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1. Introduction

This report, jointly prepared by EUnetHTA Secretariat (National Board of Health of Denmark) and Board of Innovation, describes the potential business model for EUnetHTA after JA2. It is in that sense a first tangible version of the business model, for discussion, and with a clear view of being updated and detailed further during the different phases of the current Joint Action and Joint Action 2.

This report is part of WP8, Strategy and business model development. The Executive Committee, supported by the Coordinating Secretariat with draft responsibility, are leading the business model development and stakeholder policy work to ensure its coherence with other EUnetHTA processes and achievements.

The goal is:

To develop a general strategy and a business model for sustainable European collaboration on HTA.

In general, a business model is an organisation’s logic of creating, delivering and capturing value. In this instance, it concerns a network organisation, and thus, a network business model. The business model development process for EUnetHTA builds upon commercial business model perspectives as well as network/alliance-specific parameters.

This report was updated after an interactive Business Model session that took place during the Executive Committee meeting in Paris on March 21-22, 2011.
2. Business model development process

2.1. Planning

The following timeline is maintained in developing a sustainable business model for EUnetHTA.

M10 – Executive agrees on the BM components
M16-17 – commenting by EUnetHTA partners and Associates
M13-18 – development of the first draft for public consultation
M18 – public consultation
M19-22 – review of the model
M23-24 – launch of the model during EUnetHTA Conference

2.2. Inputs

The following inputs have been used in compiling the business model in its current version:

- EUnetHTA Collaboration Proposal, June 16, 2008
- Plenary Assembly meeting, May 2010
- Business Model discussion items, Executive Committee, October 14-15, 2010
- Stakeholder Involvement Policy
- Article 14 of the Directive on Cross-Boarder Healthcare
- Brainstorming session with the Secretariat and representatives of KCE (Belgium) and SNHTA (Switzerland) on January 20, 2011, in Copenhagen
- Executive Committee e-meeting January 26, 2011
- Business Model Session on February 22, 2011, in Copenhagen (Appendix 3)
- Executive Committee meeting on March 21-22, 2011 in Paris

2.3. Methods

The EUnetHTA business model in its current version has been formulated using workshop techniques, the Business Model Blocks method (Appendix 1), and the Alliance Business Model Checklist (Appendix 2); both methods were tailored for the purpose of mapping out the EUnetHTA business model.
3. EUnetHTA Business Model: Version 1.2

The future business model for EUnetHTA aims at enabling a sustainable European collaboration on HTA, and is based on the following key assumptions:

- Decisions on implementation and reimbursement of technologies will stay at the national level
- Joint financial involvement of Member States (MS) and European Commission

In the rest of this document, the business model is described in terms of: Business model map, Partners, Vision & mission, Value proposition, Values, Organisational structure, Legal entity, Governance, Processes, and Finance.

3.1. Business Model Map

IMPORTANT NOTE! The following page gives a visual overview of the EUnetHTA Business Model, using the Business Model Blocks methodology (Appendix 1) tailored to EUnetHTA’s specific context. In the diagram, parties involved in the business model are identified. Between the parties it is indicated on the arrows what is transacted (products, services, money…).

The following points should be taken into account when reading the business model:

- EUnetHTA acts as a whole, as a network of organisations. The Coordination Facility is not identical to the Secretariat; it is the combination of distributed Activity Centers shared amongst different members. This is in line with the distributed organisation philosophy, as discussed under Organisational structure. The transactions between the coordination function and the member HTA organisations should be interpreted as a continuous flow of transactions (HTA information, evidence, brokering…) between all member organisations. Although the coordinating secretariat function is there to facilitate, this does not exclude direct transactions between members.
- The transactions starting and ending on the box surrounding both MS nominated and regional HTA organisations, comprise both types of organisations.
- A number of Academic Institutions are Founding Partners of EUnetHTA, not just producers/suppliers.
- The dotted line arrows indicate possible transactions.
- Business model ontologies are using different terminologies. The following definitions are maintained in describing EUnetHTA’s business model:
  - Parties: all organisations involved in the business model
  - Partners: member organisations of EUnetHTA
  - Stakeholders: the parties that are part of the Stakeholder Forum
  - Clients: parties that receive value in the business model (f.e. HTA organisations, European Commission,...).
Visual Business Model Map – EUnetHTA Business Model V1.1 (see introductory note on previous page)
Visual Business Model Map with indication of distributed character – EUnetHTA Business Model V1.2
The topic discussion during the Executive Committee meeting in Paris on March 21-22 lead to the following question: How can EUnetHTA reward parties that contribute value to the network (f.e. producing CoreHTA information)? The option was discussed to create a Credit System that rewards value providers with credits that they can spend on extracting value from the network. Credit systems are commonly used as an alternative currency in networks.

Pro:
- Provides incentives to produce Core HTA information
- It can be ‘easier’ than money transactions
- Solves the ‘free riders’ problem that is present in any group interaction
- There is a potential to simplify internal budgeting

Contra
- It brings transaction costs and increased administration
- It makes things more complex
- Can discriminate organisations with lower capability to contribute
- Is there a potential problem with tax?

The discussion did not result in a go/no-go decision. It was felt that clarification was needed about what you could count as contributed value (input/output, quantity/quality,…), and the administrative options and consequences, in order to make a final decision. Also, an alternative was raised: establish a minimum level of contribution with strict consequences of non-compliance.

3.2. Type of business model

In order to understand EUnetHTA’s business model, it is important to position it on the scale of wider partner and network business models (i.e. business models for networks of organisations, in comparison to a traditional one-company business model). EUnetHTA’s positioning was discussed during the Executive Committee meeting in Paris on March 21-22, where the Executive Committee agreed on the positioning shown in the graph. The positioning shows the greater tendency towards Autonomy, in comparison to Integration.
3.3. Partners

The key partners in the EUnetHTA business model are the MS nominated HTA organisations. The Stakeholder Forum is part of the EUnetHTA governance structure. Key network partners enter in EUnetHTA by government nomination, or in their merit of founding partner. At this moment, it is unclear to what extent the network as such can advise or decide on the entrance or exit of partners. In order for network business models to be sustainable, it is important to clarify entrance and exit policy.

As shown in the following graph, partners receive value from the network, i.e. connecting services, tools and processes, and Core HTA information with quality assurance. Partners also provide value into the network by means of Core HTA information and an (in-kind/financial) contribution. In business model terminology, they are both providers (value providers) and clients (value receivers).
Key partners in EUnetHTA Business Model

Another essential part of building a sustainable network business model is to understand the differences between partners in the network, and the impact of those differences on the partners’ behaviour and expectations towards the network. Overall the network is a combination of rather similar and equal organisations, in terms of function and nomination. These parameters are considered to be differentiating:

- Focus on HTA only or HTA as a part of wider activities
- Very well established or newly established
- National – Regional
- Tax – Insurance based system
- Remit: evaluation of certain technologies only

It is considered easier for the newer/upcoming HTA agencies to adopt new processes, while the longer established HTA agencies might meet more challenges in adapting their current production process.

3.4. Vision & Mission

EUnetHTA’s vision is: To contribute to the generation of HTAs to inform policy and healthcare decision making in European countries so that new health technologies can be adopted and obsolete technologies abandoned in a well-informed and robust manner, hence bringing about high quality, safe, accessible, sustainable, ethical and efficient health care for citizens across Europe.

EUnetHTA’s mission is: To support effective HTA collaboration in Europe that brings added value at the European, national and regional level by:
- facilitating the efficient use of HTA in countries across Europe
- supporting long-term strategic planning for the development of HTA taking account of emerging policy challenges and needs expressed by stakeholders
• providing an access point for expert advice on HTA across Europe, thus providing a gateway to European HTA agencies and producers
• creating sustainable systems for knowledge sharing and provision of tools to assist the production of HTA in European countries by allowing HTA information to be shared and adapted, thus supporting processes and enhancing efficiency in HTA at the country level
• providing an access point for communication with European umbrella stakeholder organisations to encourage HTAs to systematically cover a wide range of perspectives in their scoping, development and dissemination, and with sufficient transparency to indicate how stakeholder perspectives are incorporated
• developing alliances with contributing fields of research to support a stronger and broader evidence base for HTA.

Overall the proposed business model is in line with this vision and mission. The business model takes into account the specific added value that is provided to European, national and regional level; as shown in the different value transaction in the business model map.

A point that might need further clarification is to what extent EUneTHTA will be a gateway to European HTA agencies and producers and for whom (has been discussed previously). Also, it is not yet made clear how alliances with contributing fields of research will be developed.

3.5. Value proposition

The value proposition is mostly considered as the value offered to clients. However, in business models it is important to also take into account the value that is provided to other parties involved. Thus, we should take into account the Value Proposition towards other parties in the business model, such as the European Commission or Payers. In essence, these value propositions are indicated in the business model map.
EUnetHTA Business Model Map – Value propositions indicated in green
The main value proposition to clients, i.e. HTA producers (mainly national/regional HTA agencies), is detailed as follows:

- Content production and related services around the EUenetHTA tools (Core HTA, POP database, EVIDENT database, database of expertise)
- Facilitation of transparency of methods and data used for HTA reports: e.g., access to other institutions’ data if your institution provides data as per the agreed standards
- Quality assurance of HTA methodology (efficiency being one of the quality markers)
  - e.g., a EUenetHTA-agreed standardised methodology based on EUenetHTA tools (e.g., Core HTA information) – facilities and services to provide info on methodology used in standardised form and location (which methodology and which international standards were used to produce the report content)
  - “EUenetHTA quality stamp” on Core HTA information / Core HTAs with summary of findings
  - Training/education in EUenetHTA tools and methodology
  - Conferences
  - Commissioning HTA reports for non-EUenetHTA partners

The following illustrates the potential for integration, retaining the right level of autonomy.
3.6. Values

The partners in EUnetHTA share the overarching values of the European Union for health systems:

*Universality, access to good quality care, equity and solidarity.*

The partners see HTA reports as contributions to improve the health of European citizens by providing input to decision making at an appropriate level that promotes good quality care, equity in access to health care and best value for money, and is implemented according to the principle of subsidiarity. The values of the EU for health systems are shared by all; yet the level of implementation might differ between partners. The following values for quality processes are fundamental to the work of the EUnetHTA Collaboration: use of best available evidence, common methodological and process standards, and common review processes.

3.7. Organisational structure

The current organisational structure of EUnetHTA, as shown in the graph, has been adopted at the EUnetHTA Collaboration meeting on March 24, 2009 in Copenhagen and further revised and endorsed at the EUnetHTA Collaboration Plenary Assembly meeting in Seville on September 28, 2009.

*The Organisational and Governance Structure of the EUnetHTA Collaboration (currently)*
It is envisioned that the organisational structure after JA2 will remain a lean, distributed organisation. In short, the goal is to create a distributed organisation with effective coordination. While the human resources at the central EUnetHTA Coordination Facility might need to grow somewhat, a significant amount of the work (and coordination) will be distributed amongst the partner organisations. The Work Package structures in JA1&2 could evolve into “Activity Centers”. Each Activity Center would coordinate a specific activity (i.e. connecting service) within EUnetHTA.

In 10-years time some specialisation in fields of HTA is envisioned (i.e., some agencies will have specialised in specific HTA fields). This could be reflected in the Activity Centers.

### 3.8. Legal entity

EUnetHTA is not a corporation, nor an EU agency. At this moment, EUnetHTA is a network of independent government nominated and founding partner organisations, and does not have a legal entity. While this will be maintained during JA2, the question is how this can flexibly develop and adapt to future changes after JA2.

The following exemplary issues need to be taken into account and might show the practical need for a legal entity.

- Who will own the Core HTA model, the system,...?
- Who will receive all funds (such as project grants)?
- How can you cover partners’ accountability centrally?
- How to handle legal issues towards internal and external parties?

In the Executive Committee meeting of March 21-22, 2011, it was decided to explore the possibilities to form a legal entity. Legal input will be sought for.

### 3.9. Governance

While governance may not be relevant in commercial business models within one organisation, it is a crucial element in network business models. EUnetHTA’s governance policy is already described in “EUnetHTA Collaboration Organisational Structure - Governance Guiding Principles” (see also: Organisational structure). Further clarifications need to be made during the JA2 in relation to the implementation of the Directive on cross-border health care, and to identify how governance structures might change after JA2.
3.10. Processes

A business model does not describe processes in detail, but it checks if there is a logic behind process structures and if there is commitment of partners towards common processes to ensure a sustainable business model. In brief, partners need to commit to embedding the produced tools – HTA Core model and Core HTA information, POP Database - in their processes. It is probable that this might require considerable effort.

Within this context, it was agreed previously that all Core HTA information would be produced in English. However, it needs to be considered how national reports produced in national languages will be dealt with.

A discussion point is the need for a system of Accountability: if a partner does not contribute value to the network or refuses to adopt common processes and standards, should there be official accountability on adopting EUnetHTA tools and processes deemed necessary for collaboration in practice, and if so, to what extent? Practically, this could mean an Exit policy, a bonus/malus system via the above mentioned credit system, a difference in financial contribution, or other accountability methods.

As a result of JA2, it will be important to set up proper coordination processes. In the philosophy of a distributed organisation, where Activity Centers coordinate specific activities, there is a strong need for continuous overall coordination and shared goals.

*Topic discussion during Executive Committee meeting in Paris on March 21-22 lead to the following question: Does the latter mean that all partners need to commit to these common processes? The Executive Committee agreed that common review processes should be internalized by member organisations in order to sustain effective collaboration. Common review processes should be adopted for Core HTA Information that goes into the system; not for national reports. However, guidelines need be developed first to see how this will impact on members’ current activities, and to what extent hurdles need to be overcome. This is an activity that will be dealt with in JA2.*
3.11. Finance

The green boxes below indicate EUnetHTA’s potential income streams, and their position in the overall business model.
The main financing will come from EU and MS/participating governments (via partners) with other financing opportunities coming from grants and (commercial) fees. The following graph gives an overview of how income streams will evolve during JA2 and, potentially, the phase thereafter. In the Executive Committee meeting in Paris on March 21-22, 2011, financing was considered a key issue to clarify during Joint Action 2. It was felt that possible payment by MS and/or HTA organisations will be evaluated as an investment (i.e. what ‘products’ are we paying for?), and that EUnetHTA should develop a clearer value-for-money proposition.

In JA2, it is foreseen to study and work out both cost structure and income structure in greater detail.
4. Conclusions and next steps

This report gives an overview of the potential business model for EUnetHTA after JA2. It is in that sense a first tangible version of the business model, for discussion, and with a clear view of being updated and detailed further during the different phases of Joint Action and Joint Action 2.

The discussion outcomes of the March 2011 Executive Committee meeting in Paris have been included in the document, and can be summarized as follows.

- There was acceptance of the Business Model Map as a draft for further discussion and elaboration. It was felt that the business model should better indicate EUnetHTA’s distributed organisation and the transactions between member organisations.
- The Executive Committee agreed on the positioning of EUnetHTA on the network business model scale, with a greater tendency towards autonomy (compared to integration).
- There were mixed thoughts on whether or not a Credit System should be developed. Further clarification is needed to enable decision-making.
- The Executive Committee agreed that common review processes should be internalized by member organisations in order to sustain effective collaboration. However, guidelines need to be developed first to see how this will impact on members’ current activities, and to what extent hurdles need to be overcome.
- It was concluded that the possibilities to form a legal entity should be explored. Legal input will be sought for.
- Financing was considered a key issue to clarify during Joint Action 2. It was felt that possible payment by MS and/or HTA organisations will be evaluated as an investment (i.e. what ‘products’ are we paying for?), and that EUnetHTA should develop a clearer value-for-money proposition.

In general, we see that network business models fail because of the lack of commitment to adopt common processes, and/or the lack of financing. Therefore, the following are important business model issues to clarify in the next phases of EUnetHTA:

- Processes: which exact common processes need to adopted by member organisations? Do all parties commit to this?
- Finance: why and how much will member organisation financially contribute? Can we set up alternative income streams (project grants, training fees, submission fees...)? Is the overall financing portfolio sustainable?

This report was updated after the interactive Business Model session that took place during the Executive Committee meeting in Paris on March 21-22, 2011.
Appendix 1 – Business Model Blocks

The Business Model Blocks were used and tailored for the purpose of building the EUnetHTA Business Model Map in this report.
Appendix 2 – Alliance Business Model Checklist

The Alliance Business Model Checklist has been used as a guideline for establishing the proposed business model, in particular during the business model workshop on February 22, 2011, in Copenhagen.
Appendix 3 – Business Model Session (Copenhagen, 22/02/11)