda and the others that follow it, provide a practical response to the ‘health equals wealth’ challenge first set out at the European Health Policy Forum in October 2003. The Liverpool Agenda puts forward a range of health innovation policy actions for localities, regions, and the European Commission. The Agenda has been shaped by the practical experiences, evidence and insights generated by regions from across the EU and beyond who are partners in Health ClusterNET. Importantly, it also reflects how partner regions are currently progressing in terms of economic performance and Lisbon Agenda orientation.

Aims of the agenda

1. To enable partner regions to build an environment that creates and sustains competitive health and medical related innovations.
2. To engage regional health systems in working with other key stakeholders in their regional health innovation landscape.
3. To ensure the effective adoption of innovations in the regional health sector.
4. Targeting health inequalities between regions and promoting health gain
5. To stimulate greater integration of health care providers with innovation actors and stakeholders
6. To reduce market obstacles by stimulating health care providers, entrepreneurship and innovation in local SMEs.

Key milestones for all regions

The following key milestones would enable regions to effectively improve the contribution of health innovation landscapes to regional development:

- Adopt master/integrated planning within each region – this would make it difficult to isolate individual policy makers. Everyone has a contribution to make
- Identify the capacity and resources in a region to better understand how the delivery of innovation might be best coordinated
- Audit the innovations and innovators in a region (what do we already do well? Potential to create regional clusters)
- Maximise the adoption of innovation developed regionally – identify and facilitate routes to markets for your innovations
- Advocate Structural Fund reform – there is a lack of accountability once a bid is won on outcomes but not enough flexibility to adjust outcomes where appropriate.

Beyond these milestones, partner regions identified the following important policy opportunities to ensure that regional health innovation landscapes are better orientated to delivering the Lisbon Agenda:

- Shift health policy towards prevention of chronic conditions and promoting well being (this should be done by policy makers across relevant sectors)
- Develop cross-government and cross-ministry commitments to intersectoral planning, funding and implementation at regional levels (national governments need to address this)
- Approaches to adoption of health innovations within regions should be linked to and support merging best practice care models e.g. enabling integrated care pathways (Health and Finance Ministries at regional and national level)
- Identify incentives to encourage partnership working between cross sectoral agencies e.g. through the development and use of integrated performance management frameworks and processes (Finance and Health Ministries, regional health systems)
- Enable the better development of integrated information systems to improve intersectoral decision-making about how to supply and improve better managed care pathways (local, regional and national information experts and agencies).

Policy recommendations

The following policy recommendations are organised into three regional categories. These categories reflect how two objective indicators and 1 self-assessed indicator define partner regions. The two objective indicators are Lisbon Orientation and Economic Performance and were developed and reported by the European Spatial Planning Observatory Network (ESPON). The self-assessed indicator reflects how partners assessed the extent to which health sector investment in their own regions is contributing to regional development. This self-assessment used agreed criteria to place each partner region into one of three development stages (early development, solid progress, fully engaged).

Foundations for effective and sustainable regional health innovation landscapes

Considering the basic building blocks of effective and sustainable regional health innovation landscapes, it will be important to learn from the successes and failures of other regions. No matter how developed a region is a shared starting point for all regions is to understand what they know; what they don't know and what they need to know. In relation to the health sector, this includes social and process innovations as well as biotechnology and IT innovations. Ultimately, innovations can be a means to save costs.

Beyond policy recommendations for regional clusters (see next section) the following three recommendations are central if all regions are to maintain progress:

1. Identify and/or develop an independent regional economic development organisation to take a lead on this agenda
2. Develop a shared vision and values between key stakeholders to provide the basis for effective intersectoral collaboration
3. Create regional health innovation objectives and outcomes and integrate them into your Regional Master Plan
 - 3.1. Support the delivery of key objectives by creating a coordinated framework of intermediary organisations
 - 3.2. Create an incentive system for regional health innovation markets that is based on trust and openness in key processes
 - 3.3. Build a bridge between health and innovation funding for universities, SMEs, regional and local health services
 - 3.4. Develop and make available shared tools (financial support & commitment, analysis of need, technology transfer mechanisms, education & skills training, networking information).

In tackling regional population needs for health care (e.g. ageing, wide spread and rural populations) and public health, use of this agenda along with other HCN Agendas on procurement, employment and capital investment should allow regions to explore the appropriateness of and allow health care service design to use social innovations, ICT, high technology and intersectoral care clusters rather than simply single hospitals to improve care pathways across regions.

Group A: Economic potential, weak Lisbon orientation, health sector starting engagement

Group A includes regions (i) where the health sector is at an early stage of development in ensuring that health sector investment and assets contribute to regional development for regions (ii) that have economic potential but weak Lisbon orientation. In Health ClusterNET the following regions are in this group: Harghita, South Transdanubia, Malapolska, Alentejo, Basilicata, Slovenia.

This group of partner regions identified the following policy recommendations as a 'route map' to enable them to make progress in ensuring that their health innovation landscapes contributes best to regional development:

Planning innovation

4. Ensure that health innovation priorities are included in relevant health and economic development strategies and action plan for each region
5. Identify and apply core planning indicators for regional health innovation landscapes and their use in monitoring & evaluation.

Managing innovation

6. Invest in capacity building for innovation e.g. to support regional and local SMEs to develop their own product e.g. resources, cooperation and networking

Adopting innovation

7. In more marginalised regions and communities focus on developing and using social innovations to improve the effectiveness and efficiency of health & social care, prevention and rehabilitation e.g. maximise ICT to support home care

Anticipating innovation

8. Import innovations rather than simply invest in trying to create new innovations (in very competitive markets) by using the HCN Agenda as a 'tool' and being aware of emerging and existing innovations (social, process, IT, biotechnology, pharmaceutical) in other European regions

Group B: Less clear economic trend, high Lisbon orientation, health sector engaged

Group B includes regions (i) where the health sector is making solid progress or is fully engaged in ensuring that health sector investment and assets contribute to regional development (ii) that have less clear economic trend but with high Lisbon orientation. The regions in this group are: Västsverige, Brandenburg and North West.

This group of partner regions identified the following policy recommendations as a basis for enabling them to maintain progress in ensuring that their health innovation landscapes contribute best to regional development.

Planning innovation

9. Support R&D infrastructure within regions and especially intersectoral collaboration
10. Have systems that focus on innovators & research that is likely to be most successful

Managing innovation

11. Set up regional health innovation hub organisations to help regional and local health staff to identify and protect innovative technologies, ideas and services that could be commercialised or shared to improve patient care.
12. Put in place exploitation systems for developing innovation of intellectual property; promoting technology transfer between the public sector innovators and SMEs

Adopting innovation

13. Do not be limited by best practice. Challenge it and do not blame people if they do something different with good and justifiable reasons
14. Reward relevant social and technology innovation by local and regional health services/staff, SMEs, universities and research centers
15. Build innovation into medical and health professional staff training programmes (e.g. how to enable intellectual property)

Anticipating innovation

16. Encourage a new kind of thinking with "wouldn't it be nice if..." meetings (i.e. horizon scanning process built into health systems)
17. Recognise and adopt innovation that is already around as a main priority.

Group C: Strong economic trend, high Lisbon orientation, health sector engaged

Group C includes regions (i) where the health sector is making solid progress in ensuring that health sector investment and assets contribute to regional development (ii) that have strong economic trends with high Lisbon orientation. The regions in this group are: Steiermark, Etela Suomi, North East, Pais Vasco.

This group of partner regions identified the following policy recommendations as a 'route map' to enable them to continue progress in ensuring that health care capital investment contributes best to regional development.

Planning innovation

18. Technology push cannot be the starting point for innovation planning. Effective and sustainable planning requires a needs-orientated approach
19. Involve many different groups in planning (patient groups views are very important) and coordination is needed between groups to agree on key questions/issues
20. Relatedly, needs (professionals) and answers (firms) often collaborate but leave academics out. Regional economic development agencies and universities should ensure that relevant staff and departments are properly engaged with health sector professionals and relevant SMEs. A core goal should be effective translation of research connected to a need to deliver better health services
21. Using health care platforms to run innovative pilot studies will help overcome the challenge of how to move from a pilot to adopting generally in a regional health system
22. Functionality of innovations can be informed by regional economic development agencies and SMEs learning about health care
23. Increase knowledge and awareness among developers and innovators about what the key issues for health innovations are
24. Use incentives such as award schemes to build the right mindset e.g. innovation awards in Steiermark are a model for use in other regions (explicit criteria for awards, rewarding possibility for gaining value through marketing innovation)
25. Be clear about whether innovation as an end point or a means to succeed. Knowledge of innovation is not enough if it is not used i.e. recommendations etc. are not enough.

Managing innovation

26. Combine health innovation with economic and financial planning
27. Ensure sectoral support for technology transfer is available
28. Innovation should work on two levels (i) innovation in health systems and (ii) innovation in health care products
29. Innovations are needed to rationalise the processes of health care e.g. trying to increase the amount of time medical professionals have to use per patient and to shorten the waiting times

Adopting innovation

30. Different views need to be taken into account when considering the adoption of innovations. This should involve patients, professionals, companies and regionally/locally elected politicians
31. Changing social situation and health care practices through social, medical and biotech innovations
32. Develop and apply systems innovation to shift new ideas in/out of the hospital environment

Anticipating innovation

33. Engage multinationals in looking to the future when innovating (developing existing innovations based on evidence) – forecasting market size is important
34. From small group benefit to larger group benefit through outsourcing (risk management)

35. Enforcing anticipation of innovation leading multinationals towards: finding SMES and others willing to take part in these processes through outsourcing. This will enable the influence of multinationals in innovation to broaden out.

Overall benefits

For regions across the EU use of this Agenda will

- Support regions in meeting the goals of the Lisbon Agenda by creating health innovation landscapes that are attractive to innovators to live and work in a dynamic region thereby increasing their strategic advantage
- Encourage regions to develop/redesign publicly funded organisations that fit the needs of innovation and innovators e.g. health care innovation implementation fund but ensure the application process is simple reflecting time and cost constraints on SMEs
- Strengthen local economies including increased workforce innovation skills & standards of technology
- Contribute to improved delivery of health services (time, quality, consumer relevant/sensitive)
- Help meet needs to promote health, treat illness and build wealthier populations by facilitating stronger regional economies with competitive SMEs and fuller employment through job creation.

For EC Directorates use of this Agenda will

- Facilitate transfer of new and emerging practice between member states
- Contribute to achieving the Lisbon Agenda – contributing to the knowledge economy
- Support development of unique and integrated innovation systems
- Contribute to developing new theoretical frameworks for health & economic development e.g. optimum political governance models
- Help identify exemplar regions for DG Regional Policy
- Help create best health service delivery in regions as exemplars for DG SANCO
- Help identify and create exemplars of regional competitiveness for DG Internal Markets
- Help create exemplar regions for full employment for DG Employment, Social Affairs & Equality.

Contact: Margit Ohr, Network Manager – ohr@hcn.sote.hu

Edit Sebestyen, Policy Officer - edit.sebestyen@hcn.sote.hu

Harald Mylord, Programme Lead (Health Innovation Markets) - mylord@tsbmedici.de

www.healthclusternet.org

Partner regions: Alentejo (Portugal), Basilicata (Italy), Brandenburg (Germany), Del-Dunantul (Hungary), Etelä-Suomi (Finland), Harghita (Romania), Malopolskie (Poland), North East (England, Lead Partner), North West (England), Pais Vasco (Spain), Slovenija (Slovenia), Steiermark (Austria), Västsverige (Sweden).