Concern over rising health care costs has increased interest in promoting high-quality care, while avoiding low value or inefficient care. As the United States health care system encourages value-driven decision-making, it is important that information on the value of health care interventions be robust, transparent and address the needs of all health care stakeholders, including patients, payers and providers.

A number of initiatives aiming to drive value in health care have emerged in recent years, but few offer transformative solutions that reflect patient preferences and real-world clinical practice. Recognizing these concerns, the PhRMA Foundation aims to encourage the development of innovative, multi-stakeholder-based solutions to current challenges in assessing and measuring value through the Value Assessment Initiative.

The initiative includes three award programs:

- **Challenge Awards** for papers that answer the question: What are transformative strategies to measure or evaluate value of health care interventions that could be implemented to advance a value-driven health care system in the United States?
- **Research Awards** for proposals to identify and address challenges in approaches to assess the value of medicines and health care services.
- **Center of Excellence Award** for proposals to establish and sustain new collaborative, multi-disciplinary centers that will undertake activities to build evidence and partnerships that can inform value assessment strategies and value-driven decision-making.

Recently, the Pharmaceutical Research and Manufacturers of America (PhRMA) Foundation launched its Value Assessment Initiative, a three-part award program that will provide approximately $1 million in funding aimed at advancing the ongoing shift toward a value-driven health care system through better evidence and value frameworks.

**Program Overview**

**Challenge Award Winners**

In the first phase of the Value Assessment Initiative, the Foundation solicited papers that answer a question key to moving the discussion about value-driven health care forward:

**What are transformative strategies to measure or evaluate value of health care interventions that could be implemented to advance a value-driven health care system in the United States?**

It has been estimated that more than 30% of health care spending in the U.S. is wasteful, and that low-value care, which drives up costs unnecessarily while increasing patient risk, is a significant component of wasteful spending. There is a need for an ability to measure the magnitude of low-value care nationwide, identify the clinical services that are the greatest contributors to waste and track progress toward eliminating low-value use of these services. Such an ability could provide valuable input to the efforts of policy makers and health systems to improve efficiency. In this paper, Altarum summarizes and critiques existing methods that could contribute to measuring low-value care and describes an integrated framework that combines multiple methods to comprehensively estimate and track the magnitude and principal sources of clinical waste. The paper also outlines a process and needed research for moving incrementally toward full implementation of the framework while providing a near-term capability for measuring low-value care that can be enhanced over time.
**National Eczema Association**

Improving Value for Eczema Patients

CHRONIC DISEASES NOW represent a cost majority in the U.S. health care system. With expensive novel and emerging therapies, under-treatment of disease, under-management of comorbidities and patient dissatisfaction with care results contributing to rising costs, a reliable model to measure value is critical to identifying replicable improvement methods. If value is understood within healthcare consumerism to be equal to a patient’s health outcome improvement over cost (Value=Outcomes/Costs), than this equation can be used to measure patient-perceived value. Research and literature show that patient activation—the skills and confidence that equip patients to become actively engaged in their health care—impact health outcomes, costs, and patient experience. Reaching patient activation through engagement methods including shared decision-making (SDM) lead to improved value of care received, as the intervention becomes an exchange of knowledge between patient and provider with the joint goal to achieve measurable outcomes. The National Eczema Association (NEA) Shared Decision Making Resource Center can be a transformative strategy to measure or evaluate value of health care interventions for eczema patients to advance a value-driven health care system in the U.S. Through this Resource Center, NEA will measure patient value through validated PRO instruments and other patient generated health data. Assessment of this data will reveal findings that can assist researchers in evaluating the impact this care framework on value across other chronic diseases.

**National Health Council**

Emerging Good Practices for Transforming Value Assessment: Patients’ Voices, Patients’ Values

MEANINGFUL PATIENT ENGAGEMENT - in all aspects of value assessment - is a transformative strategy that can improve evaluations of the value of health care interventions to advance a value-driven health care ecosystem in the United States. At their inception, most US value frameworks and subsequent assessments were developed with little to no patient engagement. To help increase and improve patient engagement, the National Health Council (NHC) implemented a Value Initiative in 2016 with multiple components including a Value Workgroup. Despite these specific efforts, a great deal still needs to be learned about the best ways to achieve meaningful and effective patient engagement in value assessment, and to understand the impact on value assessment findings. The objective of this study was to glean from patient-community experiences with value framework developers those emerging good practices in patient engagement to be disseminated, improved upon and replicated.

While patient engagement was limited in the development of early value frameworks, patient advocacy group engagement with value framework developers and assessors has increased in the past two years. Groups report positive experiences in engagement that can serve as emerging good practices. They have also experienced challenges in their interactions and posed recommendations on good practices they believe can improve engagement experiences. The NHC will provide leadership in this area by encouraging use of these emerging good practices and continue to capture data on patient experiences, reporting on trends and the growing pool of patient engagement experiences that can be translated into good practices to advance a patient-centered, value driven health care ecosystem. Learnings from these early experiences can help recommend emerging good practices that can eventually get the field to best practices and standards over time.

**University of Michigan**

Patient Report Outcome Measures to Advance a Value-Driven Health Care System

PATIENT REPORTED OUTCOME measures (PROMs) are tools to assess the patient’s perspective on their health without interpretation by any other parties. PROMs have been suggested as key tools in clinical research and clinical follow-up of patients. Clinical decision-making can be influenced by the additional information that sound PROMs provide and can save significant resources and patient burden. The integration of electronically delivered PROMs in clinical practices (in patient, out patient, public and private) can dramatically change health outcomes by influencing decision-making. The authors propose that the implementation of generic and disease/condition specific PROMs across health care systems will advance a value driven health care system. These measures provide key information/feedback that can influence clinician decision making, save resources (e.g., insurance or out of pocket costs waiting times), and improve patient outcomes. The authors suggest that the integration of PROMs into clinical practice, in all settings, can dramatically increase value assessment of medicine and improve healthcare overall. Throughout the paper they note their past experience in these areas and propose the assessment of healthcare interventions can be improved using their expertise, methods and information technology platform.

For more information on our Value Assessment programs, please visit http://www.phrmafoundation.org/2018-awards/value-assessment-initiative/