



ALERT

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

Reducing Low Value Care Can Help Make Health Care Costs More Sustainable for Employers

(The PhRMA Foundation continues to post new content to its Value Assessment blog, "Voices in Value." Beth Beaudin-Seiler, PhD, of the Research Consortium for Health Care Value Assessment, recently contributed the essay below.)

It's no secret that the United States [spends more on health care](#) than any other country and that costs have been [rising faster than the rate of inflation](#) for some time. This unsustainable growth in costs particularly hurts employers that offer health care benefits to their workforce. Surveys show that employers [frequently cite](#) unsustainable health care costs as one of the most difficult challenges to their business well as a significant source of financial stress for their employees.

At the recent [IBI/Conference Board Health and Productivity Forum](#), our team had the opportunity to discuss how policymakers and employers can develop strategies to make health care costs more sustainable. Strategies that involve reducing the prevalence of low-value care — services that have been shown to provide little to no benefit to patients — as well as identifying site of care cost variations and understanding the impact of hospital mergers and consolidations on prices can help us demystify the key drivers of this unsustainable spending.

Since 2017, the [Research Consortium for Health Care Value Assessment](#), a partnership between Altarum and VBID Health has been working to identify, measure, and discuss strategies to reduce the prevalence of low-value care within the U.S. health care system and develop accessible tools to help stakeholders understand how their health care resources are allocated.

Some of our most recent projects include two ["Quick Strike"](#) projects which examined claims data from a large commercial insurer to identify the prevalence and cost of the most common low value care services. The Value Consortium has also developed a [Low Value Care Visualizer tool](#) — which was showcased at last month's forum — that enables large organizations to visualize their health care spending and identify areas where low-value care services are most prevalent.

Looking ahead, the Value Consortium, with the support of the PhRMA Foundation, established an opportunity to support research briefs that inform the efficient use of health care spending, mitigate the current COVID-19 public health crisis and support a more sustainable health care system in the future. The first seven supported research briefs were published in a [limited series](#) in Health Affairs and were presented during a [public webinar](#) hosted by the Value Consortium earlier this month.

As payers and employers continue to navigate the bumpy health care landscape ahead, it will be increasingly important that stakeholders play close attention to the key drivers of health care costs and design benefit plans that reduce low value care and promote sustainable spending.

(Beth Beaudin-Seiler, PhD is the Manager of the Value Consortium and a Senior Analyst in the Center for Value in Health Care at Altarum.)

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About the PhRMA Foundation

The mission of the PhRMA Foundation is to improve public health by proactively investing in innovative research, education and value-driven health care. For 55 years, the Foundation has been helping advance scientific research and innovation to benefit patients. Since its founding in 1965, it has distributed more than \$95 million to support these efforts. The PhRMA Foundation accomplishes its mission by investing in three key areas: core programming, value assessment initiative and a new program under development in the use and application of Data and Technology in Health Care. The PhRMA Foundation's core programs of Drug Delivery, Drug Discovery, Health Outcomes Research and Translational Medicine encourage young scientists to pursue research as their career choice and assists in training the next generation of innovators. The PhRMA Foundation's emphasis on evidence-based research that determines the true value of medicines is supported by its [Value Assessment Initiative](#). To learn more, please visit www.phrmafoundation.org.

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