

13 February 2011

AmCham EU's position on Investment in Healthcare

Health is essential, not just a desirable, if an economy is to prosper. There is a large body of research highlighting the role health plays in wealth and the importance of investment in health. Unfortunately, this fundamental link risks being lost in the current economic climate. The new background paper 'Explaining AmCham EU's Position on Investment in Healthcare' demonstrates why health matters, highlights promising areas for investment and asks for more sustainable solutions to maintain and increase Europe's competitiveness.

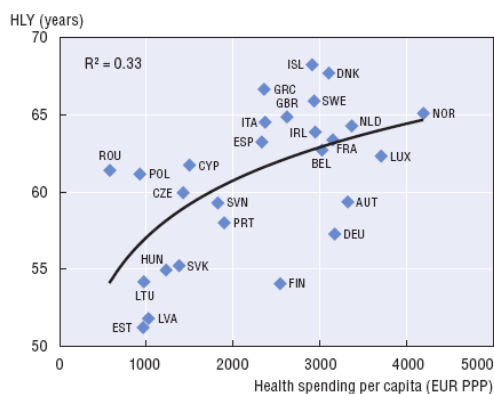
AmCham EU recommends:

- Safeguarding innovation in the long run by implementing policies that overcome static thinking and unleash dynamic efficiency;
- Providing smart regulations that are limited to their purpose;
- Supporting innovative partnerships between the public and private sectors; and
- Taking a consumer approach to empower citizens to be innovators in their own health

Less people will work. Despite encouraging progress, many challenges lie ahead. Factors such as demographic change, the economic crisis, limited healthcare budgets and health inequalities put pressure on the EU's Member States and their populations. Rethinking must be undertaken before the consequences of demographic change cut

through. In 2014, the working age population will start to shrink; this will place a major burden on EU welfare and healthcare systems.¹

1.1.3. Healthy life years (HLY) at birth, 2005-07 and health spending per capita, 2007



Source: European Health and Life Expectancy Information System (EHLEIS); OECD Health Data 2010; Eurostat Statistics Database; WHO. StatLink <http://dx.doi.org/10.1787/888932335438>

Health matters. The fact that health has an impact on wealth seems to be obvious, but research and evidence have mainly focused on less developed countries. It was only the European Commission's study in the context of the Lisbon Strategy in 2005 that looked more closely at the impact of health on wealth. Based on this, McKee and Suhrcke find that '[t]he evidence . . . provides compelling confirmation that judicious investment in better health

¹ DG EMPL (2011), *Demography Report 2010: Older, More Numerous and Diverse Europeans*

in the high income countries of Europe can be expected to increase productivity and increase labour supply'.² However, as the authors conclude, the challenge will be to turn this into concrete action.

Health starts with policy. AmCham EU's background paper on investment in healthcare identifies five areas for investment such as prevention, e-health, medical innovation, integrated care and investment in citizens and patients. Health can only contribute to wealth when the right policies are in place. Such policies are required to meet the goals of the Europe 2020 strategy for smart, sustainable and inclusive growth.

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| From pure cost assessment to broader value assessment | <ul style="list-style-type: none"> ▪ Safeguard innovation beyond tomorrow, i.e., implement policies that overcome static thinking and unleash dynamic efficiency. Innovation has been the key driver for progress; ▪ Take a broader perspective (patient, society, innovation) when deciding on investments in products and services; and ▪ Create smart regulations that are limited to their purpose. |
| Multi-stakeholder approach | <ul style="list-style-type: none"> ▪ Support for innovative partnerships between the public and private sectors, e.g., through EU funds; ▪ Policies that foster collaboration between stakeholders towards integrated care; ▪ A consumer approach to empower citizens to be innovators in their own health; and ▪ Policies that favour the emergence of new business models, e.g., in the convergence of medical devices and mobile world (smartphones, tablets). |
| From short-term actions to long-term investments and a predictable | <ul style="list-style-type: none"> ▪ Long-term engagement with all relevant stakeholders such as ministries of health/finance, the IMF, payers, etc.; and ▪ Create sustainable frameworks for constructive collaboration between stakeholders based on targets. |

The background paper can be downloaded under: [Explaining AmCham EU position on Investment in Healthcare](#)

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled €1.2 trillion in 2008 and currently supports 4.8 million direct jobs in Europe.

² Martin McKee and Marc Suhrcke (2010), 'Investing in Health: A Contribution to the Achievement of the Lisbon Agenda', *European Review*, 18:1, 17; See also Marc Suhrcke et al. for DG SANCO (2005), *The Contribution of Health to the Economy in the European Union*