Financing Health Promoting Services

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Balancing Investment for Wellbeing and Health Equity in the Context of COVID-19, 22 October 2020
Thinking outside the box

E-GUIDE FOR FINANCING HEALTH PROMOTING SERVICES

COVID-19, as well as other diseases, require serious investments in prevention and health promotion. This e-guide illustrates a spectrum of approaches to mobilise resources to finance the delivery of such health promoting services that benefit health and wellbeing for all.

https://health-inequalities.eu/financing-e-guide/
Central objectives of the E-Guide

1. To illustrate how to mobilise resources, and

2. To show ways to strengthen health promotion and disease prevention services
Social outcomes contracting (SOC), also known as outcome funds, is a novel mechanism for investment in health promoting services. SOCs are contracts in which payments are made only when pre-agreed social (or health-promoting) outcomes are achieved by the funded programme or organisation.

SOCs are different to a ‘payment-by-outputs’ approach and social impact bonds (SIBs). The most significant difference is the inclusion of the investor in the development stage. SOCs help participating organisations to align their incentives to achieve social outcomes, while also saving public expenditure due to their focus on prevention and generating return on investment.

The benefits of an outcome-based contract model come forth from its approach to public-service management that seeks to improve value and impact. Payment mechanisms can differ, as arrangements can include a proportion of upfront or activity-based payment that is not contingent on the achievement of a specified outcome. Some form of upfront payment or ‘fee-for-service’ has the potential to make the scheme more attractive to providers and investors. This is because the fee can be used to help start-up costs and reduces the risk they take on in agreeing to the contract.
How to navigate the E-Guide: case studies

The Prioritisation Framework for public health investments – Public Health England

The Prioritisation Framework is an excellent example of investing and disinvesting to make the most of existing resources. To learn more about this method, visit investing & disinvesting ...

Health insurance funds – Combined Lifestyle Interventions in the Netherlands

Social outcomes contract for a preventive and healthy workplace in Sweden

Social impact bonds finance the Activate program in Canada

Ethical financing label in France

Resources & Tools

- About this e-Guide
- InvestEU & Other Funds
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Case Studies
Social Impact Bonds

Reduction in loneliness, Worcestershire, UK

• Reconnections connects older persons with a volunteer or case worker who supports them for over 6-9 months to re-engage with interests and social relationships.

• Costs around £750-800 per participant

• **Investors provided £650,000** in up-front capital - £565,000 as debt and £85,000 as equity.

• The first two years were loss making. As impact has grown the service is now able to pay returns.

• Expected to deliver more than **£3 million worth of savings** to the public sector over 15 years.
Beyond the health sector: Joint Budgeting

Silo-approach to financing versus the cross-sectoral co-financing approach (United Nations Development Programme, 2019)
Disinvestment

The Prioritisation Framework, PHE

• A priority setting tool for public health investment decisions in England

• A platform to aid local authorities to make decisions regarding budget allocations in a structured and transparent manner

• Consists of eight essential steps (e.g., defining criteria, gathering evidence) which can be spread over several workshops

• Brings together stakeholders from each programme under consideration

Disinvestment:

Reallocation of resources and better use of existing assets
Final messages

• Explore new sources of finance

• Employ new ways of problem solving beyond traditional models

• Contribute a case study to the E-Guide

• Join us tomorrow for EuroHealthNet’s financing webinar
THANK YOU

Contact us
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