Editorial

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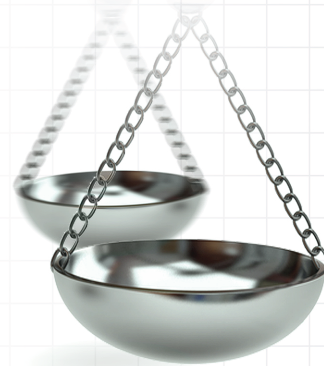

Value assessment for health services and procedures: a call to action in a new political climate

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"This article outlines an agenda in light of the current political climate, to expand and promote value assessments so that society has the better information to allocate healthcare resources efficiently."

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Given the daily drumbeat of news regarding cutbacks to Department of Health and Human Services staff and federal programs, it may be difficult to focus on issues around the delivery of low value care. But problems associated with such care will not disappear with reductions in the governments workforce or declines to Medicaid spending and indeed may worsen as cuts are made to evaluation efforts.

As we and other researchers have noted, the problem of low value care is particularly acute for health services and procedures, which comprise roughly 70% of healthcare spending but have received relatively limited attention in value assessments [1,2]. Moreover, unlike prescription drugs, which eventually go generic or attract biosimilar competition thus driving down prices, health services and procedures usually experience price increases over time.

The Broader Value Initiative aims to expand the scope of value assessments and to encourage more comprehensive research and discussion on the value conferred by a wide range of healthcare interventions, including services and procedures [3]. Previously, we described four methods for prioritizing health services and procedures for assessment: applying horizon scanning, examining prevailing spending patterns, employing an index of variation and using value of information techniques [4]. This article outlines an agenda in light of the current political climate, to expand and promote value assessments so that society has the better information to allocate healthcare resources efficiently. We propose recommendations for researchers and for policymakers.

Why value assessments are less common for services & procedures

A series of barriers complicates the conduct of value assessments for services and procedures, encompassing challenges related to data, methods and incentives. Unlike pharmaceuticals, for which US FDA requires rigorous clinical safety and efficacy trials for market authorization, comparable efficacy data are frequently lacking for services and procedures. In many cases, services and procedures are widely adopted before generation of robust evidence of their efficacy, making it challenging to conduct credible value assessments.

Furthermore, while general guidelines for value assessment exist, there are distinct challenges in quantifying the value of services and procedures. For instance, there is little guidance on how to account for variations in physician learning and technique – whether these variations are intrinsic to the value of a service or merely factors that influence its outcomes. Additionally, the substantial variation in prices for services and procedures across institutions and regions adds another layer of complexity.

Unlike pharmaceuticals, services and procedures typically lack an intellectual property holder to champion their development and evaluation. In the pharmaceutical industry, intellectual property rights incentivize manufacturers to take risks and invest in studies that demonstrate the value of their products and support market authorization, access and pricing. However, for many services and procedures, no single entity stands to gain

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directly from demonstrations of value. Furthermore, procedures and services involve personnel time and facility costs that may add considerable uncertainty to value assessments. A final barrier is that, for hospitals and other institutions, shining a light on low value services and procedures may threaten capital investments and employment.

A call to action for researchers

In large part, the way forward must involve the research community. Researchers should continue to mine real-world evidence to further value assessments even in the absence of clinical trial data. Differences across regions and practices in how a service or procedure is delivered and performs in the real world are common, and researchers can use these natural variations to estimate the impact of a service or procedure on health outcomes and costs [5]. Assessments can leverage robust statistical methods and a wealth of routinely-collected administrative and clinical data from sources such as claims, registries and electronic health records to estimate an intervention's effectiveness and costs. Our recent analysis revealed that more than half of published cost–effectiveness analysis (CEAs) evaluating services or procedures used observational data as their main efficacy input, while for pharmaceutical CEAs, this percentage was less than 15% [6].

The research community should also strive to improve standards for assessing the value of services and procedures. One question ripe for additional work is how to account for incremental innovation, physician learning and differences in practices and prices. Organizations such as ISPOR – the Professional Society for Pharmacoeconomics and Outcomes Research could convene task forces to develop guidelines on these issues, for example. Researchers should monitor and track the publication and quality of value assessments, information that can help to identify gaps and areas for improvement. Finally, engaging patients in the development of these guidelines, and in the value assessments themselves, is vital to ensure that their preferences and priorities are reflected.

A call to action for policymakers

Policymakers should also accelerate their efforts. Ideally, public entities would fund value assessments on services and procedures in areas of high spending and with greater prospects to make a difference. Lakdawalla and colleagues have proposed creation of a publicly funded Institute for Health Technology Assessment (IHTA), which would be independent from political and industry influence [7]. The IHTA would not replace private sector efforts but would complement them by ensuring the quality and consistency of existing assessments and by conducting evaluations in areas where private efforts fall short, such as non-drug interventions. The IHTA could play a key role in data collection, standardizing methodologies and ensuring that a diverse range of stakeholder perspectives – including patients, payers and providers – are considered in the evaluation process.

Realistically, federal funding for such initiatives seems quite unlikely in the current political climate. Thus, private organizations must step into the void. For instance, the Institute for Clinical and Economic Review (ICER), while primarily funded by a private foundation, has historically focused on pharmaceuticals. Given its visibility on the national stage, ICER should broaden its scope to evaluate a wider range of services and treatments. Expanding its efforts could also contribute to methodological standards and should include perspectives from diverse stakeholders. Similarly, initiatives like Choosing Wisely should extend its focus beyond clinical criteria to incorporate value-based evaluations of healthcare services and procedures, ensuring that these assessments align with broader healthcare goals.

Private payers could also play a more active role, both in funding organizations like ICER, and in conducting value assessments themselves. Current reimbursement models, which often prioritize the volume of services provided rather than effectiveness or value, contribute to inefficiency and wasteful spending. As the healthcare industry shifts toward value-based care, payers have a unique opportunity to lead efforts that enhance the quality and scope of value assessments for services and procedures.

Author contributions

M Li and P Neumann were responsible for all aspects of the paper.

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Competing interests disclosure

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