ANALYSIS OF INVESTMENT HEALTHCARE AREAS

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Abstract

The article presents critical analysis of investments in healthcare sector in the EU member-states that is mainly focused on investments of the European Regional Development Fund and the European Social Fund for the period of 2014-2020 and identifies the prioritized areas for investments in the healthcare sector during the reviewed programming period.

It has been proven that health status has significant contribution in the economy of the European Union. The research of health impact at macroeconomical level show that the majority of today's economic richness is directly related to the latest achievements in the healthcare sector.

We concluded that in order to achieve modern and effective healthcare we need making investments. Additionally, the money spent for healthcare should be perceived as long-term investment in nation's health, and not as short-term cost.

Key words: *investments, economics, healthcare, European Union, priority fields.*

The analysis of the operational programmes in the EU member-states shows the possible areas of support in the programming period 2014-2020. The prioritized areas for healthcare investments recognized by the Cohesion Policy 2014-2020 should help us face the present challenges to the European healthcare systems that ought to increase their return, accessibility and sustainability. In general, healthcare priorities defined by the member-states in their programme documents reflect the terms and conditions for coping with these challenges.

The purpose of this article is based on the critical analysis of the programme documents for the period 2014-2020 to identify the priority areas for investing in the healthcare sector during the reviewed programming period.

Methods

The analysis of investments in the healthcare sector in the EU member-states would be solely focused on the investments from the European Regional Development Fund (ERDF) and the European Social Fund (ESF) identified within the frameworks of the national and regional operational programmes (OP) verified by the individual member-states.

While collecting data for the period 2014-2020 we identified characteristics that define the methodology for data collection and analysis comprehensiveness:

► The management of structural funds in the EU member-states is arranged individually – in different ways and at different levels of the public administration. Some countries have decentralized system for structural funds management, hence the data about the use of resources are dispersed among many stakeholders.

► The data about the utilization of structural funds are not comprehensive. There are operational programmes at national and at regional level. Healthcare sector is a sector that overlaps

many different areas, for example social programme, education, employment, public administration or scientific research and development, for that reason investments in healthcare are being supported by numerous different operational programmes managed by various bodies. Oftentimes healthcare is not being funded purposefully, but as a part of the integral regional development or via special actions at the level of individual projects with potential health benefits, yet the main focus is elsewhere.

► Because of its specific characteristics, the information provided in the publicly accessible programme documents does not make it possible to define the exact amount of health-related investments. One way of calculating the programming resources is using the amounts provided under the so-called intervention categories included in each OP. Nevertheless this investment categorization is not always detailed enough to assess in unambiguous manner the planned healthcare investments.

Results and discussion

When it comes to the financial resources for investments related to health in all EU member-states during the programming period 2014-2020, these are distributed between the various types of the planned costs. Hence on the grounds of the programming documents it is not always possible to define the total distribution of the planned investments in the healthcare sector. Yet we could claim that over 4.84 million EUR are intended for healthcare investments from the European Regional Development Fund (ERDF) and further 4.16 million EUR for investments from the European Social Fund, as the latter includes social investments and active aging investments.

During the programming period 2014-2020 the infrastructural investments and other investments in healthcare of the individual member-states are mostly supported as integral part of healthcare system reforms, in order to ensure that the system is effective and efficient. For that purpose, the member-states that use the ESF as source for investments in their healthcare systems should present strategic framework for health investments and each investment should be in conformity with this framework.

Areas of investing in healthcare

The healthcare system of each member-state faces its unique challenges. Consequently the types of investments differ among the individual member-states. Despite the relative differences it is possible to identify the main areas if investing in healthcare that are common for all EU member-states. These areas are the following:

- **Refurbishment of the healthcare infrastructure and improvement of access to health cares**

The most significant investment area is the refurbishment of healthcare infrastructure and improvement of quality and access to healthcare services. These investments include renewal and development of new infrastructure, including hospitals, medical equipment and emergency medical aid services. The sources of many of these investments are projects aimed at mitigating regional differences. The countries where these investments prevail are the ones that joined the EU after 2004, such as Latvia, Poland and Lithuania. This underlines their efforts for bringing the quality of healthcare services in conformity with the European standards.

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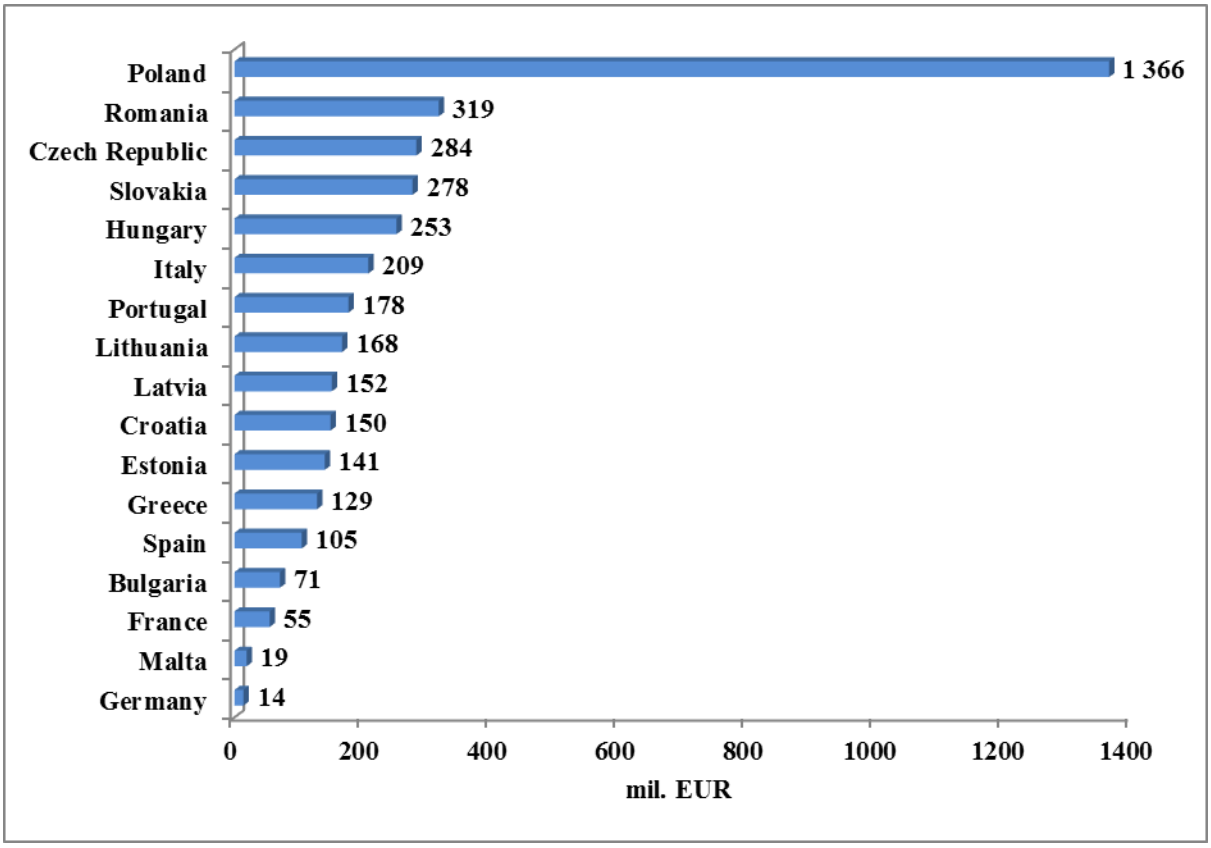
Figure 1. Investments from the ESF distribution for healthcare infrastructure during the period of 2014-2020



Source: http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/thematic_guidance_fiche_health_investments.pdf

- **Deinstitutionalization and development of social services within the Community**

The main idea of community healthcare is about strengthening services at municipal level and services from first contact (i.e. primary medical care), so that these could cope with important social needs at local level. The development of resources, including patterns of social and healthcare services at local level is essential. These types of services could be used usually by people with continuing disease that prefer staying at home or by the people that live in remote regions, away from healthcare institutions. For that reason the patients get medical visits or they use services if necessary. Other activities in this area include the development of fostering care and other preventive and alternative patterns of cares and services that could be used by elderly people with disabilities or people with mental problems. Thus they avoid or limit the use of services within larger institution ("deinstitutionalization"). Training and supporting parents and trustees, as well as building and adapting facilities such as care centres are also included in this area of investing. These investments are most common within the regions categorized by the European Investment Fund and the structural funds (ESF) as poorly developed and are mainly related to countries that joined the EU after 2004. Particular example of costs incurred by the community is Croatia while providing support for the specialization of

family medicine, radiology and emergency medicine in healthcare centres of community as a reply to the absence of qualified experts to provide primary health cares. Another example is about projects within the process of deinstitutionalization of psychiatric cares that are about to be funded in the Czech Republic.

- **Active aging in good health**

The activities included in the scope of these investments are aimed at helping elderly people in living a healthy life. One of the ways to achieve this is to prevent social exclusion and ensure means for full participation in society. Hence many states invest in various programmes aimed at ensuring permanent occupation of elderly citizens. Sometimes these are in the pattern of educational and training programmes for the elderly people, so that they could adapt to changes at workplaces and join the workforce once again (for example Austria, France). In other cases these are provided as financial assistance or consulting services for companies and the public sector (for example Austria, the Netherlands). In addition to assisting elderly citizens in joining the workforce once again, many countries also invest in alternative programmes for providing cultural, educational and recreational activities aimed at elderly people (for example Portugal). These types of investments are also common in the poorly developed regions, for example in Latvia, Lithuania and Slovenia. Some countries also intend implementing services that are community-based, including healthcare services in the community (for example Malta, the Czech Republic) whose designation is supporting the inclusion of the target group in the communal life.

- **Improvement of quality and access to healthcare services**

The investments in this area include projects aimed at improving access to healthcare services (including primary health care) but with special focus on vulnerable groups, for example disabled people or families with children. The refurbishment of infrastructure, reconstruction or the acquisition of new buildings, medical equipment or other equipment that is necessary for the effective work of health care (such as ambulances and other vehicles) are part of investment objectives. The improvement of access to healthcare institutions with the construction of platforms for wheelchairs or measures aimed at buildings' conditioning (i.e. improvement of energy efficiency, for example in Slovakia) are also included in the scope of these investments. The resources for these types of investments are distributed mainly for the poorly developed regions of the countries that joined the EU after 2004. In addition to the abovementioned projects, healthcare accessibility could be improved with improvements of the hospital and healthcare administration and improvement of skills and knowledge of doctors and the personnel engaged directly with healthcare (for example Poland). This is related to creating standardized procedures in the cases of most general and significant diseases (for example Slovakia). Maintaining measure in some countries (for example Malta and Latvia) would be the collecting and processing data in accelerated manner since these are health-related.

- **Health promotion and disease prophylactics**

Health promotion is aimed at improving healthcare culture among citizens (programmes for the entire population, as well as programmes aimed mainly at children and other groups, for example people that use drugs or marginalized communities). The aim is to help them make well-informed decisions on their way of life. The early discovery of health problems is the basic measure that is part of disease prophylactics. For example, in Romania this includes early detection, screening, diagnostics and treatment of socially significant diseases (for example cardiac diseases, cancer, diabetes, chronic obstructive pulmonary disease, chronic renal failure, chronic hepatitis, tuberculosis, HIV-AIDS). In

Estonia programmes are established for early detection of alcoholism and drug abuse, treatment of additions and consulting. These investments are common in the poorly developed countries, mainly in the countries that joined the EU after 2004.

- **Training of medical personnel**

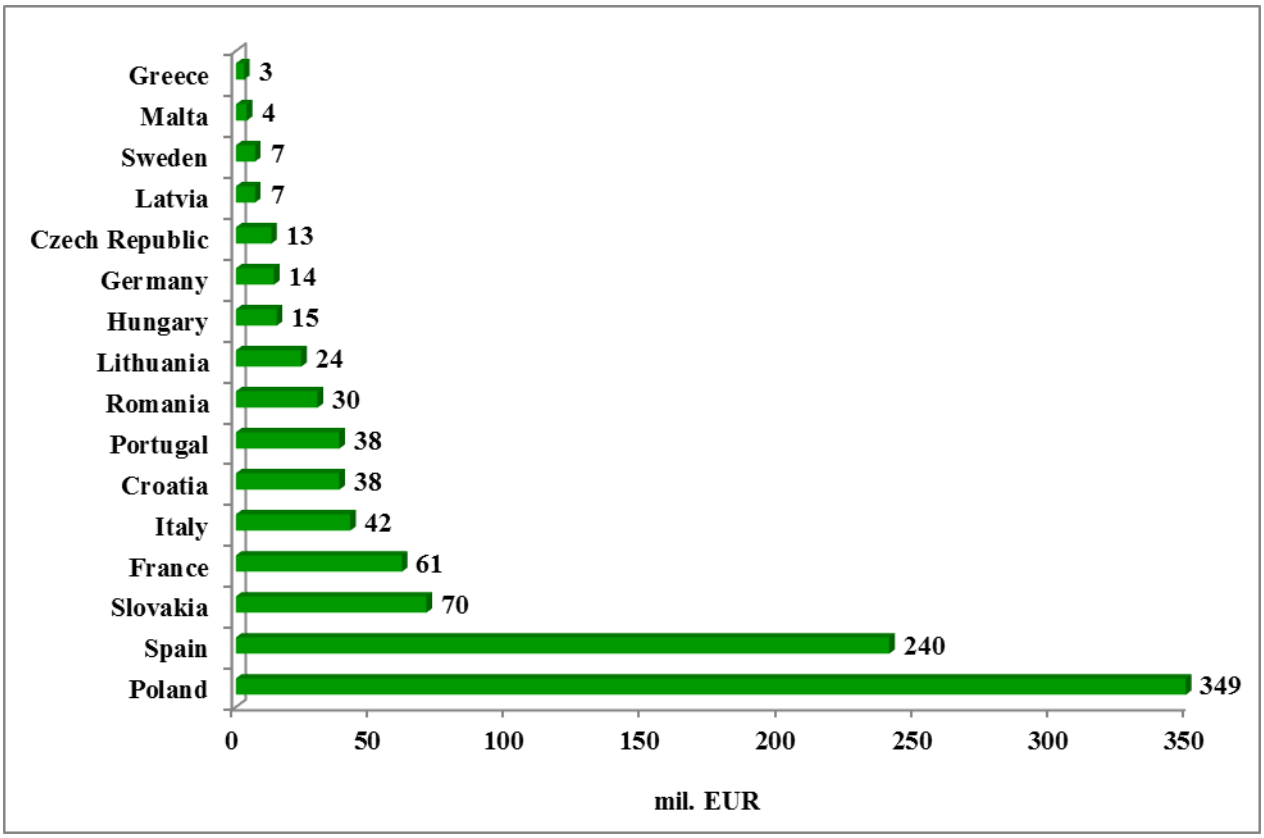
One of the objectives of this investment area is to improve the effectiveness of healthcare through education and training of the medical personnel. For example, in Poland there are programmes aimed at technical training for the medical personnel, so that it could operate effectively medical assets. Additionally, Poland invests in training the administrative personnel and in managing the treatment structures for improving their capacity in view of planning and performing. The improvement of qualification of nurses is also one challenge related to population aging. Another objective of this investment area is to promote employment in the medical professions. This is done thanks to educational support (for example, scholarships), as well as thanks to training (for example practice). The countries that implement such programmes are Croatia, Hungary and Malta. In some countries (for example Germany and Denmark), investments in lifelong learning are usually of broader scope and include not only medical specialists, but also specialists from other sectors of the economy.

- **E-health**

This area of investments includes all investments related to the use or delivery of information-communication technologies (ICT). There are two basic types of investments. The first of them is about investments in centralized and integrated information systems. For example, in Croatia they have been developing integrated information system for the Croatian health-insurance companies in view of including services such as e-directives, e-prescription, as well as system for online payments. The other type of investments is about telemedical and e-health technologies that make it possible to provide clinical health cares remotely. These technologies improve the access to medical cares for all citizens and in particular for the people that reside in remote regions or countryside communities that are limited. Investments in telemedicine could also focus on particular area of the healthcare sector. For example, in Bulgaria the ICT investments including telemedicine are focused on emergency health cares. In addition to the two investment types there are investments in personnel training for operating the ICT or ICT delivery for hospitals. This area of investments is common for the three categories of regions:

- ✓ Better developed (for example in Ireland, Sweden, Germany, France, Cyprus),
- ✓ In transition (for example Greece, Malta, Spain) and
- ✓ Poorly developed (for example from Bulgaria, Latvia, Lithuania, Slovakia).

Figure 2. Investments from the ESF distribution for E-health during the period of 2014-2020



Source: http://ec.europa.eu/health/health_structural_funds/docs/esif_guide_en.pdf

Other areas that are subject matter of indirect investments are the investments under priority axes that are not related exclusively to the health issues. For example, in the frameworks of priority axes that support scientific research, the EU member-states review innovations with highlight on several areas such as sustainable energy, agriculture, technologies, healthcare etc. These projects are not aimed exclusively at healthcare. Nevertheless, healthcare institutions could become beneficiaries, if these are in conformity with the eligibility criteria defined in the particular operational programmes.

Conclusion

In view of ESF the costs for healthcare investments were programmed jointly with the social investments. Consequently, the total ESF amount of over 4.16 billion EUR that contain interventions aimed at growing old in good health and improving the access to accessible, sustainable and high quality health cares comprise other investment types – for the social services of common interest, whose amount cannot be currently defined.

Even though there are several changes in distribution of resources among the countries, the ESF utilization for healthcare investments increases. In most countries, allocation of healthcare priorities, as well as the share of the total distribution increased during the programming period of 2014-2020.

The financial crisis' consequences to public funding put the national and regional costs for the

healthcare system under pressure. Simultaneously, the population is aging and chronic diseases' importance grows. This underlines the need of improvements, including the ones that are necessary in the area of chronic diseases, **as well as the need of investments being the prerequisite for more effective and modern healthcare.**

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