

Macro-Regional Development and the Health Economy:

Practical Experiences, Models and Concepts
for Macro-regional Collaboration
between Regions and Clusters

A publication from the DanuBalt project (www.danubalt.eu)
financed by Horizon 2020



Authors: Peter Frank, ScanBalt® fmba; Katalin Kurucz, Bay Zoltán;
Andreea Constantin & Mădălin Ioniță, FM Management Consultancy SRL;
Hicham Abghay and Verena Neubauer, Steinbeis-Europa-Zentrum;
Frank Graage, Steinbeis Team Northeast; Petr Rychtecký, St. Anne's
University Hospital Brno; Jonathan Watson, HealthClusterNet.

Download at <http://scanbalt.org/macro-regional-development-health-economy/>



**Health Economy
constitutes one of the most significant
economic sectors in the EU.**

Accounts for up to 15% of total employment

**Provides more jobs and income
than many “traditional” sectors.**



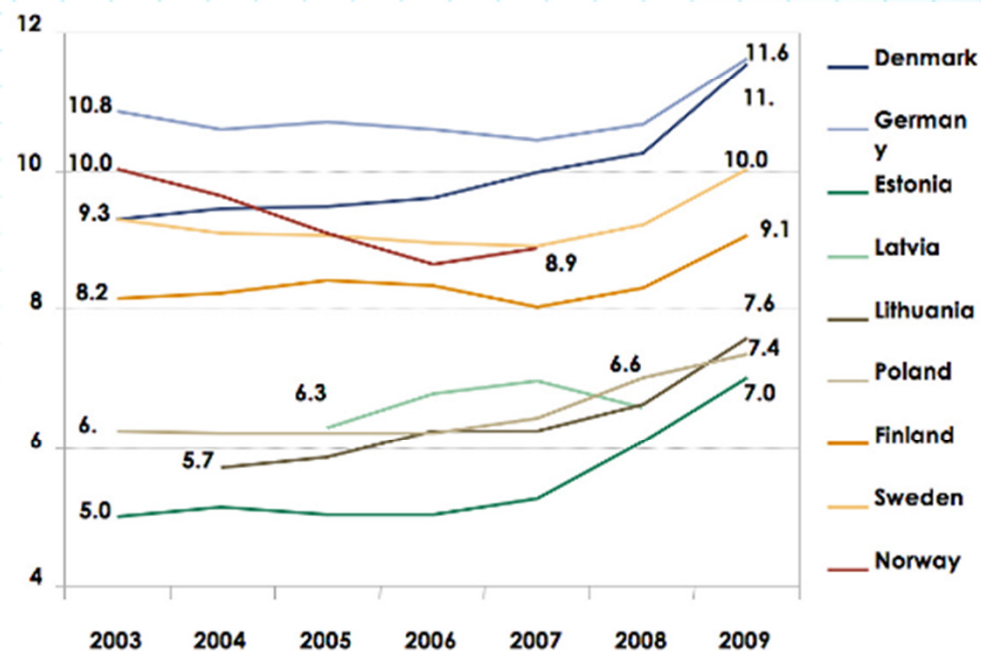
The Common Societal Challenges

- demographic shifts
- raising costs of health care
- significant differences within BSR in life expectation, health and prevention
- reduction of waiting periods and waiting lists (except Germany)
- reduction in health care provision between urban and rural areas
- brain drain, talent attraction and talent retention

Drivers of BSR Health Economy

- Ageing populations
- Rise in chronic diseases and comorbidities
- Poland/Baltic States needs to catch up in the area of technical medical equipment
- Large-scale modernization and expansion plans in the hospital sector across the BSR

Fig: Health care spending as proportion of GDP in %



Source: EUROSTAT – Calculations and design NORD/LB

Growth of employment in the health sector more dynamic in BSR than that of employment overall (except Sweden)

The Market

- health and social services sector emerged as a major stabilizing factor for both regional and national economic development during crisis
- increasing demand for technical medical equipment driven by building and modernization of hospitals
- excellent market opportunities for medical technology across BSR
- Increased outpatient facilities and treatment across BSR
- growing privatization and concentration processes across BSR
- niche market in e.g. sports' services and technologies
- health tourism has high potential
- SMEs the basis for a globally competitive BSR health economy
- **overall the potential of the BSR Health Economy significant and above average**



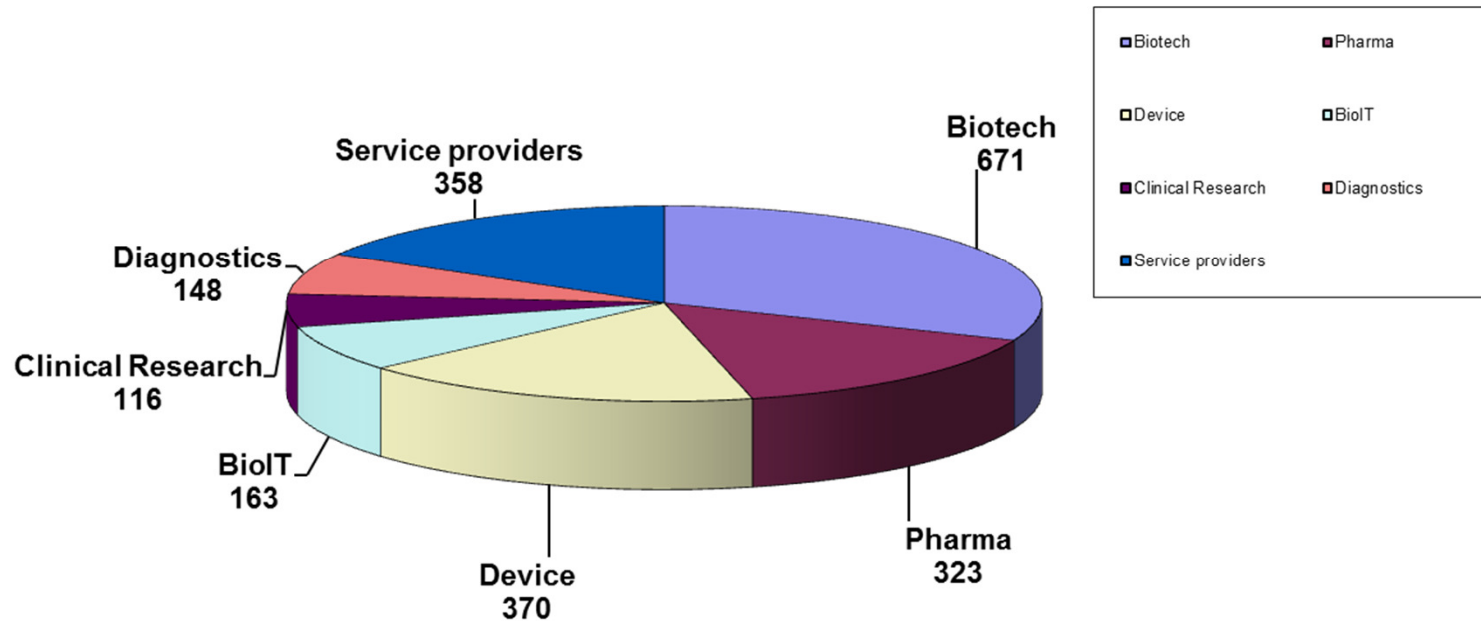
Source: LB/Nord Analysis "The Health Economy in the Baltic Sea Region - Challenges and Opportunities", Jan 2014 (Baltic Sea Region programme)

“In the medium and long term the BSR is among the most dynamic healthcare markets in Europe”

*Nord/LB Bank, The Health Economy in the Baltic Sea Region: Challenges and Opportunities, BSHR HealthPort
Nov 2013, BSHR HealthPort 2013*



Snapshot of ScanBalt BioRegion



The above only partial numbers. In total there are more than 3000 health and life science companies (estimate by ScanBalt 2015)

- 50 university hospitals
- 60 universities within health/life science incl. 25 with a focus on Medtech
- More than 50 health care clusters and networks
- 75 health care sector science parks

(from "The Health Economy in the Baltic Sea Region – Challenges and Opportunities, a Market Analysis", Nord/LB for the BSHR HealthPort project Nov 2013).

The role of macro-regional concepts

Macro-regional concepts and regional clustering can help:

- ➔ Promote the health economy
- ➔ Address grand societal needs and challenges with collaborative measures
- ➔ Reduce disparities between the levels of development between regions
- ➔ Mobilize growth potential to achieve economic, social and territorial cohesion
- ➔ Enhance investments in knowledge
- ➔ Increase networking and coordination between main stakeholders
- ➔ Improve framework conditions
- ➔ Reduce fragmentation
- ➔ Avoid unnecessary duplication
- ➔ Promote smart specialization
- ➔ Mobilize regional and national investments

“Collaboration at the macro-regional level is a lever to promote smart specialization in the regions and distribute best practices.”

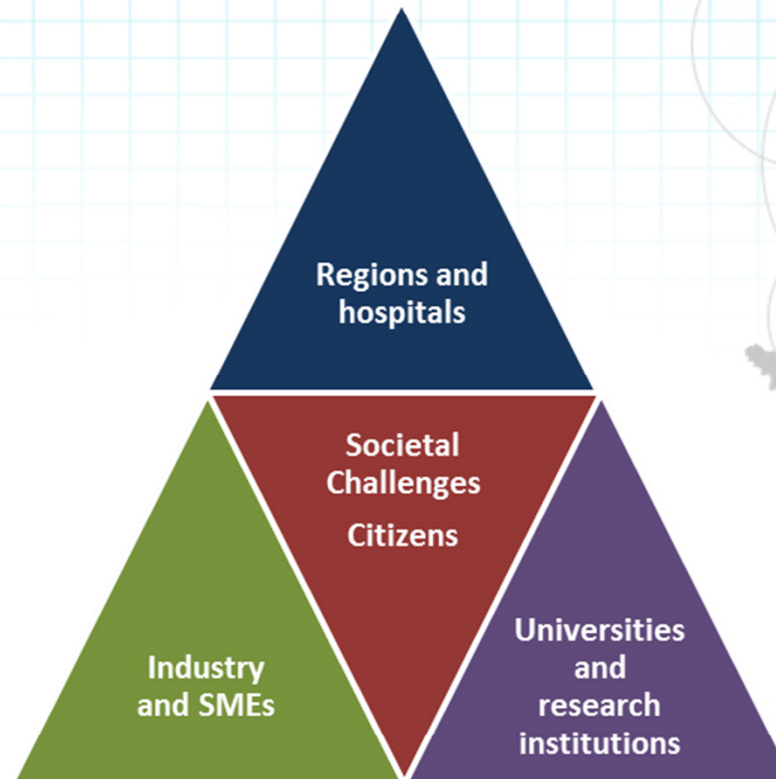
“Macro-regional collaboration has shown the capacity to mobilize regional and national investments which otherwise would not have been available for trans-national collaboration based on a common vision and strategy for the macro-region”



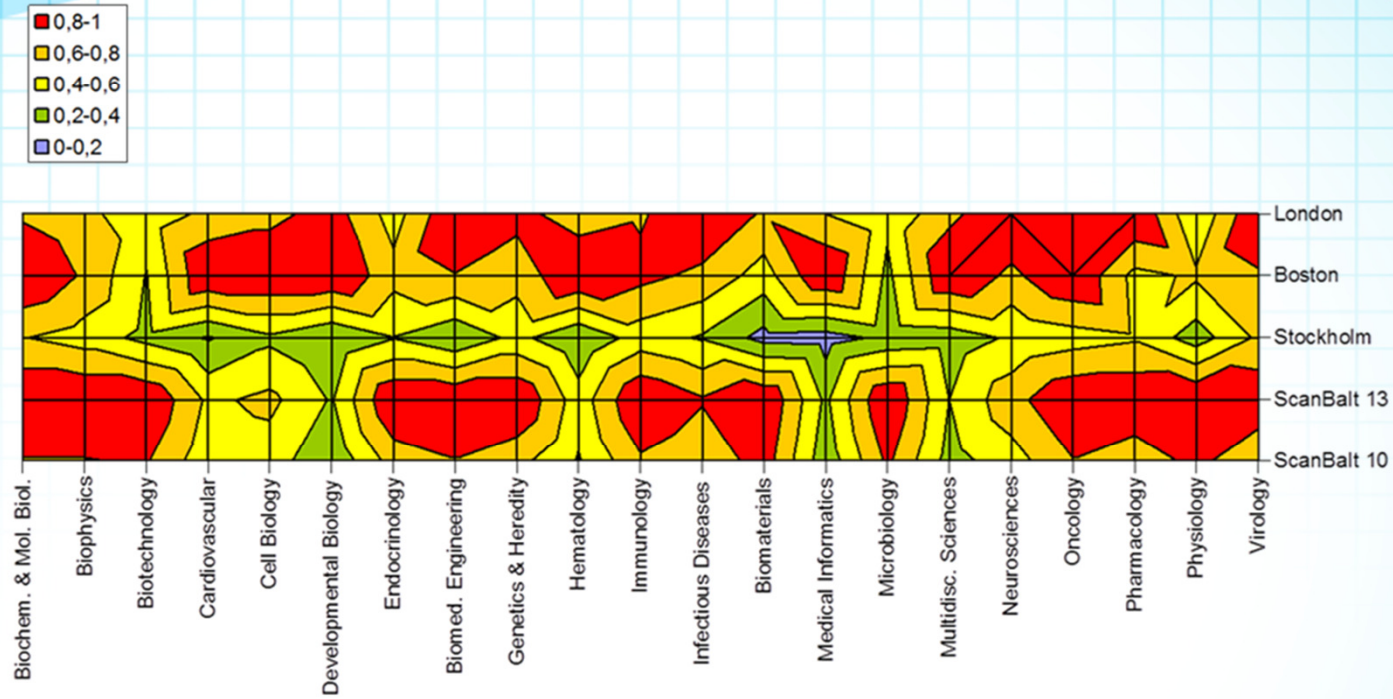
**ScanBalt Position Paper:
EU Cohesion Policies and the
Importance of Macro-Regions
and Regional Clusters
for Smart Growth and
Smart Specialization**
ScanBalt BioRegion, March 2011



The key stakeholders in Baltic Sea Region Health Economy



Snapshot of Competencies

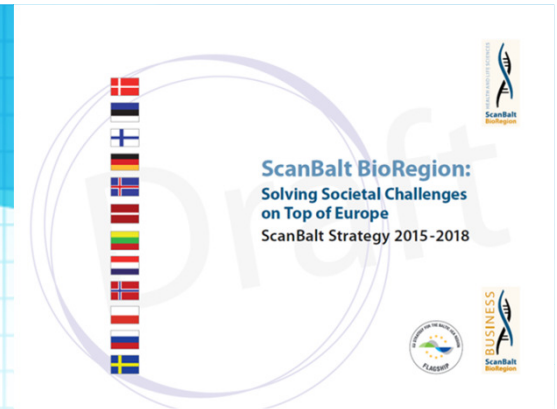


An example of a competence map prepared in ScanBalt CompetenceRegion (FP6 2006)

Red corresponds to the highest competence level, blue the lowest.

Priorities for ScanBalt

- **Build on an Open Innovation Ecosystem to support the creation of sustainable, cost-effective, citizen centric healthcare systems promoting new jobs and businesses**
- **Establish the Baltic Sea Region as one test site for development of health care products and services”. This offers huge benefit for:**
 - Patients** as it improves the health care offered
 - Regions** as it means more efficient use of existing research and innovation infra-structure and economic development
 - Rural areas** as it promote technologies improving health care monitoring and delivery
 - SMEs** which faster and easier can bring their innovations to the market



Specific Bottle Necks

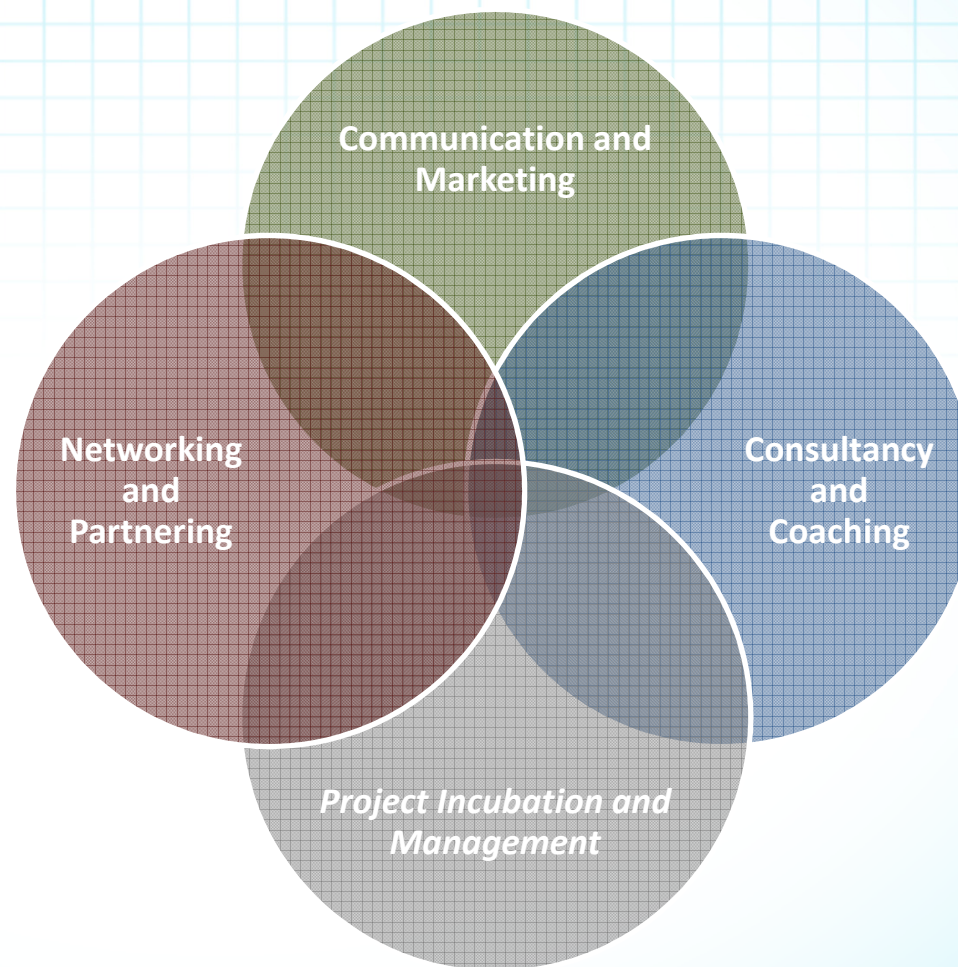
- **lack of commercial exploitation of ideas from health care systems**
- **low uptake of innovative solutions into health care systems**



**This we can do
something about by
BSR collaboration!**

Collaborative Model – 3 Fundamentals

- Decentralized to promote regional investments into macro-regional collaboration
- Hubs and Satelites according to regional competencies (Competence Map)
- Modular Shared Support and Service :



Also small Countries – Or remote Regions – can be Leaders

President Obama (03.09.14):
"I should have called the Estonians when we were setting up our health care website."

Eric Lander
Director of Broad Institute of MIT and Harvard (15.12.14):
"I see Estonia as potential model country for implementing genomic medicine."

Francis Collins
Director of National Institutes of Health (06.10.15):
"Some countries like UK and Estonia and China are well ahead of US..."



ScanBalt Business Club

scanbaltbusiness.com



Home Advertise Be a Sponsor Services Cluster Access About Contacts

Health and Life Science Businesses on Top of Europe

Welcome to ScanBalt Business

ScanBalt Business is a business support and service for ScanBalt BioRegion delivered by ScanBalt® frmba. It gives easy access to leading companies and clusters within health and life sciences in the Nordic and Baltic countries, Northern Germany, Northern Netherlands and Northwestern Russia – The Top of Europe.

Today's Portrait High Light

Maritime Clusters in Västra Götaland, Sweden

Västra Götaland is the most distinctly maritime region in Sweden. There is every reason to make good use of this tradition and expertise in the maritime fields, naturally to protect the environment, but also to strengthen existing activities and to develop new activities that are associated with the sea. This entails using the ecosystem services of the sea in a long-term, sustainable manner, which is also a strong trend in the EU. The maritime clusters in Västra Götaland cover the areas of Marine management, Maritime operations and marine technology, Marine biotechnology, Marine energy, Seafood, Tourism and recreation.

Bioinnovation ScanBalt FORUM 2013

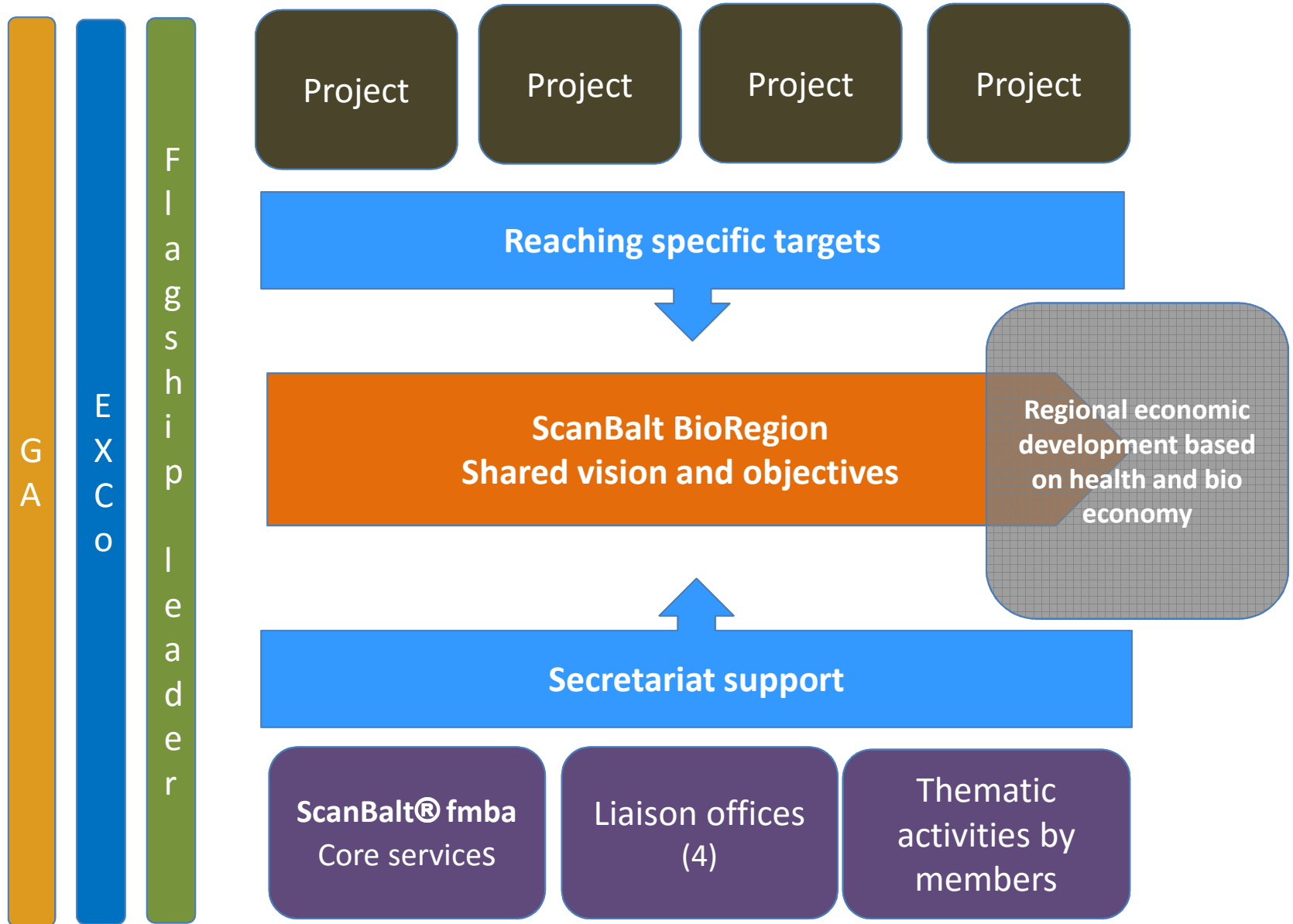
Bioinnovation & ScanBalt Forum 2013
Gdańsk | 16-18 of October 2013
International Conference on Molecular Biotechnology and Innovations for Health Life - www.scanbaltforum2013.org

Home Advertise Be a Sponsor Services Cluster Access About Contacts

ScanBalt, Tel: 0045 27141078, info@scanbalt.org, VAT ID: DK 27823459



Organisational set-up



The Development of ScanBalt BioRegion



Something to have in mind....

- **Macro-regional level should complement not compete with regional clusters**
- **Trust is a key asset**
- **EUSBSR leads to increased competition for limited available resources . This is very positive as it increases quality and relevance. But there is a point of saturation where it becomes increasingly difficult to maintain flagship initiatives sustainably.**
- **BSR collaboration seems to shift to being driven by market demand rather than policy. This is very positive. The operative level of stakeholder collaborations should thus play the central role in EUSBSR.**
- **Transparency must be absolute in EU macro-regional strategies – Clear rules on how macro-regional governance affects funding to projects – no obscure additional project evaluation levels.....**

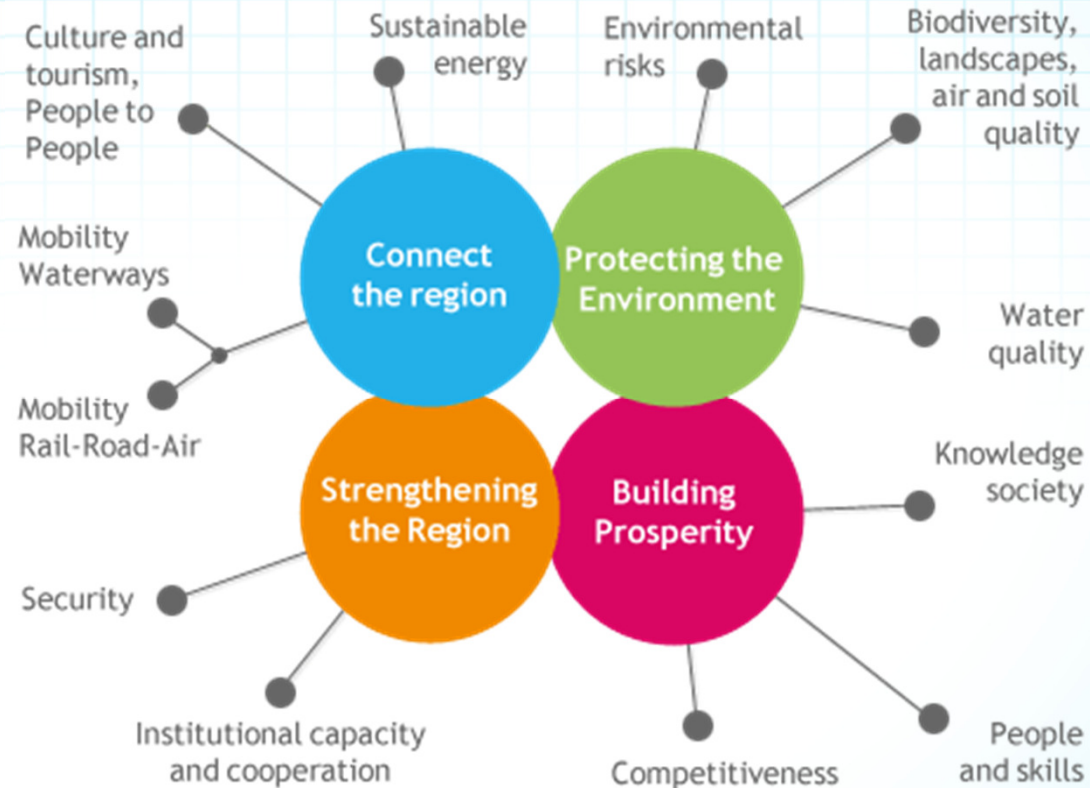


The Danube Area



The societal challenges and barriers for the Danube Area within health and health economy are likely to be comparable to those described for BSR (*see e.g. 2015 OECD report Health at a Glance*).

Health and Health Economy are not mentioned in any of the headlines of the EU Strategy for the Danube Area!!!



The Danube Area on the macro-level may benefit from a stronger focus on health economy as it have challenges, disparities and imbalances comparable to BSR (and the EU as such)



There are at least 100 organizations listed as involved in collaboration in the Danube Area.

None have focus on health and the health economy!



Innovation and uptake of new innovative products, services and systems cut across various recommendations for health and health care in Danube countries.

Fig: Country specific recommendations in health concerning (some) countries in the Danube Area. Source: Policy Guide for the European Structural and Investment Funds 2014 – 2020

Bulgaria	Ensure effective access to healthcare and improve the pricing of healthcare services by linking hospitals' financing to outcomes and developing out-patient care.
Czech Republic	Take measures to significantly improve cost-effectiveness of healthcare expenditure, in particular for hospital care.
Germany	Pursue a growth-friendly fiscal policy through additional efforts to enhance the cost-effectiveness of public spending on healthcare.
Romania	Pursue health sector reforms to increase its efficiency, quality and accessibility, in particular for disadvantaged people and remote and isolated communities. Reduce the excessive use of hospital care including by strengthening outpatient care.
Slovakia	Increase the cost-effectiveness of the health-care sector.



- **enhance and strengthen health as a prioritized policy area in the EU strategy for the Danube area to promote coordination and synergies**
- **increase the level of coordination and coordinated investments within health in the Danube area by improved governance**
- **apply practical experiences, models and concepts for macro-regional collaboration from ScanBalt BioRegion adapted to regional needs, demands and opportunities in the Danube area.**

Fig: Remedial actions at the regional level, Danube Area

Source: DanuBalt 2016

Remedial action / Action lines	Time Frame (Months)
Redefining parameters for Health Care	
<i>Establishment of Board of Trustees for Health Economy</i>	36
<i>Cross-Sectoral and Transnational Projects for Innovation in Health Economy</i>	36
Innovative public procurement	
<i>Increase the cooperation of healthcare representatives with health service providers (mainly industrial partners)</i>	36
<i>Improve the access of innovative services and products within the health care systems</i>	36
Technology transfer	
<i>Bridging Gap between Academia and SMEs</i>	24
<i>Establish a platform supporting the offer and request as well as identification of suitable partners for cooperation</i>	36
Scaling up markets	
<i>eLearning platform development</i>	36

- **A comprehensive overview over the various competence hubs and satellites within health and life sciences in the Danube Area is not available.**

Thus it is difficult to identify disciplines or areas where the Danube region successfully may collaborate in order to create competitive macro-regional added value

Need of s Snapshot!

- **Organize one or several round tables which can explore the real demand for closer collaboration.**

Set up a project which can promote the development of a Danube Health region





Peter Frank
General Secretary
ScanBalt® fmba

pf@scanbalt.org

www.scanbalt.org

www.danubalt.eu info@danubalt.eu