

Innovation and Value Initiative Foundation (IVIF) Valuing Innovation Project (VIP)

Overview and Purpose

Over the past decades, innovation in health technologies (both pharmaceutical and nonpharmaceutical) has been a major contributor to improved life expectancy and quality of life. However, as biomedical and digital innovation accelerates in healthcare, the methods and practice to measure and reward innovation in the context of value assessment are not keeping pace. Recently, ISPOR 2022 revealed considerable discussion about both methodological approaches that need further research as well as the importance of ensuring that future innovation is incentivized. Frameworks for value assessment have also acknowledged the need to more appropriately identify and reward “biomedical innovation” in health care.

Together with our partners, IVI will undertake several activities, including hosting the 2022 Methods Summit and a subsequent expert roundtable on innovation, to help advance the dialogue, identify gaps in current approaches to value assessment, and build consensus on practical methods to better measure and reward innovation. Recognizing that innovation in health care denotes a wide range of technological, system transformation, and payment model advances, this project is specifically focused on biomedical innovation in the development of health technologies and their delivery to patients.

IVI believes that such an effort will contribute to ensuring the dynamic efficiency and sustainability of the health technology research and development (R&D) system, thereby supporting incentives to generate innovation that addresses unmet needs and improves health outcomes of patients. This initiative will highlight where new partnerships, data collection or measurement strategies are needed, and begin to define roles for stakeholders from the patient, innovator, purchaser, payer, and researcher perspectives.

Key Project Objectives

- Define innovation in the context of value assessment and the need for exploration of process, methods, and data improvements.
- Identify and prioritize areas for value assessment methods and exploration and applied research needed to improve how value assessment accounts for innovation.
- Identify additional research for IVI investment to accelerate change and shared learning on these improvements.



Proposed Working Definition of Innovation

While one of the objectives listed above is to define innovation in the context of value assessment, we have proposed a broad definition of innovation to help guide discussion.

Economic innovation can be defined as the development and application of ideas and technologies to create novel or improved goods and services or make their production more efficient.¹ Applied to health economics, this would include any technologies that can significantly improve patient outcomes compared with the status quo or provide a given health outcome using fewer resources. In health technology assessment, the term “innovation” is often used to refer to aspects of value from novelty or improvement that may not be captured in traditional cost-effectiveness analyses.

Priority Questions to Address

- As health technologies, including digital, diagnostic, device, and pharmacotherapy, continue to evolve, what methods exist that attempt to assess their value for patient, payer, and purchaser decision-makers? And in what areas do these existing methods fall short in capturing the value of innovation?
- What are the key gaps in value assessment that require more research to be useful to improve the valuation of the novelty (“innovativeness”) of health technologies?
- Where do practitioners of value assessment lack consensus on appropriate approaches and what actions are necessary to find common ground and explore solutions that support investment in innovation?

| Key Project Steps | |
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| Activities & Deliverables | Timeline |
| Preparation: Identify co-chairs and define study objectives and overall process. | Q3 2022 |
| Host Methods Summit (one-day virtual event) to invite multi-stakeholder perspectives on how innovation is measured, and specific challenges and opportunities. The Methods Summit discussion will inform the roundtable (RT) in the next step. | Q4 2022 |
| Convene an expert roundtable (RT) to review and discuss key challenges and opportunities in valuing innovation in the context of value assessment. | Q4 2022 |
| Disseminate findings from both Methods Summit and RT through various channels including white paper, webinar, peer-reviewed journal articles. | Q4 2022 to Q1 2023 |
| Develop Call for Paper based on the prioritized themes from the Methods Summit and RT to invite submissions. | Q1 to Q2 2023 |

¹ Source: European Central Bank. <https://www.ecb.europa.eu/ecb/educational/explainers/tell-me-more/html/growth.en.html#:~:text=What%20is%20innovation%3F.technology%20in%20the%2018th%20century.>

| Project Team | |
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| Co-Chairs | IVI Team |
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