



# THE HEALTH SECTOR

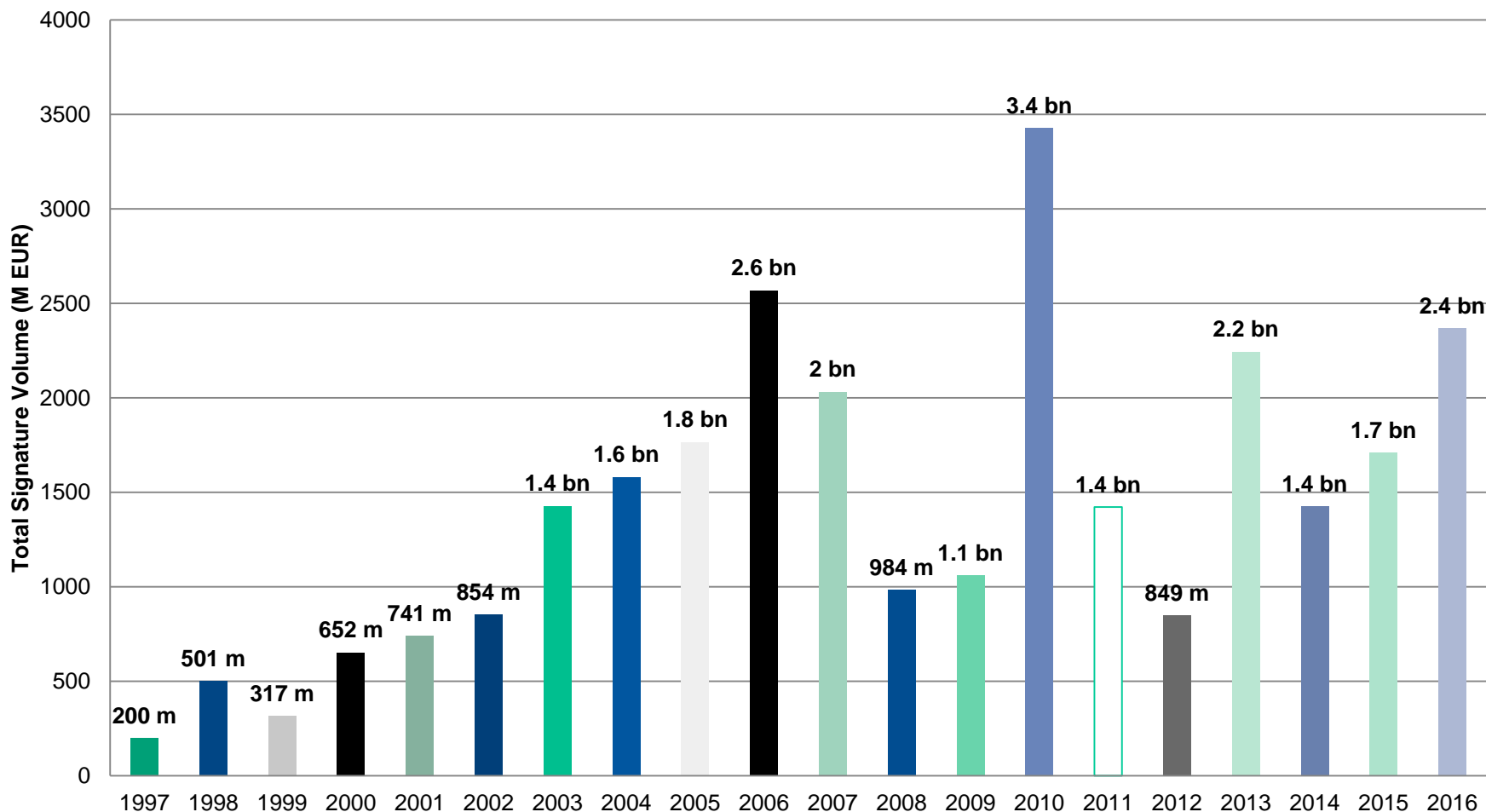
from EIB lending perspective

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# Over the last 20 years EIB has lend over 28bn into the health sector

## Annual Lending in Health 1997-2016



# Issues linked with the health sector

- **Some countries still struggle with the legacy of an i) oversized and ii) physically deteriorated healthcare estate that is focused on inpatient care.**
- **Inefficient public health information systems (fragmented data collection, lack of data links and interpretation, missing management information systems)**
- **Healthcare facilities owned by different public entities (municipalities, counties) but competing for the same patients**
- **Lack of long-term strategic infrastructure development plans, based on future service demand**
- **Lack of access to long-term financing for capital investments in smaller government entities (mostly at the sub-regional level) that face debt and borrowing restrictions**
- **Lack of management expertise in the public administration**
- **Low salaries for medical staff in the public sector (relevant in particular in Eastern Europe)**

# Eligibility Hospital sector

- **Health sector projects** are **eligible both within EU and outside** (under mandates)
- Health sector projects may be supported in the form of **individual loans, framework loans or programmes**
- Both **classic procurement** and **PPP** structures are possible
- Health sector projects are eligible under **EFSI**
- Health sector projects are eligible both with **public** and **private promoters**, providing that they serve general population
- Both **tangible (construction, equipment)** and **intangible (medical R&D, training)** types of project cost are eligible

# The EIB's Role – Future (I/II)

- **Health infrastructure:** hospitals are a major focus; but, integrated networks of healthcare delivery are becoming more important.
- **Innovation:** technological and non-technological innovations in the health sector derive from medical research and from structural changes in the way health is delivered and financed. The Bank is willing to encourage both the private and the public sector in their innovative approaches.
- **Health informatics:** equipment, technology, data or education, small or large scale – the Bank supports their efficient and ethical use in dedicated projects or as separate interventions.

# The EIB's Role – Future (II/II)

- **Fundamental medical research** has a high financial and economic risk and often long lead times. Research projects have very variable, but often highly valuable outcomes, from no financial or economic benefit to breakthrough discoveries for society.
- **Medical education and training:** physicians' and other medical professionals' training is costly and time-consuming. The EIB will support educational and training programs in the medical field and necessary reforms in medical education systems.

# Case Study: Advanced Medical Equipment

- Installation of **state-of-the-art cancer care** (radiotherapy and nuclear medicine) and **diagnostics equipment** (PET-CET and MRI) into existing public and private hospitals
- **Loan** amount of **EUR 20m** under **EFSI** for investments in 11 hospitals in different regions within one country
- As a **service provider** specialised in medical areas of growing need, the promoter's business model is based on the installation and operation of capital-intensive radiological equipment for the diagnosis and treatment of cancer. It complements and integrates the activities of public and private healthcare centers that lack the skills or resources for an in-house provision, thus enhancing continuity and effectiveness of care.
- **The project spans the provision of single devices across technology management to the delivery of full clinical operation including treatment execution.** The promoter brings together the technological and medical competences from innovative device manufacturers based on patient needs.



# Biosurfit – in vitro point of care diagnostic company (I)

- Biosurfit is a fast-growing and highly innovative early commercial stage medical diagnostics company focused on the development and manufacture of breakthrough technologies for the in vitro diagnostic (IVD) point of care (PoC) market.
- The Company's lead platform technology, spinit®, addresses an unmet need for fast, precise, reliable and affordable blood analysis for PoC medical testing.
- Revenues and profitability were limited at time of investment due to the early development stage of the company.



# Biosurfit – in vitro point of care diagnostic company (II)

## EIB Involvement

- EUR 12m loan under InnovFIN Midcap Finance Facility
- The financing will support the development of novel diagnostic tests to expand Biosurfit's existing spinit® technology platform and its ongoing commercialisation in key markets.

- **Health is a major and growing expense in all countries**
- **The Health Sector is a major employer**
- **Huge opportunities for Bank lending to “good” projects**
- **Not all health projects are “good” projects**