



Brussels, 5 June 2019
(OR. en)

9769/19

SAN 278

NOTE

From: General Secretariat of the Council
To: Council

Subject: **Employment, Social Policy, Health and Consumer Affairs Council
session on 14 June 2019**
Facilitating investments to transform and improve health systems
- *Exchange of views*

1. On 29 May 2019, the Permanent Representatives Committee was informed by the Presidency about the preparations for the policy debate on 'Facilitating investments to transform and improve health systems' scheduled to take place at the Council (EPSCO) session on 14 June 2019¹.
2. The Permanent Representatives Committee agreed to hold in public the policy debate as proposed by the Presidency.
3. The Council is consequently invited to hold a public policy debate on the basis of the Presidency note set out in the Annex to this document.

¹ See document 9555/19.

Facilitating investments to transform and improve health systems

Background

The ultimate goal of health policy is to improve population health. Health policy must, however, respond to a multitude of objectives: increasing the accessibility, effectiveness and sustainability of health systems, supporting capacity and structures, improving the quality of care, developing prevention and reducing inequalities.

While national health policies primarily respond to national priorities, the environment in which they are implemented has become increasingly complex. In 2015, the United Nations Sustainable Development Goals were adopted and Member States have committed to targets set by the World Health Organisation for fighting non-communicable diseases. In 2017, the Council signed the European Pillar of Social Rights, which also comprises health-related goals. The European Semester includes health systems' resilience and efficiency within fiscal sustainability targets.

One prerequisite for a successful national health policy is sufficient and sound investment. In order for health investment to be efficient, the processes of identifying national priorities and of designing national strategies are paramount. The necessary resources mainly come from the national budget, but EU funding or a combination of the two can be used in certain cases. Tools are available at EU

level to complement national funding on health, if needed. A few of the most prominent currently available are: the Third Health Programme², Horizon 2020³, the Cohesion policy funds, in particular the European Regional Development Fund⁴ and the European Social Fund⁵.

The use of those funds is subject to specific rules, set by the Council and the European Parliament through the ordinary legislative procedure. This financial landscape will change for the next multi-annual financial framework (2021-2027). Therefore an appendix has been included, that describes the EU funding instruments that could be used to finance health investments for the future.

Against this background, this paper concentrates on the use of EU funding for implementing health policy priorities at Member States level.

Implementing health policy priorities using EU funds

When deciding how to use EU funds for implementing health policy priorities, processes at three different levels should be born in mind:

1. The **European Council** yearly endorses Country Specific Recommendations (CSRs), some of them related to health, through the European Semester Process. The yearly National Reform Programmes elaborated by Member States incorporate a response to CSRs.
2. The **Council** (EPSCO Health) in some cases in Council Conclusions refers to funding for specific priorities and mentions specific EU instruments. To give just one example, the "*Council conclusions on Health in the Digital Society — making progress in data-driven*

² Regulation (EU) No 282/2014 of the European Parliament and of the Council of 11 March 2014 on the establishment of a third Programme for the Union's action in the field of health (2014-2020) and repealing Decision No 1350/2007/EC; OJ L 86, 21.3.2014, p. 1–13

³ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC; OJ L 347, 20.12.2013, p. 104–173

⁴ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006, OJ L 347, 20.12.2013, p. 289–302

⁵ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006, OJ L 347, 20.12.2013, p. 470–486

innovation in the field of health"⁶ adopted in December 2017 make a call for supporting digital health infrastructures through EU funds.

In addition, the Working Party on Public Health at Senior Level⁷ holds discussions on topics considered important and shares best practices in different domains. For example, during the Maltese Presidency in the beginning of 2017, the Working Party discussed how to use EU funds for the generation of evidence necessary to support health policies.

3. **Member States and the Commission** cooperate at operational level to define the priorities for various EU funds and programmes.

For Horizon 2020 and the Third Health Programme the coordination takes place at the level of Programme Committees that set priorities for the next year or next two years. Usually collaborative in nature, such funds facilitate mutual support between countries that have the same problems or experience, as well as knowledge-sharing between those countries and implementation of evidence-based best practices.

Starting from 2019, for Cohesion Policy funds, the Commission, at the end of each seven year financial period, includes in the Country Reports, as part of the European Semester process, specific guidance on how such funds could be used to address various needs in the Member State concerned. In the process of preparation and negotiation of new Partnership Agreements and Operational Programmes that will define main priorities for using Cohesion Policy funds within the next financial period, this guidance is taken into account.

The Structural Reform Support Programme and the Structural Reform Support Service (SRSS) are designed to help Member States with the use of Cohesion Policy funds.

⁶ O.J. C 440, 21.12.2017, p. 3

⁷ 16139/08 Council Conclusions on a cooperation mechanism between the Council and the Commission for the implementation of the EU Health Strategy

The Commission also uses in an advisory capacity different expert groups to help with the identification of priorities. Recently, the Commission has set up a Steering Group on Health Promotion (SGPP), Disease Prevention and Management of Non Communicable Diseases⁸. The aim of this group is to help prioritise and increase the impact of actions supported by the EU to improve population health and the sustainability of health systems. This group should help Member States to select policy interventions that match their national priorities and policies, and which could attract EU support to facilitate implementation.

Health-related investments are eligible under many of the EU funds and could be used in all phases, from research and development to financing health infrastructures and workforce training. In the complex setting referred to above, matching EU funds to national needs and finding synergies between those and national resources requires careful consideration.

The Presidency therefore deems it useful to hold an exchange of views in order for Member States to share experiences and provide some guidance for the future.

⁸ See 14595/17, information presented to the Council (EPSCO) in December 2017, the group was formalised in spring 2018.

Questions:

- 1. Based on the past experience, what could be done to optimise the use of financing instruments and funds (including Cohesion policy funds) and match them to investment priorities in the health sector?**
- 2. What would be the most appropriate means of ensuring synergies between the different EU support instruments available for the health sector?**

Health in funding programmes

A number of financing instruments in the next MFF can support investments in health at various levels: research and development, pilots and implementation of infrastructure and services on the ground. The description below is based on the Commission proposals:

- **Horizon Europe** will finance research and pilot projects in health: Health throughout the Life Course; Environmental and Social Health Determinants; Non-communicable and Rare Diseases; Infectious diseases; Healthcare systems; and Tools, Technologies and Digital Solutions for Health and Care are the thematic areas in the Commission’s proposal for a “Health” cluster with a EUR 7.7 billion budget.
- The **Health Strand into the European Social Fund Plus (ESF+)** (which takes over from Health Programme) through a dedicated Health Strand with a EUR 413 million budget and an objective to strengthen health systems through cross-border cooperation, best practice transfer and piloting of new policies.
- The **Connecting Europe Facility** will focus on promoting high-capacity digital networks and infrastructure of common European interest, e.g. in ensuring that socio-economic drivers such as schools and hospitals have access to future-oriented broadband by 2025.
- The **Digital Europe Programme** (with a proposed budget of EUR 9.2 billion) will support the wide use of digital technologies in areas of public interest. In health, the focus will be on aspects such as secure and effective management of personal health data across borders; better data for research, disease prevention and personalised health and care; and use of digital tools for citizen empowerment and for person-centred care.
- The **Cohesion Policy funds**: The Commission proposed a EUR 273 billion budget for the European Regional Development Fund (ERDF) and EUR 100 billion for the shared management part of the European Social Fund Plus (ESF+). Part of these can support Member States to improve their health systems’ accessibility, effectiveness, quality and sustainability. For instance: development of health infrastructure (including digital), innovation and efficiency enhancing reforms in health, health promotion, disease prevention, integrated care models and health workforce training. It is up to the Member States and their regional authorities to prioritise and execute their ERDF and ESF+ investments in health.

- The **InvestEU** Programme will make available a guarantee fund of EUR 38 billion, which is expected to mobilise more than EUR 650 billion of additional investment in various economic sectors. Health investments under InvestEU can concern infrastructure in hospitals, primary care and community care settings; digital solutions; as well as innovative health products, services and care models. Under InvestEU, national/regional/local authorities need to work with the European Investment Bank, national and international promotional banks and other investors to configure projects that can attract co-investments from private sector.
- The **Reform Support Programme (RSP)** will provide tailor-made support to all Member States for their institutional, administrative and growth-enhancing reforms in line with the European Semester. The RSP support covers the entire reform process, from preparation and design to implementation of the reforms. It is demand driven and does not require co-financing from Member States. It will provide both technical assistance on how to implement the reforms as well as financial support to carry out for the actual reform.
- It has to be noted that one of the nine objectives of the modernised and simplified **Common Agricultural Policy (CAP)**, with a proposed budget of EUR 365 billion, is to improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, as well as animal welfare.

Two studies have been funded by the Commission to produce a **mapping of investments in health**:

1. A project to explore the use of the **European Investment and Structural Funds (ESIF)** for health in the current MFF 2014-2020 (<http://www.esifundsforhealth.eu/>). The project deliverables built on a **database** of more than 7000 ESIF-funded projects with more than EUR 8 billion of financing, produced **country fiches** with mapping of ESIF investments in each Member State, as well as fiches for more than 60 **‘exemplary’ projects**.
2. A study, in collaboration with the European Investment Bank, which mapped the **state** of health investments and identified health investment **needs**, **gaps** and related **barriers** in the EU Member States. The study also provided **recommendations** for actions at EU, national and regional level, to support the optimal use of financing instruments for matching investment priorities in the health sector in the EU. The report is available on the website of the European Investment Advisory Hub: <https://eiah.eib.org/publications/index>