

## EXECUTIVE SUMMARY

# The Reinvention of Prevention: How to Fund and Finance a Pivot to a Prevention-First Healthcare System

The United Kingdom's National Health Service (NHS) was established in 1948 under the founding principles that healthcare should be comprehensive, universal, and free at the point of access. But over the decades, rising demand for its services and budget constraints have limited the care it has been able to provide. Now it faces a twofold crisis that could cripple it: an ageing society and a population presenting with more disease. Even with greater funding for secondary care (i.e., urgent/emergency services and hospital specialists), the NHS system is seeing more people, and more older people, enter hospitals not only with preventable chronic disease but with co- and multi-morbidities.

A pivot towards prevention is necessary to safeguard the NHS' ability to meet its promise for future generations. In large part, and despite past efforts to prioritise early-stage preventative care, the underinvestment in this area has resulted in a funding gap for prevention services that, according to a growing consensus of providers, local governments, commissions, and think tanks, the UK must close for the sake of an ailing nation and its economic health. But given the central government's fiscal constraints and capacity challenges, how to fund and deliver preventative solutions and services remains unresolved. And community-level interventions and services, which are often the most effective, face their own issues in securing funding and support.

Thus, in May 2024, as part of the Milken Institute's Project Prevent initiative, the Institute began to examine if there are innovative financing mechanisms that could overcome barriers to closing the funding gap for community-level interventions in primary prevention.

Drawing on insights from interviews with experts across the NHS, local government, health, policy, and finance fields, as well as examples of innovative financing in energy and global health, we recommend the creation of a Prevention Fund that can utilise innovative financing solutions to channel additional capital into community-level infrastructure—such as local vaccine clinics, community health screening stations, mobile health units, and wellness centres.

- **Establish a Prevention Fund structured as a Blended Finance Fund**—perhaps with capital from the government’s new National Wealth Fund with an expanded mandate for preventive health—to catalyse many multiples more in other investments, particularly from Local Government Pension Scheme investments keen for double-bottom-line returns.
- **Implement a Prevention Fund utilising Business Relief** that can adapt an existing tax-advantaged investment wrapper to attract additional capital from high-net-worth individuals for long-term investments in preventive health initiatives.
- **Launch a social impact bond** to help fund a proof of concept that could transition into another financing vehicle once the efficacy of Hubs is proven.

These innovative financing mechanisms could support a variety of community infrastructure needs which could help stymie the rise in disease burden facing the NHS, helping to secure its long-term future as a health system free at the point of delivery. One promising case study, illustrating how these innovative financing mechanisms could be utilised in practice, would be a nationwide system of Community Health Hubs. These Hubs would be particularly well suited to attract private investment because they require relatively low upfront capital to establish, could be easily replicated and scaled across the country, and align with both public health goals and investor priorities. By offering essential services that include those already provided by pharmacies as well as additional services such as vaccinations, health screenings, and referrals, the Hubs would play a critical role in reducing preventable diseases and improving overall community health, while alleviating pressure on primary care.

This report outlines innovative financing mechanisms that could overcome traditional investment barriers for both the public and private sectors. Increasing the capacity of the NHS to deliver on its founding principles that healthcare should be comprehensive, universal, and access based on clinical need is at the heart of the recommendations in this report. Given the enthusiasm for our recommendations, additional research would need to be undertaken to draw up a more detailed fund prospectus, including how a prevention fund for the Hubs would be constructed and its terms and fee structure, as well as more granular data on the unit economics of the Hubs themselves.

View the full report at:

