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Opinion of the European Economic and Social Committee

Industrial changes in the health sector in the face of multiplying crises

(own-initiative opinion)

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1. Conclusions and recommendations

1.1. The EU's health systems should be resilient, shock-responsive, life-protective, inclusive and equitable, people-centred and accessible, based on research and innovation, and coordinated between the Member States.

1.2. The EESC calls on the European Commission to recognise health and to support further integrating national health systems as priorities for the 2024-2029 mandate, and to back up these priorities with ambitious institutional support and increased investments.

1.3. The healthcare industry is experiencing major changes and Europe needs to remain innovative and competitive, reducing dependencies and avoiding shortages. The EESC calls for an integrated, multifaceted and patient-centred approach ensuring access to safe, effective, and quality medicines, diagnoses and treatments, and suggests the following:

1.3.1. updating the list of actions covered under the 'health transition pathway'. For instance, the Health Emergency Preparedness and Response Authority (HERA) strategic plan should be designed to better address the digital transformation, the increasing dependency on critical medicines (including their key starting materials and active substances), and water-related challenges that impact industry;

1.3.2. improving Europe's resilience in the pharmaceutical, bio-electromedical and medical technologies value chains and reducing strategic dependencies on third countries, in particular for active pharmaceutical ingredients (APIs) and finished medicines. The EESC welcomes the Critical Medicines Act announced in the Political Guidelines ([1]) for the new Commission, and calls for strengthened cooperation with the Member States, public and private stakeholders, academia and civil society in this regard;

([1]) https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf.

1.3.3. ensuring equitable access to healthcare and medicines across the EU, paying particular attention to vulnerable groups;

1.3.4. establishing a coherent EU pricing approach in view of ensuring a fair price model across Europe; also exploring the idea of establishing a percentage of GDP to be invested in national health systems alongside a golden rule for health investments;

1.3.5. strengthening the single market in this sector (in the light of the recommendations set out in the Letta and Draghi reports), with particular regard to permits, joint public procurement and the working conditions of health workers. The EESC stresses the need to improve the working conditions in this sector, and also draws attention to the systemic skills shortage in this sector;

1.3.6. strengthening European trans-national cooperation, promoting innovation and improving our global competitiveness in a strategic sector;

1.3.7. focusing on preventive and personalised medicine, on key technologies for the future of industry (such as biotechnology and genomics), and on critical medicines, prosthetics and therapeutic materials for mobility, and accessible pharmaceutical products;

1.3.8. investing in the area of rare diseases. The EESC also suggests setting up supranational public research infrastructure in an inclusive public-private solidarity-based system, making use of the EU's 'European Partnership' tool;

1.3.9. promoting the digital transformation of the health sector, with a special focus on data interoperability and on the human-centred use of artificial intelligence (AI). The EESC suggests creating a shared and securely accessible digital space for patients and hospitals and other healthcare providers, underpinned by an ethics code and full protection of personal data. Similarly, it calls for periodic risk assessment audits and monitoring actions, alongside a focus on tackling cyberattacks in the health sector;

1.3.10. improving working conditions and ensuring equitable access to healthcare and medicines across the EU, paying particular attention to vulnerable groups.

1.3.11. The EESC calls on the European Commission to increase HERA's capacities in medical countermeasures at global level in order to better address health security challenges.

1.3.12. At international level, the EESC proposes creating a dedicated 'European Health Solidarity Fund for Africa' and calls on the EU to influence the G7 and G20 agendas with a view to establishing a permanent global health mechanism.

2. **Challenges affecting the healthcare ecosystem**

2.1. The European continent is facing major demographic changes, which have significant implications for healthcare policies and necessitate industrial solutions to support these policies. According to World Health Organization projections, life expectancy at birth will be 82.3 years in the EU in 2048 (it was 73.1 years in 2017) and the probability of living until 60 years of age will be 92,9 %. Life expectancy at birth needs to be combined with healthy life expectancy to produce truly comprehensive indicators of full health and quality of life. The expected number of healthy years was 63.6 in 2021.

2.2. Drug and medical technology shortages, supply chain disruptions, internal market fragmentation dynamics, increased demand, and regulatory barriers are a problem in the EU. A resilient and less dependent pharmaceutical industry is key to securing strategic autonomy in a domain that is particularly sensitive for citizens.

2.3. COVID-19 demonstrated our dependency on third countries for basic medication, which was not considered a problem in the past. The EESC considers that production capacities built during the COVID-19 pandemic should be protected and used to shore up the resilience of our health systems. Investing in the EU pharmaceutical industry will reduce our external dependency, in particular on active pharmaceutical ingredients in Asia ([2]).

([2]) Opinion of the European Economic and Social Committee on *Securing Europe's medicine supply: envisioning a Critical Medicines Act* (exploratory opinion requested by the Belgian Presidency) (OJ C, C/2024/1568, 5.3.2024, ELI: http://data.europa.eu/eli/C/2024/1568/oj).

2.4. Focusing on efficiency and optimisation will promote predictive and personalised medicine that uses patients' personal medical data. Smart wearable devices to treat or monitor diseases will play a significant role in the medical sector and patient care. Preventive healthcare based on personalised medicine will include wellness, diet, exercise and immunisations, moving from a reactive approach to a proactive one and creating long-term benefits for patients, society and the economy.

2.5. The EESC advocates comprehensive EU-wide guidelines and protocols, and more generally data-sharing among key stakeholders. It is important to prevent power imbalances between patients and suppliers and to ensure that all relevant stakeholders have access to the same information in a transparent manner.

2.6. The EESC considers that the EU needs to adapt and strengthen its industrial capacities in order to improve our competitiveness and strategic autonomy in a domain that is particularly sensitive for citizens, since lack of access to medicine and medical technologies, and structural dependencies on third countries are challenges that are affecting healthcare systems across the EU.

3. **Industrial autonomy and resilience**

3.1. The EESC considers that for reasons of strategic autonomy, it is no longer appropriate to fragment production and depend on non-EU countries for parts of the supply chain. The EESC proposes strategically shifting pharmaceutical production to the EU, focusing on APIs and finished medicines to strengthen the EU's pharmaceutical independence. In addition, the EESC suggests creating financial and institutional supports to restore the production of active substances and essential medicines, e.g. generics, to the EU.

3.2. The EESC considers that the Critical Medicines Act announced in the Political Guidelines for the new Commission needs to identify which critical medicines (including their key starting material and active substances) are needed, and outline the means of ensuring that we progressively decrease our dependencies. Similarly, the Critical Medicines Act also needs to cover the investment needs, infrastructure and accessibility of medical equipment. In order to foster EU resilience, the EESC supports creating an EU strategic medical equipment stock. This initiative should also include cooperation with the Member States and civil society, a coherent EU pricing approach, investments in production capacity, joint public procurement and data interoperability.

3.3. The EESC also supports the Critical Medicines Alliance, which needs sufficient funds and resources to mobilise stakeholders, including organised civil society, in order to strengthen the supply of critical medicines in the EU, ultimately enhancing efforts to prevent and address shortages effectively. This collaborative approach should be mirrored in the Member States, pooling expertise from the different national health systems for the benefit of a more resilient EU.

3.4. The EESC agrees with the European Parliament that HERA needs to be comprehensively revised because it does not have the capacity, resources and clear mission it requires to change the landscape concerning the development and availability of medical countermeasures. A more effective institutional framework is needed, not just for current emergencies but also for future challenges ([3]).

3.5. In order to strengthen the resilience of our health systems, the EESC suggests launching political discussions on having each Member State invest an increasing percentage of its GDP in its national health system.

3.6. Investments in health systems should be subject to an EU golden rule, bearing in mind that such investments do not have to be evaluated on purely economic terms and that the public-utility aspect of the health system should prevail. Instruments such as health equity and joint ventures and other partnership arrangements in areas such as outpatient access, digital health and high-reliability care should be explored, especially with a view to identifying, supporting and financing 'unicorns'.

([3]) https://www.europarl.europa.eu/doceo/document/A-9-2024-0141_EN.html.

3.7. The EESC calls on the EU to focus on emerging technologies that can improve the health and quality of life of EU citizens. Efforts should be focused on developing biotechnology and genomics; biomedicine; prosthetics and therapeutic materials for mobility; applications of quantum technologies and new advanced materials for healthcare equipment and treatments; and critical medicines and therapies for diseases increasingly affecting the population (e.g. obesity and diabetes).

3.8. The EESC calls for the health industry to be included under the new Clean Industrial Deal. It calls on the EU to address the critical challenges of the sector as a priority, investing more political efforts in developing and implementing a common health strategy, a common health data space and a common health market. Similarly, it highlights the need to strengthen the internal market, ensuring the free movement of health professionals, products and services, as the pointed out in the report by Mario Draghi on EU competitiveness.

4. **Digitalisation and artificial intelligence**

4.1. Digitalisation is transforming the health ecosystem and providing new solutions that are playing a key role in medicine. Telemedicine, e-prescriptions, remote consultations, the use of the metaverse, robotics and care from home are gaining in importance, especially in isolated regions, as they are useful solutions for vulnerable people. Telemedicine is developing and is making it possible to monitor multiple patients through various hubs and remote consultations. The use of 3D printing for devices, tools, implants, prosthetics and human organs will transform medicine, reduce costs and meet immediate needs. Smart medical thermometers and smart bandages for monitoring and speeding up healing processes are innovations which will be commonly used in the future.

4.2. The medical ecosystem is evolving as medical services become increasingly digitalised and new players enter the field. The robustness and resilience of health systems should be carefully monitored during the digital transition. Private equity funds and tech companies are already playing an increased role in various collaborative approaches to medical services, which will further develop in the near future. It is crucial that efforts to develop these technologies converge towards the goal of universal healthcare, leaving no one behind.

4.3. Data plays an increasingly crucial role in the health ecosystem, notably in optimising care services and increasing efficiency. The European Health Data Space is a good step in this direction. The EESC believes that a shared and securely accessible digital space should be created for patients and hospitals and other healthcare providers, in particular to prevent the privatisation of knowledge. Ethics and privacy should always be respected, and it must be mandatory to obtain patients' consent before any use of their health data.

4.4. The application of AI in the health sector represents a major area of competitiveness in which the EU can lead with a human-centred approach for the benefit of all people. In the future, virtual representations of patients will be used to predict and prevent disease, identify complications and refine and personalise treatment options. Healthcare AI should also be subject to periodic risk assessment audits, with continuous monitoring and traceability mechanisms applied to AI applications over time to ensure transparency, integrity and effectiveness.

4.5. The EESC supports the European action plan to prevent cyberattacks in the health sector presented in the Political Guidelines for the new Commission. A consultation mechanism integrating the local, national and EU levels should be part of the action plan, taking into account differences in medical needs, digital literacy and the increased role of civil society in the health sector.

5. **Research**

5.1. Strengthening the European pharmaceutical and health industry must be a priority for the Commission's 2024-2029 mandate. This means supporting the EU's R&D and innovation capacity beyond what the European programmes ([4]) can do. The EESC agrees with the European Parliament that there is a need for supranational public research infrastructure for medicine. This would allow for a portfolio to be developed of medicines and vaccines that have

([4]) Such as Horizon Europe.

been created through not-for-profit research and in areas not covered by the industry or where medicines are unaffordable, with a view to advancing in the field of rare diseases. In this sense, the EESC supports broadening the scope of IPCEI in the health domain, including by addressing the accessibility of the drugs used to treat rare diseases.

5.2. The EESC calls for best practices and innovation transfers to be promoted as part of a multi-stakeholder approach involving patients, industry, health service providers, doctors and insurance companies. Best practices and innovation transfers in our health systems must go beyond commercial interests and focus on health and the public good. The EESC believes that best practices such as communities of practice, not-for-profit medical services, integrated care organisations (bringing together primary and specialised services) and the social-economy or collaboration model in healthcare need to be better promoted.

5.3. The EESC stresses the importance of a fair medical and pharmaceutical policy that guarantees access to all. This includes fair prices based on the 'fair pricing model', transparency in research and development costs, the fair use of intellectual property, and new funding models to support research in priority areas such as antimicrobial resistance. Efforts should be made to increase the number of health clusters in the EU and strengthen their collaboration with academia.

5.4. Since healthcare is in the public interest, the provision of goods and services in this area must be an obligation. The industry needs to acknowledge the specific nature of this field by including social parameters alongside market competition and profitability objectives. Through innovative and solidarity-based partnerships, the public and private sectors can provide widespread healthcare service coverage. As part of the European Health Union, the Member States need to put in place legal frameworks to support increasing the investment and collaborative approaches in the health sector and ensure coherence between all actors. Nevertheless, in the current market-driven economy, choices and pricing policies are ultimately motivated by corporate profitability, without the correct public intervention to ensure universal coverage for all.

6. **Social and human resource aspects**

6.1. Health is essential to the survival of both individuals and societies, encompassing deep empathy for human life. It involves a profound ethical and emotional dimension that transcends a fixation on monetised markets. The EESC considers that the EU's health systems should be: people-centred; shock-responsive; accessible; coordinated between the Member States; inclusive and equitable; life-protective; able to tackle health inequalities; resilient; and based on evidence, research and innovation. They must promote growth and support social progress and healthy lives.

6.2. The health systems across the EU should take into account existing health risks and diseases as well as social, economic, geographical and educational considerations. Building on EESC opinion SOC/801 on *Devising a European flagship initiative for health*, the EESC strongly calls for a flagship initiative for health in Europe and recommends the establishment of a 'European Health Guarantee Act', setting common health objectives at European level, backed up by multiannual funding.

6.3. Climate change, changing disease patterns and discoveries of new treatments for diseases are putting constant pressure on the health workforce and carers. To tackle workforce shortages, an integrated approach must be taken that covers not only benefits, career predictability and working hours, but also access to suitable technologies and resources, training, and the physical and psychological safety of workers and patients. The EESC suggests designing a 'human dimension roadmap' for supporting the health systems, establishing an interoperable EU-wide electronic workforce register. This register would monitor and support skill capacity, promoting cooperation and solidarity in the event of natural disasters, and ensuring a link with additional systems such as the EU Civil Protection Mechanism and the European Voluntary Solidarity Mechanism where relevant.

6.4. In the light of the EU's Pact for Skills, the EESC stresses the need to invest in improving skills and making the health and care professions more attractive. To this end, common European training courses in medical and nursing schools should be promoted; as should interdisciplinary courses, in particular through Erasmus and specialisation and competence centres. The EESC calls on the European Commission to begin discussions on harmonising working conditions in healthcare ecosystem in the EU, and to do more to retain, attract and support healthcare staff. Concrete actions towards reducing worker migration, promoting gender equality and towards career development are urgently needed.

6.5. In terms of accessibility, health services should be fairly distributed across regions with a view to minimising travel for medical needs. Vulnerable people face difficulties accessing healthcare, which points to the need for improvements in inclusiveness within the EU's health systems. Everyone should have access to appropriate health services, medications and treatments. Shorter response times in treating various illnesses are an indicator of quality health services.

6.6. Public and private insurance schemes can co-exist in the health domain but public policies should not result in the obligation or need to have double insurance coverage. This dynamic undermines the public sector and results in restricting access to basic health services. In some Member States, the private medical sector is internalising profits and externalising costs to the public sector.

6.7. Promoting digital health literacy and allocating resources to better understanding risk exposure for society and patients should be fundamental elements in the future EU Health Union. These would ensure that people are better informed about health, and would increase human resilience.

7. **Health diplomacy**

7.1. Taking into account its vital role during COVID-19, the market size, the importance of its international trade and exports and its efforts in consolidating health diplomacy, the EU should play a greater role in the international dimension of health.

7.2. The EU should take a more proactive role in setting the agenda in the G7 and G20 and in international organisations such as the UN with a view to establishing permanent global health mechanisms.

7.3. The EESC supports establishing a European Solidarity Health Fund for Africa to tackle the extreme inequality in health provision there. The fund would increase access to healthcare services, foster research into medicines for tropical diseases, tackle infectious diseases and improve global health security.

7.4. The EESC believes that convergence and mutual recognition agreements are important, and supports greater EU involvement in the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use, and in the International Coalition of Medicines Regulatory Authorities. It is important to support third countries to build their capacities to produce raw materials and ensure complementarity with EU medical needs.

7.5. Enhancing the resilience of our health systems requires well-designed investments, better coordination (including the development of more resilient medical supply chains) and more global health cooperation. The EESC recommends developing partnerships with strategic stakeholders that are investing in global health security since their involvement goes far beyond medicine and includes education, community development, research and public policy.

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