



# ALERT

*Supporting research and early career endeavors of scientists in drug discovery and development*

## ***PhRMA Foundation-Funded Consortium for Value-Based Care Launched***

### **Altarum/VBID Health initiative will address waste and inefficiency in health care**

Nonprofit health systems research and consulting organization Altarum and its partner, VBID Health, have launched the [Research Consortium for Health Care Value Assessment](#), a PhRMA Foundation-funded initiative that brings together researchers working in health value to collaborate, share findings, and develop research ideas to help address waste and inefficiency in health care.

The new research consortium will promote the pursuit of value in health care delivery in the United States by identifying high- and low-value clinical services, tracking the use of such services, helping to ensure that consumer preferences are incorporated in health care decisions. It will work with researchers to identify the strategies that lead to better value, such as health benefit designs that incentivize the use of high-value services and discourage the use of low-value services.

The Consortium will be led by George Miller, PhD, of Altarum and Mark Fendrick, MD, of VBID Health, with an advisory committee of leading experts led by David Meltzer, PhD, MD, University of Chicago. Other members of the advisory committee include Beth Bortz, President, Virginia Center for Health Innovation; Peter J. Neumann, ScD, Tufts Medical Center and Tufts University School of Medicine; Neel Shah, MD, MPP, Harvard Medical School and Harvard Ariadne Labs; and Steven M. Teutsch, MPH, MD, Fielding School of Public Health, UCLA, and Schaeffer Center, USC.

Concern over rising U.S. health care costs in recent years has increased interest in promoting high-quality care, while avoiding low value or inefficient care. The Foundation launched its Value Assessment Initiative in 2017 in response, and has provided more than \$1.4 million to date to launch a range of research and innovation projects.

“As health systems shift away from volume-based care, a movement has emerged that seeks to develop new approaches to defining and measuring value – with the goal of building tools and methods for measuring value across health care in order to improve treatments and services and lower costs,” said PhRMA Foundation President Eileen Cannon. “The PhRMA Foundation has committed to supporting this goal as one of its key strategic imperatives.”

As a part of the initiative, Altarum and VBID Health received a \$500,000 grant to establish the consortium as one of the Foundation’s “Centers of Excellence” in value assessment. A second Center of Excellence has been established at the University of

Maryland, Baltimore.

In an article in the Sept. 20, 2018 *Health Affairs Blog* titled "[Optimizing Health Care Resource Allocation.](#)" Miller and Fendrick, joined by author Beth Beaudin-Seiler, PhD, identified key questions that the consortium will address as it begins its work.

"The value of a treatment has long been associated with benefits and costs," the authors write. "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."

"A diverse range of health care stakeholders – from economic policy makers to academic communities – have worked to define health care value, refine approaches to measure value, and refocus policies to enhance the delivery of high-value care," the authors write. "But much work still remains to be done in establishing baselines and best practices in value assessment."

To learn more about the Research Consortium for Health Care Value Assessment, visit [www.hcvalueassessment.org](http://www.hcvalueassessment.org).

To learn more about the PhRMA Foundation's Value Assessment Initiative, visit <http://www.phrmafoundation.org/2018-awards/value-assessment-initiative/>.

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