

# Convention on Health Analysis and Management

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### **Investing in health: what a bright idea!**

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For some, earning money in the healthcare field is a sin. However, to provide care and innovate in the healthcare field, the system is in need of more and more money. This ideological contradiction must be managed, but investing in healthcare will always be necessary.

#### **1. The role of the public investor**

Public intervention has mainly arisen following the financial and economic crisis in the late 2000s. In France, the BPI (public investment bank) took over the strategic investment fund to give it a new purpose and give a better financial standing to the investment effort. In complex economic times, the public funding authority is responsible for creating a ripple effect. There are many mechanisms to achieve this, some of which enable innovative companies to be assisted during their inception stage, but also during later stages between research and market authorization. The public funding body's aim is to help companies that have not yet crossed the profitability threshold. The State can also provide equity assistance and/or be a stable, patient shareholder.

#### **2. The investment of major private actors**

The Merck group has created MSD Avenir, a fund with the purpose of developing private-public partnerships and supporting projects in completing the preclinical stage. Upon project completion, these actors are compensated in proportion to the risks they took.

#### **3. How to encourage investors to invest, and young entrepreneurs to start companies?**

How can investment in healthcare devices or products become a natural process? Generating profit in this field must be viewed as legitimate. France must be made to understand that it has no other choice than to innovate and encourage innovation to meet the healthcare system's challenges. This approach requires the boundaries between the public and private sectors to be broken down.

Young entrepreneurs must be aware of the range of programs in place to foster the development of projects. They must be helped as early as possible, as if they were receiving a scholarship. The funding programs in place have been created in order to stimulate the creation of innovative products, make them available to as many patients as possible and allow companies to reinvest their profits to develop new projects. Finally, the regulatory framework must be stabilized and

foster visibility. Innovative companies know how to work with a limited budget, but only if the regulatory conditions do not change every year.

#### **4. An example of an open community laboratory: La Paillasse**

La Paillasse was born of the frustration of young researchers suffering from a lack of independence. It is very difficult for a researcher to work on topics not explored by his or her lab and/or to conduct projects with collaborators not connected to the lab. These young researchers founded an experimental biotechnology lab with used equipment. The facility was soon thronging with talent, not all part of the healthcare field. Amazing projects have been created out of this experiment.

When it was founded, the lab was housed in a squat and had no business model. In 2013, it took an important step forward by creating a scaled-up business model and becoming a credible alternative to the academic system. La Paillasse now occupies 800 m<sup>2</sup> in the centre of Paris and has 11 permanent staff members, making it able to support many projects and start-ups. La Paillasse has thus become an incubator, a co-working space where projects can be pursued using laboratory equipment, but at accessible prices. Scientific partnerships have been entered into with major industrial players in order to fund the structure's permanent workforce and obtain used equipment in good condition.