

HEALTH IN THE PROPOSED MULTI-ANNUAL FINANCIAL FRAMEWORK : EU BUDGET 2021 -2027 UNDER NEGOTIATION

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Summary

This briefing is intended to give an overview on the inclusion of health-relevant elements in the new European Commission Budget proposal for the period of 2021-2027 which will be subject to negotiations during the institutional renewal in 2018-2019.

The discussion of health in the Multiannual Financial Framework has been approached from the following perspectives:

1. The wider context of the Future of EU Health Policy post-2020

The implications of the EU budget on EU health policy are assessed within the wider debate about the Future of Europe and how the EU can contribute to improve citizens' health

2. The EU legal competences relevant for health prevention

Finances are allocated based on the EU's mandate and competences. Having a good understanding of the differences between the complementary EU competence on healthcare and the existing EU competences in various non-healthcare policies affecting health determinants is essential.

3. The health-relevant components in the European Commission EU Budget proposal

There are many areas in the draft EU budget where significant funding is dedicated to health-related purposes although in an uncoordinated way. Therefore, this proposed spending has been collated and presented to demonstrate the EU's added value on health more clearly.

4. The Health Strand in the European Social Fund Plus (ESF+)

The central, health-specific budget line in the EU budget needs further attention as it has the potential to enable efficient EU action and finances on health by joining the dots of different financial programmes, giving an overarching narrative on how the EU and its budget can improve European citizen's health.

5. Next steps of the EU budget negotiations



1. The wider context of the future of EU health policy post 2020

In 2017, European Commission President Jean Claude Juncker presented the White Paper on the Future of Europe, outlining 5 scenarios on the EU's future direction. In these scenarios, the option to “do less” in some policy areas is contemplated, possibly leading to less action by the European Union (EU) on health after 2020.

The European Public Health Alliance (EPHA), the European Patients' Forum (EPF) and a coalition of organisations joined together to express their concerns in a letter to President Juncker and launched the 'Europe, let's do more for health!' campaign.¹ These organisations adopted a joint position, setting out how Europe can do more on health,² which is still open for endorsement.³

As Health Ministers discussed the future of health in the EU during their informal meeting on 22 June 2018, it was commonly agreed that cooperation at European level does bring added value, particularly in the following areas:

- Antimicrobial Resistance (AMR)
- Tobacco
- Alcohol
- Nutrition
- European Reference Networks
- Health Technology Assessment (HTA)
- Digital Health
- Access to medicines
- Vaccination
- Mental Health

“The EU needs more visibility for those policies that bring direct benefits to people: health policy is among them. Today's discussion highlighted those areas where co-operation at European level can bring added value. We also outlined a framework for future action: health care policy driven by Member States, focused on a framework that benefits people and guarantees the quality of life on our continent.”

*Kiril Ananiev, Bulgarian Minister of Health, Presidency of the Council of the EU, 22 June 2018*⁴

It is clear that the added value of EU action in health is being recognized and could therefore be strengthened in the future. However, it needs to be acknowledged that if health risks are a cross-cutting issue, health should therefore be included in all EU policies.

1. 'Europe, let's do more for health!' (EU4Health) campaign - <https://epha.org/eu-do-more-for-health-campaign/>

2. Joint Statement | Europe, Let's Do More for Health <https://epha.org/joint-statement-europe-lets-do-more-for-health/>

3. Endorse the EU4Health joint statement https://docs.google.com/forms/d/e/1FAIpQLSc0cu4Eney8LtsogiHGbxD-J1iVN_-iErZwjgm0TF3-WV0DDNw/viewform

4. Employment, Social Policy, Health and Consumer Affairs Council (Social policy and health), EPSCO, 21-22/06/2018 <http://www.consilium.europa.eu/en/meetings/epsco/2018/06/21-22/>



2. The EU legal competences relevant for health prevention

The EU competence can be classified into three categories: exclusive, shared and supportive.

In areas where the EU has an exclusive competence, only the EU is able to act.

In instances where the EU has shared competence, both the EU and the Member States can act.

Finally, in some areas, the EU has the competence to support, coordinate or supplement the actions of Member States.

Under current EU laws, the EU has a supportive competence in healthcare and exclusive and shared competences in other policy areas regulating health determinants which affect health (prevention). This implies that the EU actions in health both on healthcare and on health determinants (prevention) should follow the principles of subsidiarity and proportionality.

The exact EU legally binding obligations in the European treaty in the area of public health are as follows:

- **Article 4 TFEU:** the EU has a shared competence with the Member States
- **Article 5 TFEU:** the EU has the competence to lay down arrangements within which member states must coordinate their action
- **Article 6 TFEU:** the EU has the competence to carry out actions to support, coordinate or supplement the actions of the member states
- **Article 168 TFEU:** health should be protected in all the policies of the EU as well as the EU should support Member States health policies while respecting their competence in the field of health.⁵

As Figure 1 demonstrates, the EU budget proposal reflects this:

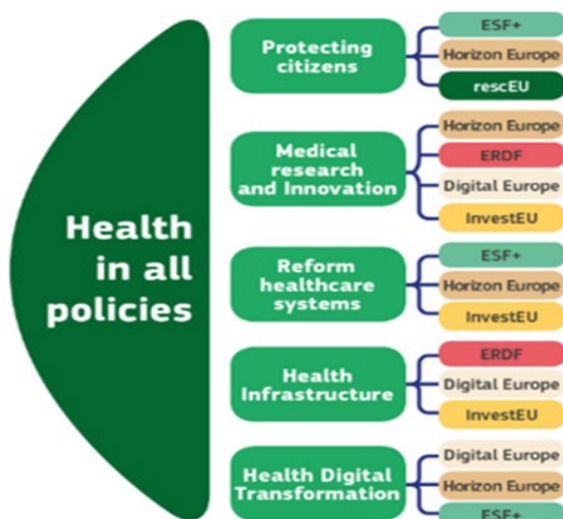


Figure 1: Health funding under the new Multi-annual Financial Framework

Source: European Commission

5. The Treaty on European Union and the Treaty on the Functioning of the European Union
<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12012E/TXT&from=EN>



3. The health-relevant components in the European Commission EU Budget proposal

The new EU Budget proposal for 2021 – 2027 suggest that dedicated funding for health (strand within the ESF+) will remain. In addition, some additional financing for health will be available through other key financial instruments such as the social fund, research, digital market, regional and cohesion funds, as well as other support mechanisms. This could strengthen the influence of health on other EU policies and more EU action regarding health. The exact scheme of how health policies will be financed under the new Multiannual Financial Framework can be found in figure 2

As is evident from the diagram, the heading Cohesion and Values has been allocated the largest share of the next EU Budget 2021-2027. As health policies fall under the sub-heading ‘investing in People, Social Cohesion and Values’, this could potentially lead to their prioritization. How exactly health policies could be financed through the various financial instruments are explained below.



Figure 2: EU Budget 2021-2027
Source: European Commission



European Regional Development Fund

One of the 5 declared main objectives of the European Regional Development Fund is a “More Social Europe”. This also enables the EU to deliver on the European Pillar of Social Rights as well as support quality employment, education, skills, social inclusion and equal access to healthcare. The European Regional Development Fund provides funding for health infrastructure and equipment, e-health, research and support to small and medium sized enterprises. Therefore, this demonstrates that EU does acknowledge the importance of health in regional development.⁶

European Structural Fund

The European Structural Fund finances health activities which are linked to active and healthy ageing, health promotion, addressing health inequalities, support to the health workforce and strengthening public administration capacities. This, therefore also provides additional financing to support EU action on health.⁷

Horizon Fund

Pillar 2 (Global Challenges and Industrial Competitiveness) of the Horizon Fund also contains a health component. The ongoing Euratom programme, which funds research and training on nuclear safety, security and radiation protection, will now put more emphasis on non-power applications like healthcare and medical equipment. This programme is believed to receive €2.4 billion, illustrating that health is one of the main priorities for EU funding for research.⁸

EU Cohesion Policy

EU Cohesion Policy aims to reduce economic and social disparities, investing in health as the basis for regional development and competitiveness. This investment could be devoted to initiatives focusing on a number of different areas such as: Europe’s ageing population, healthcare infrastructure and sustainable systems, e-health, health coverage, and health promotion programmes. This shows the EU’s interest in increasing social parity through investment in public health.⁹

Digital Europe

It has been announced that Digital Europe will dedicate €2.7 billion to finance projects that aim to build up and strengthen supercomputing and data processing in Europe, considered to be crucial for the development of many EU policy areas – from healthcare and renewable energy to car safety and cybersecurity. In this way, the EU acknowledges the potential, and benefits of, digitalization of healthcare systems.¹⁰

InvestEU Fund

Social Investment and Skills is one of four policy areas financed by the InvestEU Fund, which in turn includes healthcare, long-term care and accessibility. Therefore, it is perceived that investing in health brings significant social benefits.¹¹

6. ERDF - https://ec.europa.eu/commission/publications/regional-development-and-cohesion_en

7. ESF - https://ec.europa.eu/health/funding/structural_funds_en

8. Research and Innovation including Horizon Europe - https://ec.europa.eu/commission/publications/research-and-innovation-including-horizon-europe-iter-and-euratom-legal-texts-and-factsheets_en

9. EU Cohesion policy - http://ec.europa.eu/regional_policy/en/policy/themes/health/

10. Digital Europe - http://europa.eu/rapid/press-release_IP-18-4043_en.htm

11. InvestEU Fund - https://ec.europa.eu/commission/publications/investeu-programme_en



Connecting Europe Facility

The Connecting Europe Facility is aimed at supporting state-of-the-art digital infrastructure, which lays the foundation for a functioning Digital Single Market. It has been acknowledged by the EU that the digitalisation of European industry and the modernisation of sectors like transport, energy, healthcare and public administration is reliant on universal access to reliable, affordable, quality, high and very high capacity networks. Therefore, providing funding for health will consequently lead to social cohesion and greater access to healthcare.¹²

Emergency Aid Rescue (rescEU)

Emergency Aid Rescue aims to strengthen cooperation and coherence in existing EU policies dealing with prevention and preparedness. This includes the EU Strategy on Adaptation to Climate Change, the European Structural and Investment Funds, the Solidarity Fund, environmental legislation (e.g. flood management plans and eco-system-based solutions), research and innovation and policies to address serious cross-border threats to health and more. This will allow the EU to better tackle cross-border health threats.¹³

Single Market Programme

The Single Market Programme will promote a high level of animal health and welfare and plant health, thus protecting consumers and the environment, including crisis preparedness and response, effective official controls as productive factors for growth, jobs and security. In this way, the Single Market Programme will also contribute to the good functioning of the Single Market and improve EU competitiveness. It can be argued that financing health might lead to improved economic performance.¹⁴

Digital Single Market

The Digital Single Market will finance EU research in health and highperformance computing in order to assist companies, researchers, citizens and public authorities to make the most of new technologies. Healthcare systems might also greatly benefit from digitalization.¹⁵

12. Connecting Europe Facility - http://europa.eu/rapid/press-release_IP-18-4029_en.htm

13. Emergency Aid Rescue - http://europa.eu/rapid/press-release_MEMO-17-4732_en.htm

14. Single Market Programme - https://ec.europa.eu/commission/publications/single-market-programme-legal-texts-and-factsheets_en

15. Digital Single Market - https://ec.europa.eu/commission/priorities/digital-single-market_en#policy-areas



4. The health strand in the European Social Fund Plus (ESF+)

The new MFF proposal for 2021-2027 reveals that ESF+ will merge the following funds:

- The European Social Fund (ESF) and the Youth Employment Initiative (YEI)
- The Fund for European Aid to the Most Deprived (FEAD)
- The Employment and Social Innovation (EaSI) programme
- The Health Programme

Despite the fact that there will be no stand-alone Health Programme in the upcoming MFF, there will be a health strand in the ESF+ dedicated to EU action in health. However, some parts of the EU budget relevant for health (eg. the agencies such as European Medicine Agency (EMA), European Centre for Disease Control (ECDC) etc.) have been placed under the Single Market heading.

The proposed funding for the health Strand in the ESF+ has been slightly reduced (-8%) compared to the 449 million euro allocated in 2014-2020. However, it is expected that this new structure will lead to synergies between various funds thus potentially strengthening the impact of EU action on health. The exact ESF+ funding distribution is presented in Figure 3.

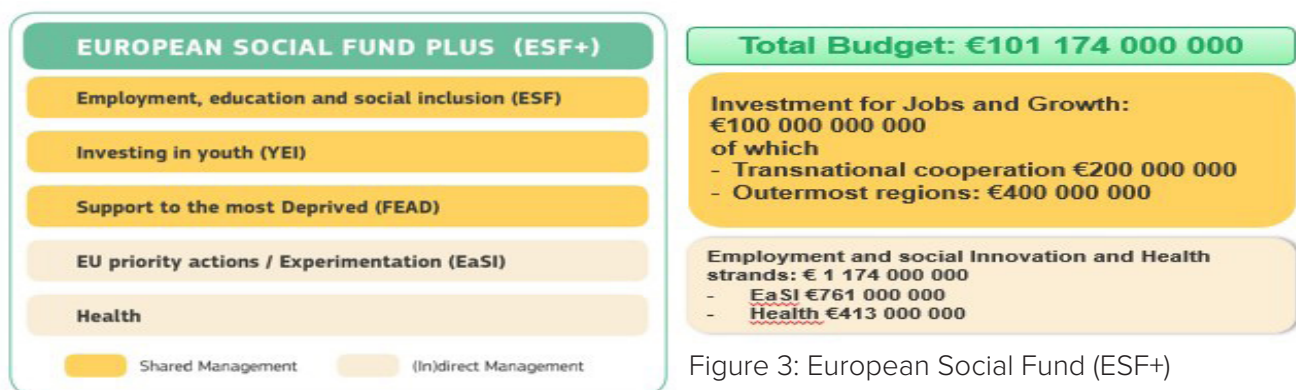


Figure 3: European Social Fund (ESF+)
Source: European Commission

The Health Strand in the ESF+ serves four specific objectives:

1. Strengthen crisis-preparedness and response in the EU to protect citizens against cross-border health threats
2. Strengthen health systems, by supporting the digital transformation of health and care, the development of a sustainable EU health information system and the national reform processes for more effective, accessible and resilient health systems addressing, in particular, the challenges identified in the European Semester
3. Support EU legislation on public health (medicines, HTA, tobacco, cross-border care)
4. Support integrated work: implementation of best practices to support structural innovation in public health (e.g. ERNs, HTA) and implementation of best practice in health promotion, and disease prevention and management)¹⁶

16. More information about health in the EU budget can be found at:
https://ec.europa.eu/health/funding/future_health_budget_en



5. Next steps

The European Commission sent its proposals to the European Parliament and the Council of the EU in May 2018. Both institutions will discuss and follow the provisions set out in the EU Treaties. The high political ambition is to have an agreement by the European Parliament elections in May 2019.

Multiannual financial framework for the years 2021 to 2027:

[http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2018/0166\(APP\)&l=en](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2018/0166(APP)&l=en)

Procedure European Social Fund Plus (ESF+) 2021–2027:

[http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2018/0206\(COD\)&l=en](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2018/0206(COD)&l=en)

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