



Leveraging the use of Cohesion Policy funding for health in Poland

COCIR recommendations

Executive Summary

The future of healthcare in Poland is uncertain. The country is facing a double challenge: tackle existing and growing health inequalities and foster innovation to convert healthcare into a competitive advantage and enhance the potential for excellence.

These challenges are well recognized at EU level and significant funding has already been made available for improving health infrastructure in Poland. Funds from the EU's Cohesion Policy will continue to address healthcare investments in the coming planning period, but future healthcare expenditure will need to be targeted on driving system improvements and efficiencies. ***More needs to be done with less.***

This is a unique moment of opportunity for Poland to focus policy support and investment towards the healthcare sector, to enhance the competitive advantages and potential for excellence of this sector by supporting all forms of innovation that address present challenges and foster a top-in class sustainable healthcare system.

To ensure that Polish healthcare system will achieve its full potential and financial sustainability in the coming years, all stakeholders need to take collaborative actions now.

Here are COCIR's four recommendations to improve the programming and implementation exercise of EU funding in the healthcare sector in Poland in 2014 – 2020:

- 1. Need to prioritize funding for healthcare in the Partnership Agreement and Operational Programs in the Multiannual Financial Framework 2014 – 2020;**
- 2. Need to use EU funding smartly to reduce health inequalities between regions, to give disadvantaged groups and marginalized communities better access to healthcare and to invest in healthcare innovation to hedge the competitive advantage and enhance the potential for excellence;**
- 3. Deploy a mix of grants and financing instruments, including *Managed Services* and *Public Private Partnerships* in order to outline a solution for providing and maintaining high quality health services;**
- 4. Introduce a clear, transparent and standardized public procurement framework.**



COCIR's detailed recommendations

1. Need to prioritize funding for healthcare in the Partnership Agreement and Operational Programs in the Multiannual Financial Framework 2014 – 2020

The Cohesion and Structural funds are important funding tools for Poland to invest in healthcare infrastructure and reduce health inequalities. Cohesion policy is a key instrument aimed to tackle the problem of health inequalities in a sustainable manner. Investment in healthcare, including eHealth can help to deliver better care for less money. Public expenditure in healthcare should be seen both as an investment in the health of citizens and as a means of achieving long term social and economic objectives.

Integrated national and local healthcare programs supported through EU funds should promote a complete range of integrated healthcare services, including training and education for hospital managers to improve the efficiency, clinical education, awareness programs on non-communicable diseases, telemedicine and innovative equipment. This will create a positive environment which contributes to containing the overall cost of running the Polish healthcare system.

In order to achieve this, Poland needs to allocate a specific and much higher percentage of the annual budget towards strategic capital healthcare equipment (imaging, radio-therapy, intensive care, and emergency) in the next ten years with clear objectives and standards to be reached in each category, with emphasis on chronic illness, cardiac disease, and oncology.

Specific needs can be addressed through targeted use of EU funding:

- a) Improve early detection through safe and accurate screening programs (breast, bowel, cardiovascular) based on new low dose radiation and non-ionising diagnostic technologies supporting a clinical recognition and escalation infrastructure;
- b) The utilisation of minimally invasive diagnostic and treatment technologies to reduce patient trauma, shorten recovery times and minimise bed occupancy / hospital stay;
- c) Utilize technologies that maximize the effectiveness of healthcare professionals through improving operational flow and patient pathways, computer assisted diagnosis, second review excellence centres, telemedicine and e-health. To further improve overall facility overhead through utilization of energy saving technology and cost management efficiencies;
- d) Promote the use of telemedicine solutions in Poland – which can help improve patients' health and wellbeing, healthcare system efficiency and economic recovery.

2. Need to use EU funding smartly to reduce health inequalities between regions, to give disadvantaged groups and marginalized communities better access to healthcare and to invest in healthcare innovation to hedge the competitive advantage and enhance the potential for excellence

The 2014-2020 funding programme offers a great opportunity for healthcare systems to be redesigned and restructured to improve in efficiency and deliver a transformational change



which will enable a shift from a hospital-centered care to community-based care and integrated services. If it is well utilized, with sound and feasible rules and procedures in place, EU funding will continue to support regions which are facing challenges in delivering healthcare services.

For other healthcare investments – innovative financing instruments and new business models are called for. Sharing experience and best practices will facilitate faster deployment and uptake of these models and key lessons have already been learned, particularly in areas that can cause projects to fail or be delayed.

Key challenges and learnings include:

- There needs to be a clearly developed and agreed national plan, showing where strategic investments in the healthcare system can be best made in Poland and then, more autonomy at the regional level for them to develop the plans and implement the projects required;
- From public sector perspective we observe important co-financing constraints that impede the full take up of EU funds. Therefore COCIR supports more flexible rules from the EU for co-financing and in Poland, more focus on in-kind contributions which should be specifically prepared for such projects and allowed on a larger scale. Pre-financing should be as a rule in health investments.

3. Deploy a mix of grants and financing instruments, including managed services and Public Private Partnerships in order to outline a Polish solution for providing and maintaining high quality health services

New business models and financing models can facilitate the paradigm shift in healthcare that is urgently needed. In the past two decades, new business and financing models have been emerging varying from simple financing or leasing, which is a pure financing tool, to 'pay per use' models up to 'Public Private Partnerships' (PPP).

Managed Services (MS) as well as PPPs are two models focused on a whole hospital or a whole region approach. Both solutions involve collaborative partnerships, rather than relying on the traditional buyer-supplier model.

In the Managed Services model, the technical infrastructure is not purchased by the facility but made available against a fee and the contract is for a longer period of time, often more than 10 years. The provider of the equipment takes responsibility for the availability, quality, maintenance and upgrading over the lifetime of the technology.

A Public-Private-Partnership is a long-term partnership between a public-sector authority, healthcare provider(s) and companies for modern, state-of-the-art healthcare infrastructure with limited capital exposure and risk for public-sector authorities and healthcare institutions. It is essentially long term, 25 to 30 years, as the investments can only be recouped over a long period.



4. Introduce a clear, transparent and standardized public procurement framework

Public procurement is a real bottleneck to the effective use of public funds in healthcare, and this is the case for tendering entities, as well as for bidding enterprises. Many public entities are not aware of new and innovative solutions that may bring feasible savings in long term and also that are more patient-friendly. Facilitated access to public tenders and increased transparency of tenders will result with real decrease in spending. Procurement procedures very often lack transparency, also due to the fact that the tenders are only published in local language. Most of the time the criteria of selection described in the tenders are too restrictive and technical and thus risk becoming obsolete after some time.

Below are outlined some recommendations on improving the current procurement framework in Poland:

- a) Increase transparency of the rules and procedures of the healthcare procurement process, with involvement of specialists from the industries providing input to working groups on international standards, innovation, and anticipated technology and clinical trends;
- b) Purchasing of capital equipment in the public sector based on assessed clinical needs, future proof, and efficient technology with emphasis on performance and quality standards satisfying EU and international parameters. Establish programs for effective technology and service management, based on life-time cost of ownership, utilisation efficiency, scheduled replacement and scale-able upgrades of standardised innovation platforms to avoid obsolescence;
- c) Place an obligation onto hospitals to allocate budget in their tenders for full service contracts for the strategic equipment, and to also include clinical training each year for personnel, by appropriate specialists;
- d) Setting a standard as imposed by EU in authorising the medical equipment service providers on the Polish market and requiring approved and regular update training of personnel by manufacturers to ensure compliance to safety standards and international certification.

Conclusion

COCIR and its member companies operating in Poland are committed to working with the Government, public authorities, hospitals and healthcare providers to maximize the opportunity to improve healthcare delivery and the health of Poland's citizens arising from the effective use of EU funds in 2014-2020. Other funding mechanisms are available which must be used where appropriate to meet this same goal.

This paper is intended to initiate, inform and stimulate discussion. COCIR stands ready to discuss the issues raised in more detail and its members look forward to delivering the technologies and solutions that will help in the continued modernisation and improvement of healthcare in Poland.