

# The health economic value of laboratory diagnostics

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### What is value?





### Dimensions of health care quality (WHO)

- Effective
- Efficient
- Accessible
- Acceptable & patient-centered
- Equitable
- Safe







### Value in the eyes of budget holder





### **Better health**

- Save life years
- Reduce morbidity
- Improve Quality of Life



## Better management

- Detected infections / cases
- Guide treatment



### **Better service**

- Streamline processes
- Relieve other resources



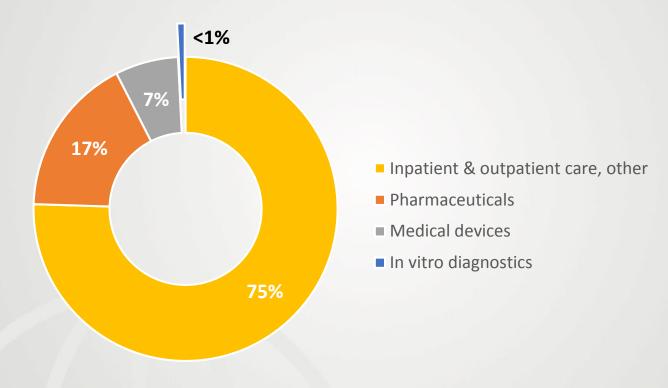




# Is IVD regarded as valuable?









The European Medical Technology Industry, MedTech Europe

http://www.medtecheurope.org/sites/default/files/resource\_items/files/01012014\_MTE\_The%20European%2\_Omedical%20technology%20industry%20in%20figures\_Industrydata.pdf. Accessed: 18 Oct 2017





### Value-based and non-value based testing

"IVD guides 60-70% of clinical decisions"

Overutilization and underutilization of testing are widespread issues

Besides medical motives, test-ordering is influenced by nonmedical factors

### **Perception of value:**

Diluted by lack of clarity or inappropriateness?



Rohr UP et al. PLOS One 2016; 11(3):e0149856. Epner PL, et al. BMJ Qual Saf. doi:10.1136/bmjqs-2012-001621 Zhi M, et al. PLOS One 2013; 8(11):e78962. Van der Horst A, et al. Clin Chem Lab Med 2017; 55(10): 1523-1529.



### Assessing the value of new services in health care

Is it safe?

Safety

Does it help?

Effectiveness

Is it worth?

Costeffectiveness Is it affordable?

Budget impact

Centered around the clinical pathway





### Critical factors for value assessment and decision making

### **Hospital manager**

- Clinical effectiveness (72%)
- Economics (720()

### **Guideline developers**

 Patient related outcomes

#### **Physicians**

Clinical utility and cost-effectiveness

#### Laboratorians

 Data, education and communication to facilitate

opriateness &
It interpretation
act / clinical
y studies

"look outside the lab"

### **Perception of value:**

### Skewed by lack of understanding? Biased by lack of information (data)?

statistics into a clinical perspective



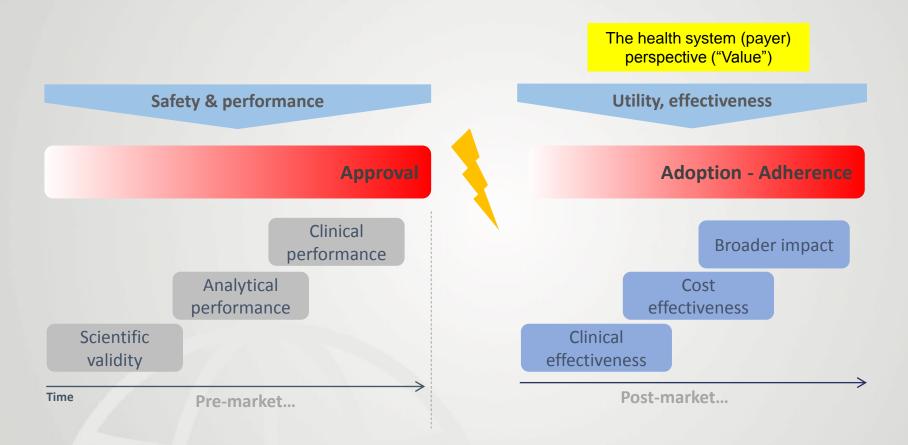
Kidholm K, et al. Health Policy 2015; 119:1424-1432. Gopalakrishna G, et al. BMJOpen 2016; 5:e010549. Rohr UP et al. PLOS One 2016; 11(3):e0149856. Hallworth MJ, et al. Clin Chem. (2015) 61(4): 589-599.







### Bridging the gap: From science to value





Horvath AR, et al. Clin Chim Acta 2014; 427:49-57.

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If we can't demonstrate
and quantify how IVD
contributes to the overall
health care goals,
we will not have a seat at
the table...



A minor part?

A leading part?





### The imperative of a transformative decade

"Advancing excellence in laboratory medicine for **better healthcare worldwide**" (IFCC)



### **Explore** and quantify the value

### Patients benefit from pathway improvement, not from the test



- High technological and methodological complexity
- Indirect impact of testing on outcome





1 Make sure that the information is accurate, reliable, and efficient

Information

Diagnosis

Diagnosis

Outcome

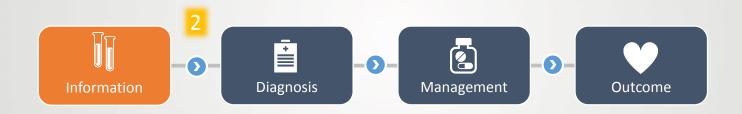
SYSTEMATIC REVIEW

The Role of Measurement Uncertainty in Health Technology Assessments (HTAs) of In Vitro Tests

Alison F. Smith<sup>1,2</sup> · Mike Messenger<sup>2,3</sup> · Peter Hall<sup>4</sup> · Claire Hulme<sup>1,2</sup>



International Federam
of Channel Chemistry
and Laboratory Medici



2 Make sure that requests are appropriate and clinically indicated, and information is meaningful



Epner PL, et al. Graber ML. BMJ Qual Saf. 2013;22 Suppl 2:ii6-ii10. Hallworth MJ, et al. Clin Chem. 2015;61:589-99.

### **Explore and quantify the value**

**3** Evaluate the impact on the cascade of care, management, organizational factors, and KPIs





### **CLINICAL & ORGANIZATIONAL EFFICIENCY**

Clinical	Service Service	Team	Process	Economics	Image / Reputation
Mortality	Patient satisfaction	Staff satisfaction	Length Of Stay	LoS	Hospital Marketing
Morbidity	Satisfaction	Employee	Occupancy Rate	Resources	al Rate
Pain, Qua Life Evaluate the impact of lab information on hospital performance metrics					
Compliance				Profitability	







### **Explore and quantify the value**



- Quantify the benefits and costs of testing (Health economic evaluation)
  - Trial-based evidence
  - Model- based evidence

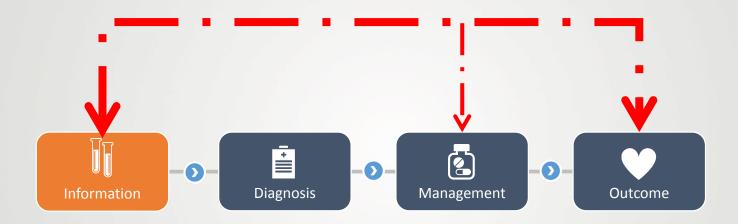


- **Pathway:** Follow the patient from test results to outcomes
- Comparator: Costs & outcomes of new strategies to current practice
- Results: Dimensions depend on perspective of the audience
   Costs per Identified Case; Costs per Life Year Saved; Costs per Effectiveness



IIICC International Federation of Clinical Chemistry and Laboratory Medicine

### **Explore and quantify the value**



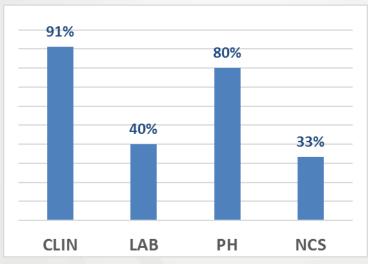
### **Access to validated clinical samples**





### Lab involvement in cost-effectiveness studies for IVD

### Contribution



N=45 CEA studies **CLIN Clinicians** LAB Laboratory experts PH Public health experts, health economists NCS Non clinical scientists (e.g. statisticians)





### Guide the path built on data

### **Examples:**

Cyclical framework for test evaluation

Evidence generation process for IVD as a **dynamic, non-linear process** of interacting stages **centered around the clinical pathway** 

Value proposition framework

Inform stakeholders of the expected benefits expressed in different dimensions

Provide value assessments tools

Facilitate adoption, implementation & communication







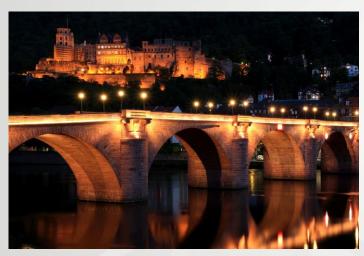
 Spread out to stakeholders outside the lab

- Collaborate on value assessment processes
- Communicate value by means of health economic evaluations









Heidelberg



Budapest



