



Value Assessment

Leading the Charge for Value-Driven Health Care

As health systems shift away from volume-based care, there is a movement to develop new approaches to defining and measuring value. Building tools and methods for measuring value across health care has the potential to improve treatments and services and lower costs. But first, value must go from conceptual to concrete.

The value of a treatment has long been associated with benefits and costs. Yet there are countless other factors that make a treatment meaningful to a patient. Does the treatment improve function? Does it have a manageable dosing regimen? What are its effects over the long term? Quantifying value in health care requires a long-term view that weighs both direct and indirect costs.

In 2017, the PhRMA Foundation launched its Value Assessment Initiative, a comprehensive effort to progress toward a value-driven healthcare system. The program supports the development of two Centers of Excellence that will identify high- and low-value health services and make recommendations for prioritizing the services that are most valuable to patients.

Value assessments cannot be built on scientific evidence alone. To improve healthcare decision-making by and large, they must incorporate patient preferences.

The Center of Excellence for Patient-Driven Value Assessment

Incorporating the voice of the patient when there are so many diverse health preferences is not about taking an average. What is most valuable about a treatment isn't the same from person to person, but the objective is not to explain away heterogeneity. Different populations have different needs.

Meeting these needs starts with understanding the tradeoffs that influence decisions a person makes about his or her care.

Dr. Susan dosReis, a professor of Pharmaceutical Health Services Research at the University of Maryland School of Pharmacy, leads the Center of Excellence for Patient-Driven Value Assessment. One of her team's core research objectives is to parse various aspects of healthcare decision-making based on patient feedback.

"If you think about purchasing anything in the market," said Dr. dosReis, "there are a number of different elements that matter to you. When you make a purchase, you are typically weighing the benefits of each of those elements. For instance, how much are you willing to compromise on one element because you really want something else?"

It's not so different in health care. If a patient is consistently sacrificing some part of his or her life to take one particularly effective drug, then the short-term benefits might not align with long-term outcomes.

"Healthcare reasoning is really a number of different tradeoffs," said Dr. dosReis. "What are people's values in making these tradeoffs? The answer becomes a quantifiable measure, with some values ranking higher than others."

Factors that mean the most to patients in healthcare decision-making become the "preference utilities" that inform value frameworks.

Dr. dosReis has a clear plan for involving patients at every level of the Center's work. They will have a central role in research protocols, not just as participants, but also as

members of the investigative team. Patients will also have a say in how the Center interprets its research.

Through advocacy groups, the Center will reach out to patients in underserved populations, providing guidance to help them make more informed decisions about their health.

The Health Care Value Research Consortium

Eliminating unnecessary medical tests, treatments, and procedures that have little or no benefit could save billions in healthcare costs each year.

On the flip side, many high-value services are being underused. The challenge is identifying both high- and low-value services, discouraging the use of unhelpful services, and incentivizing the use of services with a proven benefit.

Altarum, a nonprofit health systems research and consulting firm, and its partner, VBID Health, have developed highly effective strategies to identify services at both ends of the spectrum.



In its first year, Altarum's Health Care Value Research Consortium will conduct a quick-strike study that pinpoints the country's most and least valuable interventions. They have already identified the top five low-value tests and treatments.

"Our first task will be formulating and applying methods to measure the magnitude of these services," said George Miller, PhD, the Consortium's principal investigator and co-director. "They might not be the most expensive or necessarily the most harmful. But they are things we clearly shouldn't be doing."

Altarum has a number of multifaceted strategies to educate stakeholders on the need for identifying services by value. Its Value of Health tool, for example, assesses the long-term impacts of programs and initiatives designed to improve health. Another is the Healthcare Value Hub, which puts resources on reducing healthcare costs into the hands of advocates. A wealth of information is available in different formats, including webinars, reports, and case studies.

As new findings on low- and high-value health services are reflected in the recommendations of medical societies, task forces, and scholarly journals, the work of the Center will contribute to evolving practitioner care. Ultimately, the goal is for evidence-based solutions to influence everyday healthcare decision-making.

"We can't change physician practice, but it is our job to provide the materials that lead to these changes," said Paul Hughes-Cromwick, co-director of Sustainable Health Spending Strategies at Altarum.

The Health Care Value Consortium will also look at societal, economic, and environmental influences on healthcare services. Cultural barriers, for example, may keep some people from seeking services. "There are patients in underserved populations who tend to have some suspicion toward healthcare providers," said Dr. Miller. "We are looking at ways to overcome those barriers."

Of particular interest to Altarum is how vulnerable consumers find and use healthcare information. In a national study, they found that people with lower incomes tend to associate more care with better care. This can lead to unnecessary treatments.

The Consortium is studying patient perspectives at multiple points of the healthcare continuum. "All the various cancer and oncology treatments are a nexus for understanding patient preferences," said Mr. Hughes-Cromwick. "One of the classic problems is the asymmetry of knowledge. How do you cope as a patient when the physician knows all the things you don't and you know all the things about your body that he doesn't?"

The way to value-based care won't always be straight ahead. As value frameworks and attitudes about value in health evolve, so will the work of the Consortium.

"The systems aren't standing still anymore," said Mr. Hughes-Cromwick. "They are all trying to make care more efficient. You need a broad lens to understand the changes that are under way and how to respond to those changes."

