WHAT IS VALUE ANALYSIS?

- It is a PROCESS
- It is OPERATIONAL
- It is a CULTURE
- It is STRATEGIC
- It is CHANGE MANAGEMENT
- It is PATIENT CENTRIC
Advocate for a Patient-Centered Approach

- **Evidence-based health care** is the conscientious use of current best evidence in making decisions about the care of individual patients or the delivery of health services. Current best evidence is up-to-date information from relevant, valid research about the effects of different forms of health care, the potential for harm from exposure to particular agents, the accuracy of diagnostic tests, and the predictive power of prognostic factors.

- **Evidence-based clinical practice** is an approach to decision-making in which the clinician uses the best evidence available, in consultation with the patient, to decide upon the option which suits that patient best.

- **Evidence-based medicine** is the conscientious, explicit and judicious use of current best evidence in making decisions about the care of individual patients. The practice of evidence-based medicine means integrating individual clinical expertise with the best available external clinical evidence from systematic research.

From Cochrane: http://www.cochrane.org/about-us/evidence-based-health-care
I. Healthcare Value Analysis Governance and Structure
   A. Design an evidence-based healthcare value analysis model
      1. Advocate for a patient centered approach that includes quality, safety, and patient experience
      2. Establish goals, objectives, charters, and education to support the model
      3. Incorporates support from executive team to create an organizational structure that utilizes the AHVAP value analysis process
      4. Assign the roles of participants / stakeholders in the healthcare value analysis process
      5. Define metrics to evaluate robust clinical and financial outcomes
   B. Project Management in Healthcare Value Analysis
      1. Initiate or reject a healthcare value analysis project
      2. Plan a healthcare value analysis project
      3. Execute a healthcare value analysis project
      4. Monitor and evaluate a healthcare value analysis project
      5. Conclude a healthcare value analysis project
      6. Follow up after a healthcare value analysis project to determine results or check and adjust as needed
DESIGN OF AN EVIDENCE-BASED VALUE ANALYSIS MODEL

Drivers
- Mounting Financial Pressure On Organizations
- Business Intelligence
- LEAN Programs
- Need Evidence Based Approach To Gain Support And Approval

Criterion
- Data Must Support Exploring The Opportunity
  - Improved Clinical Outcomes, Operational Efficiencies Yield Cost Savings
- Adequate Resources & Time
- Product or Service Champion A Must

Outcomes
- Eliminates Waste
- Decreases Total Cost of Ownership In Most Cases
- Can Lead To “Spin-off” Value Analysis Projects
- Cultivates A Collaborative Environment Across All Stakeholders
Communication & Collaboration

Communicate to an organization the value analysis purpose, goals, and metrics

1. Facilitate value analysis meetings
2. Define timelines
3. Tailor communication to diverse audiences
4. Establish and implement a barrier escalation process
5. Collaborate with physicians, clinicians healthcare providers, manufacturers and consumers to identify and evaluate opportunities for value through:
   a. standardization
   b. clinical quality outcomes
   c. cost effectiveness
   d. utilization management
   e. safety
   f. sustainable practices
Patient Safety

Patient safety should be in every VA program charter and can become one of the committee’s main focuses.

• Need to eliminate overriding sole focus on cost.

• Focus on the function of the product being evaluated and how its implementation will affect patient safety.
Aspects to Address

**Training:** Have all of the clinicians who use new product been properly trained in the use of the item? Documentation provided – sign in sheets, tracked.

**Standardization:** Appropriate standardization will decrease unnecessary clinical variation in the method and means that procedures are performed. If the committee can decrease the amount of different types of items that a clinician must know, the potential for error can also be reduced.

**Usability:** Is the item easy to use? (Front-line clinical input is critical here.) The committee needs to make sure that any new item is not too cumbersome to use. What may seem easy and convenient in the conference room may not work well in the unit or OR.

**Tracking:** The committee will need to ensure there is that there is an adequate system to track any new items in case of incident or recalls.
Motivate and contribute positive clinical and financial outcomes.

• Goals to consider important to VA include:
  • Annual monetary goal for each team and the program
  • Standardization (products and care practices) goals
  • Utilization and Benchmarking
  • Outcomes: Infection Prevention, Value Based Purchasing
  • Standard Policy & Procedure, Protocols and EHR

Accomplishments reported monthly to the VA Senior Leadership Oversight Team

• Team leader/ VA leader will prepare and report projects, progress and obstacles to reaching their goals
• Dashboard report developed for each goal
• Savings typically used with budgetary process
PREPARING EFFECTIVE COLLABORATION

VALUE ANALYSIS TEAMS
Requirements for Project Review

Need the following information regarding your product, if applicable:

1. A copy of your FDA clearance (510(k), PMA, etc.).
3. A copy of your updated W-9, even if you are an active vendor for XYZ Health.
4. Your GPO contract number and our applicable tier.
5. The price you are offering, and the shipping QTY/UOM (i.e.: Case of 10 each).
6. Appropriate codes for the procedures your product is used for:
   - Outpatient procedures: CPT Codes
   - Inpatient procedures: ICD 10 codes and MS-DRG’s.
7. A list of 3-5 Academic Medical Centers and IDNs that currently utilize this item.
8. The quantity of product you will offer at no charge and the length of time you can support with staff for a clinical evaluation.
9. The UNSPSC codes and full descriptions for your items. These are general categorization codes that are required to put the item into our MMIS system (PeopleSoft, Lawson). Every product has a category. This link may help you; https://www.unspsc.org/search-code
10. A statement of whether or not your product contains Latex, DEHP, etc.
11. Expect additional contact regarding a supply agreement, vendor application, etc.
Good “Partner” Tactics

• Know their Measurable Goals and Objectives
• Understand Organization Design
• Expect Benchmarking Tools (HClQ)
• Use your own Benchmarks (HG,CMS)
• Offer Meaningful Information & Tools
• Expect Various Bidding Processes
• Know Conversion Processes and Distribution Channels
• Involve Physicians Prudently
Helping with Education

• What does the new product do and how does it work?
  • Communication to everyone involved with the product
  • Customized product evaluations for trials -functions

• What education is required and available?
  • Hands on with vendor experts – classroom style
  • Online tutorials
  • Online videos
  • “Super” user classes
  • Competency or checklist
  • Health-stream – online education with copyright permission from vendor
  • Utilize nursing education department if possible
WHAT IF THIS IS NEW TECHNOLOGY?

Behold, I will do something NEW
Now it will spring forth; will you not be aware of it?

Isaiah 43:19
While existing value analysis methods are often well-suited for evaluating iterative designs of new medical products,…

Providers often struggle to properly assess truly disruptive technologies and business models.
The stakes are high with hospitals potentially missing out on a transformation in clinical care if they pass on the technology or sunk money, time and other resources for adopting products that do not live up to their promise.

How should a hospital’s value analysis committee properly evaluate a phone app that does more than any stethoscope? A biosynthetic material the body can absorb? Or implants that could treat opioid dependence?
Unfortunately, hospitals often lack the information, time and expertise necessary to determine whether innovations will be the right fit for their organization.

Providers may be under-utilizing one of their most important sources of information to support value analysis.
As the shift toward value-based care has put pressure on hospitals to examine their outcomes and costs over time, leading-edge medical device manufacturers serving these providers have added their own internal resources to study technologies from an economic perspective.
DISCUSSION OPPORTUNITIES

• How does the data available on an “innovation” differ from what the value analysis team might see from an “iterative” product? Why does that matter?

• What sort of value-based-care information can the best medical device companies provide today that may not have been as available in the past?

• What should providers ask for from their device partners?

• How is the information providers receive directly from a device company different from what they might receive from a third-party consultant or GPO?

• When only limited clinical data is available, what other sources of information can hospitals use to evaluate a product? And who can explain that information?

• How do hospitals confirm the health economics data provided by a medical device company is trustworthy?