



Introduction to Value Analysis Committees (VACs)

Presented by
Health Care Industry Committee

Health systems face complex purchasing decisions

Committees help hospitals evaluate products

Common purchase evaluation committees

Pharmacy and Therapeutics (P&T) Committee



- Evaluates clinical efficacy and makes formulary decisions for pharmacy items
- Example: inpatient drugs

Capital Expenditure Committee



- Assesses existing capital spend items
- Examples: beds, lighting, imaging equipment

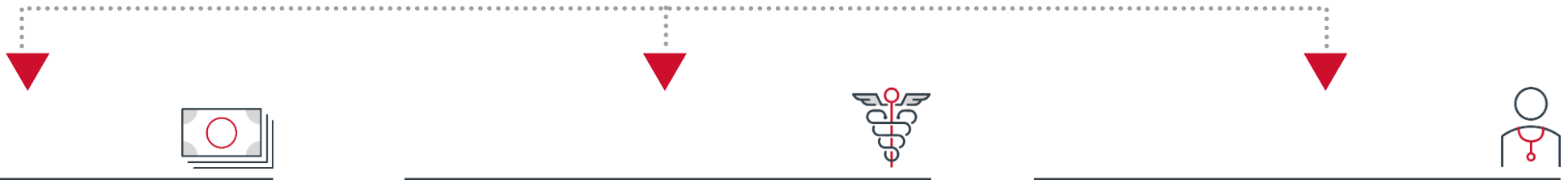
Value Analysis Committee (VAC)



- Examines clinical and financial impacts of medical and surgical products
- Examples: surgical supplies, preference items, implants

VACs assess how products impact many organizational goals

Value analysis committee goals



Reduce spend

Sample priorities:

- Lower cost-per-case
- Purchase items at scale to access more favorable tier pricing

Improve quality of care

Sample priorities:

- Source products that contribute to high quality outcomes
- Deliver consistent outcomes across the health system

Ensure clinician satisfaction

Sample priorities:

- Engage clinicians in product evaluation, selection, and contract adherence
- Consider clinician preferences at non-flagship hospitals

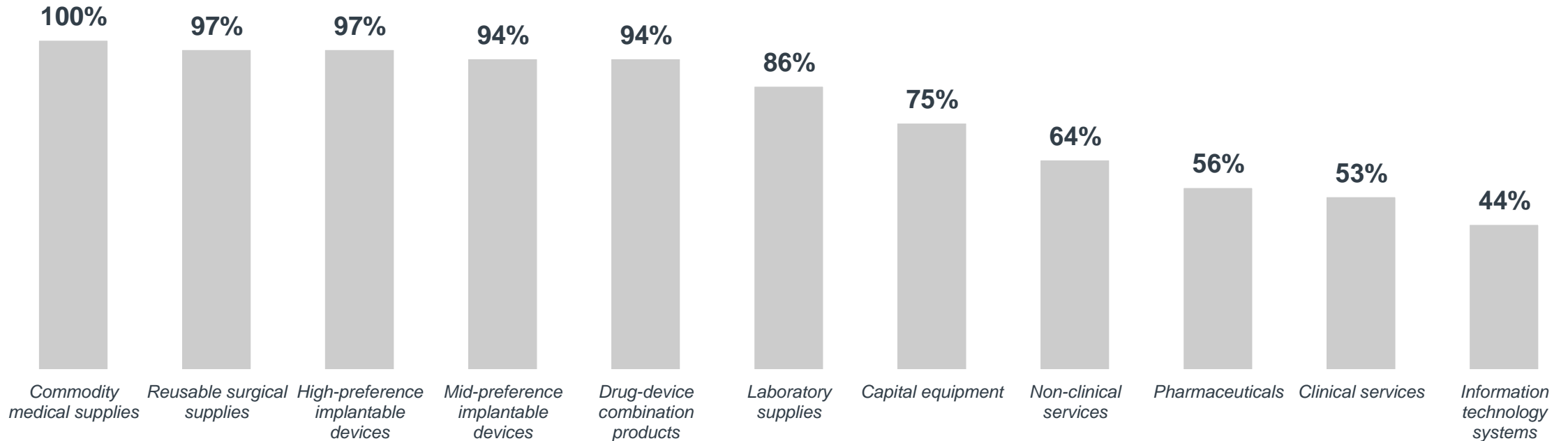
VACs review nearly all products used in hospital setting

Cap-ex, services, and pharmaceuticals commonly but not universally evaluated

Products evaluated by VACs for hospital use

Percentage of VACs that evaluate the following products and services

n=36



Source: HCIC Value Analysis Committee 2019 Update survey results.

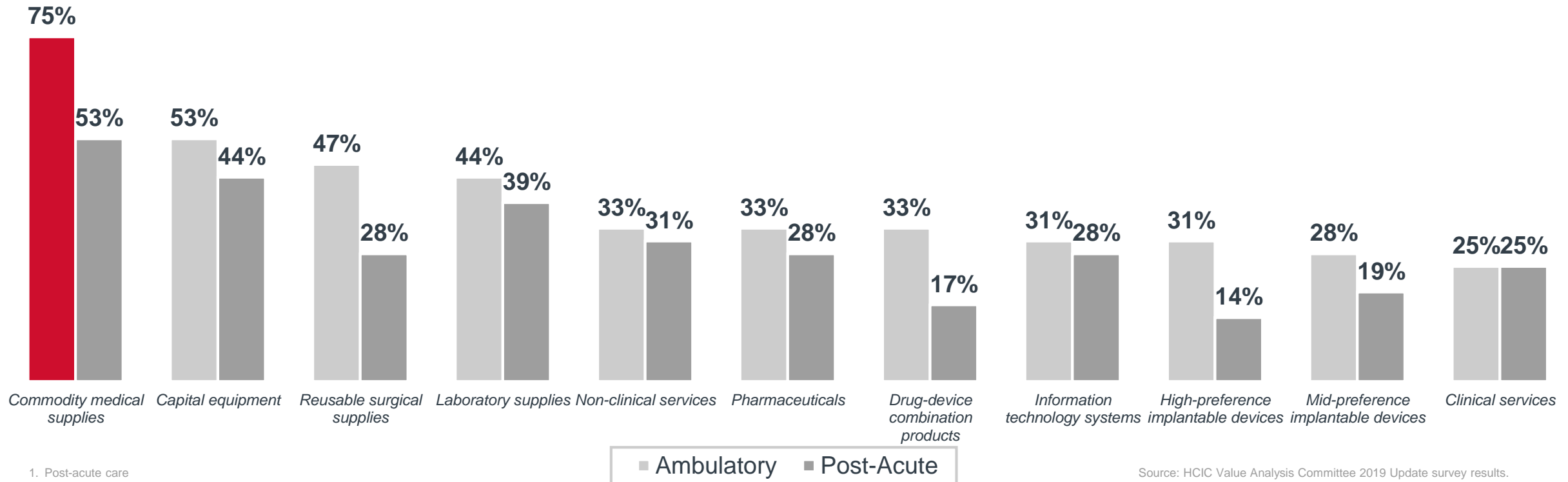
VAC purview less consistent in ambulatory and PAC¹ settings

Commodities are a clear exception

Products evaluated by VACs for ambulatory and post-acute use

Percentage of VACs that evaluate the following products and services

n=36



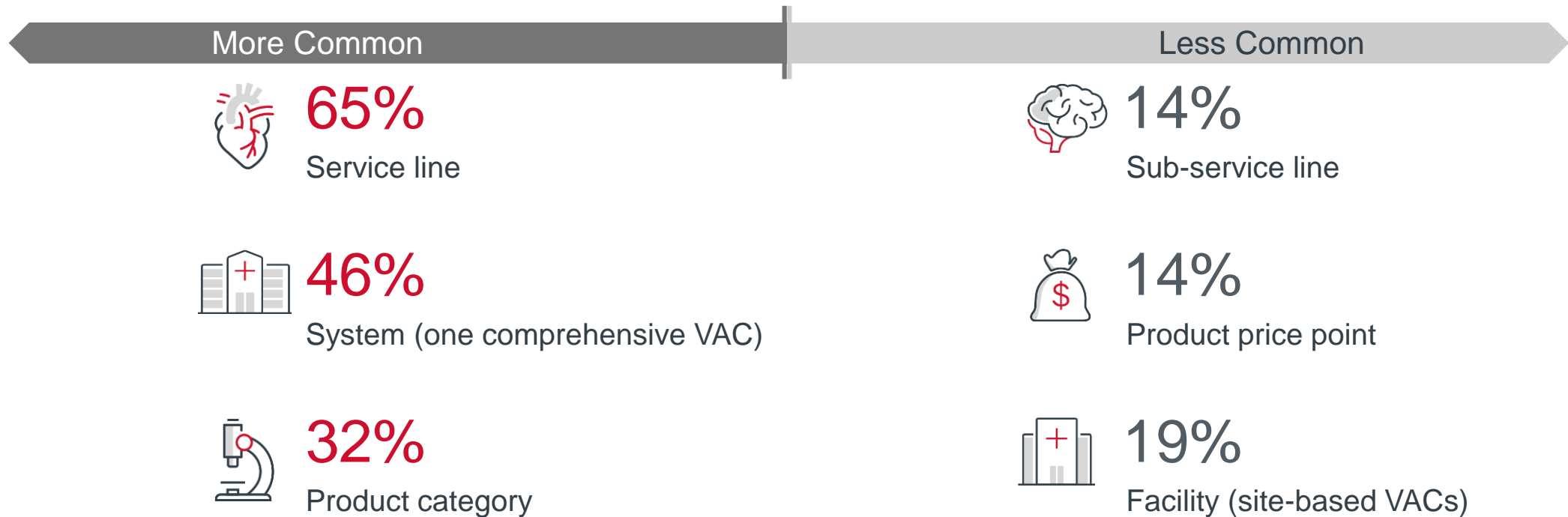
Source: HCIC Value Analysis Committee 2019 Update survey results.

Most VACs organized by service line

Common (and less common) ways to organize VACs across the system

Percentage of respondents indicating that their organization has VACs organized in the following ways

n=37



Source: HCIC Value Analysis Committee 2019 Update survey results.

Multidisciplinary groups bring many perspectives to the room

Value analysis committee members

Percentage of VACs that involve the following positions/roles

n=37

25%-50%

Advanced practitioners¹

Academic clinical experts

51%-75%

Infection control specialists

Surgeons or physicians

Service line leadership

OR managers

More than 76%

Clinical leadership²

Supply chain reps

Patient safety specialists

Finance reps

Lab managers

1. Either inpatient or clinic based.

2. Including Chief Medical Officer and Chief Nursing Officer.

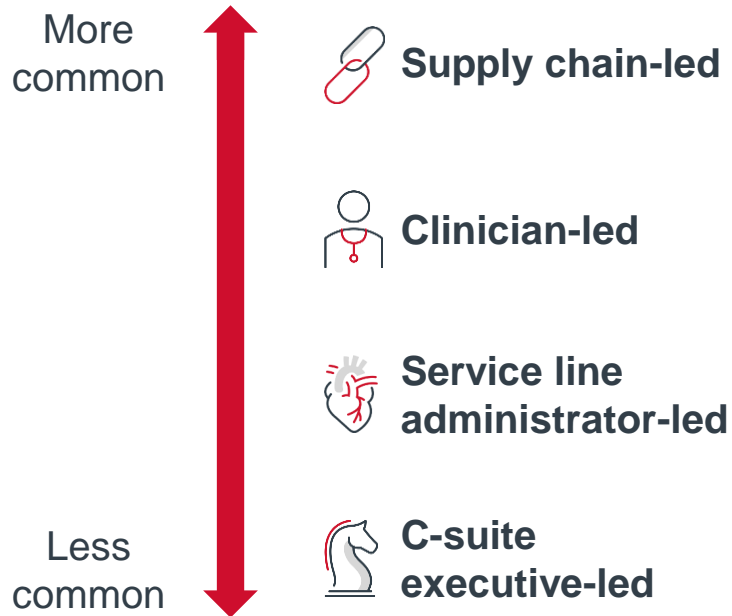
Source: HCIC Value Analysis Committee 2019 Update survey results.

VACs commonly led by supply chain

Clinicians and service line admins also have decision-making power

Types of VAC leadership structures

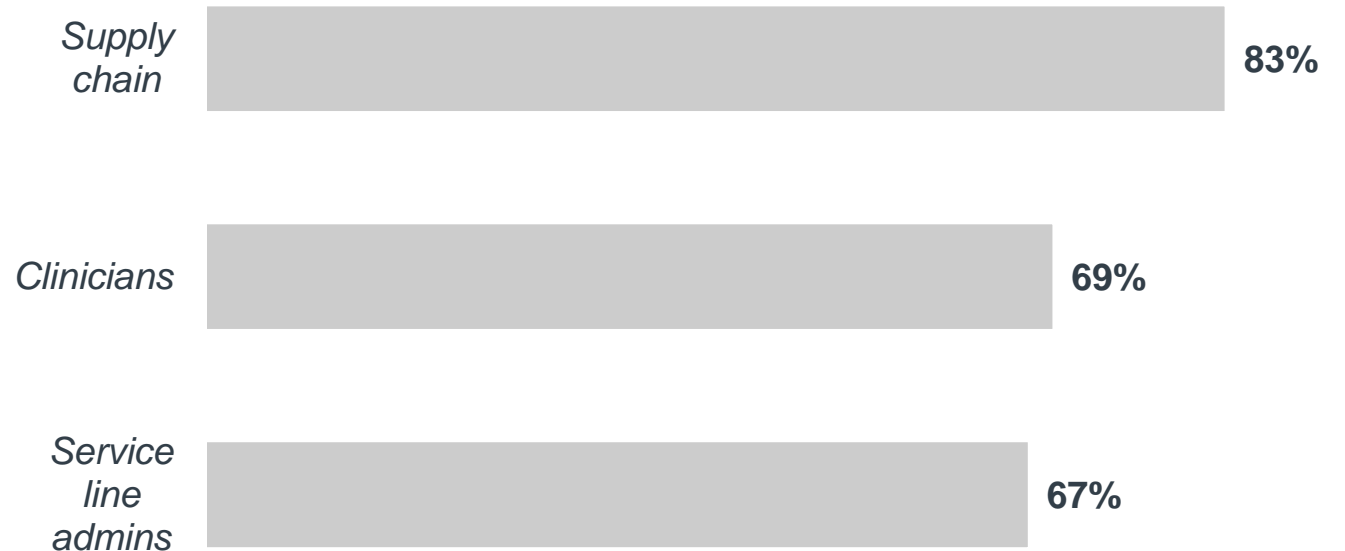
n=37



VAC decision-making power for product and vendor selection

Percentage of respondents indicating that the following groups have decision-making power for product and vendor selection

n=36



Source: HCIC Value Analysis Committee 2019 Update survey results.

More in the series on value analysis committees

Two-part webconference series on value analysis committees



Introduction to Value
Analysis Committees



Overview of the Value
Analysis Process

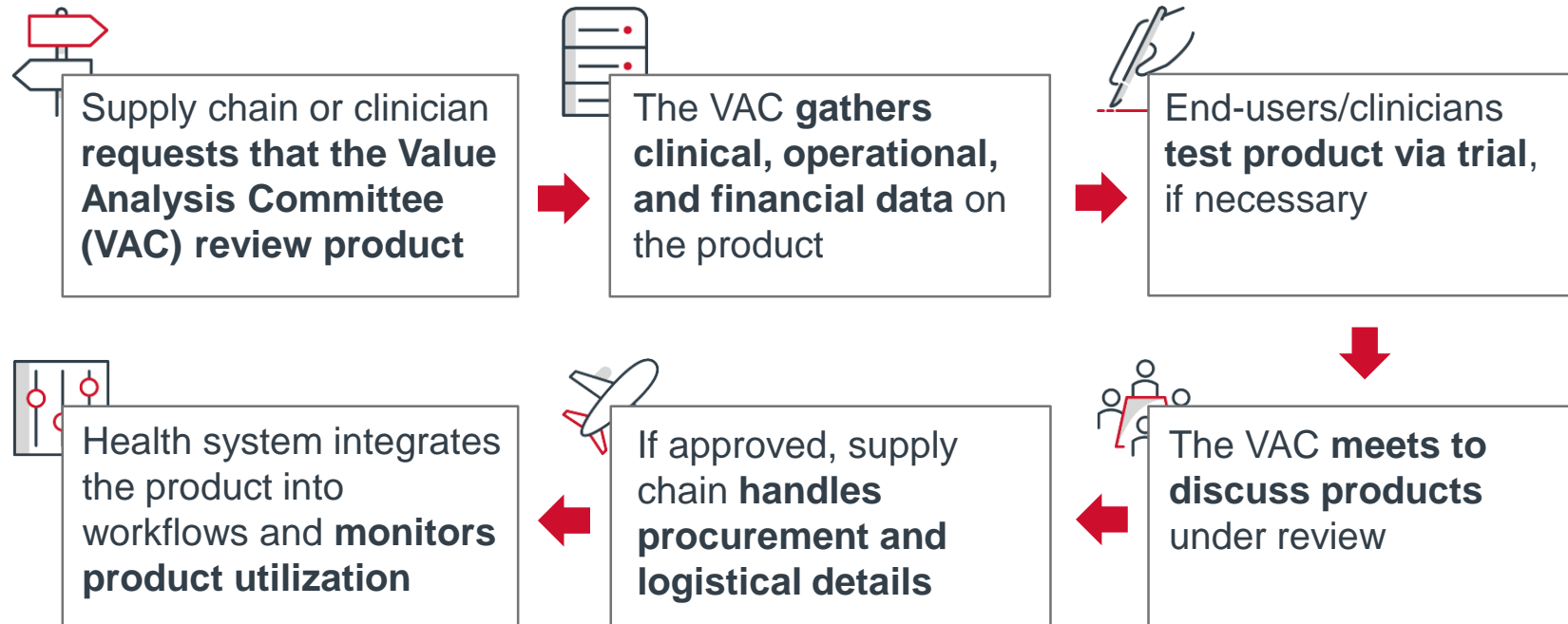


Overview of the Value Analysis Process

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A simple process behind complex evaluations

Typical value analysis process



Clinicians or supply chain catalyze the value analysis process

VAC's desired outcome is the same regardless of how evaluation is initiated

Three primary ways a product can enter the value analysis process

1

Clinician request

"I want to use this implant."

- Clinician

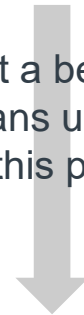


2

Supply chain-led product standardization efforts

"We can get a better deal if all of our physicians use the same implant for this procedure."

- Supply chain

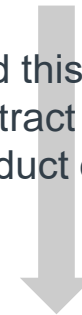


3

Internal or GPO contract changes

"We've used this implant for 5 years and the contract is expiring. Is there a better product on the market?"

- Supply chain



**Desired outcome:
Source cost-effective products that help clinicians
deliver high-quality outcomes**

Providers rely on many sources for product data

Each source can provide unique types of data

Sources of data by frequency of use and type of data they provide

Data source	Frequency of use ¹	Sample types of data
Peer reviewed journal articles	High	Clinical outcomes data, comparative effectiveness
Clinical guidelines	High	Indications for use
Internal health system data ²	High	Current product utilization, procedural volumes, financial impact
Randomized clinical trials	Medium	Clinical outcomes data, financial impact
Manufacturer provided reports	Medium	Clinical outcomes data, financial impact, operational and efficiency data
Head-to-head clinical trials	Medium	Comparative effectiveness
Case studies	Medium	Real-world evidence, clinical outcomes data, financial impact
Third party consultants	Low	Price benchmarking, comparative effectiveness, clinical outcomes data, financial impact
Health technology assessments	Low	Comparative effectiveness, clinical outcomes data, financial impact

1. Percentage of respondents indicating that each respective data source is in their top 5 most relied upon throughout the value analysis process; High=greater than 50% of respondents; medium=25%-49%; low=below 24%.

2. Including electronic health records.

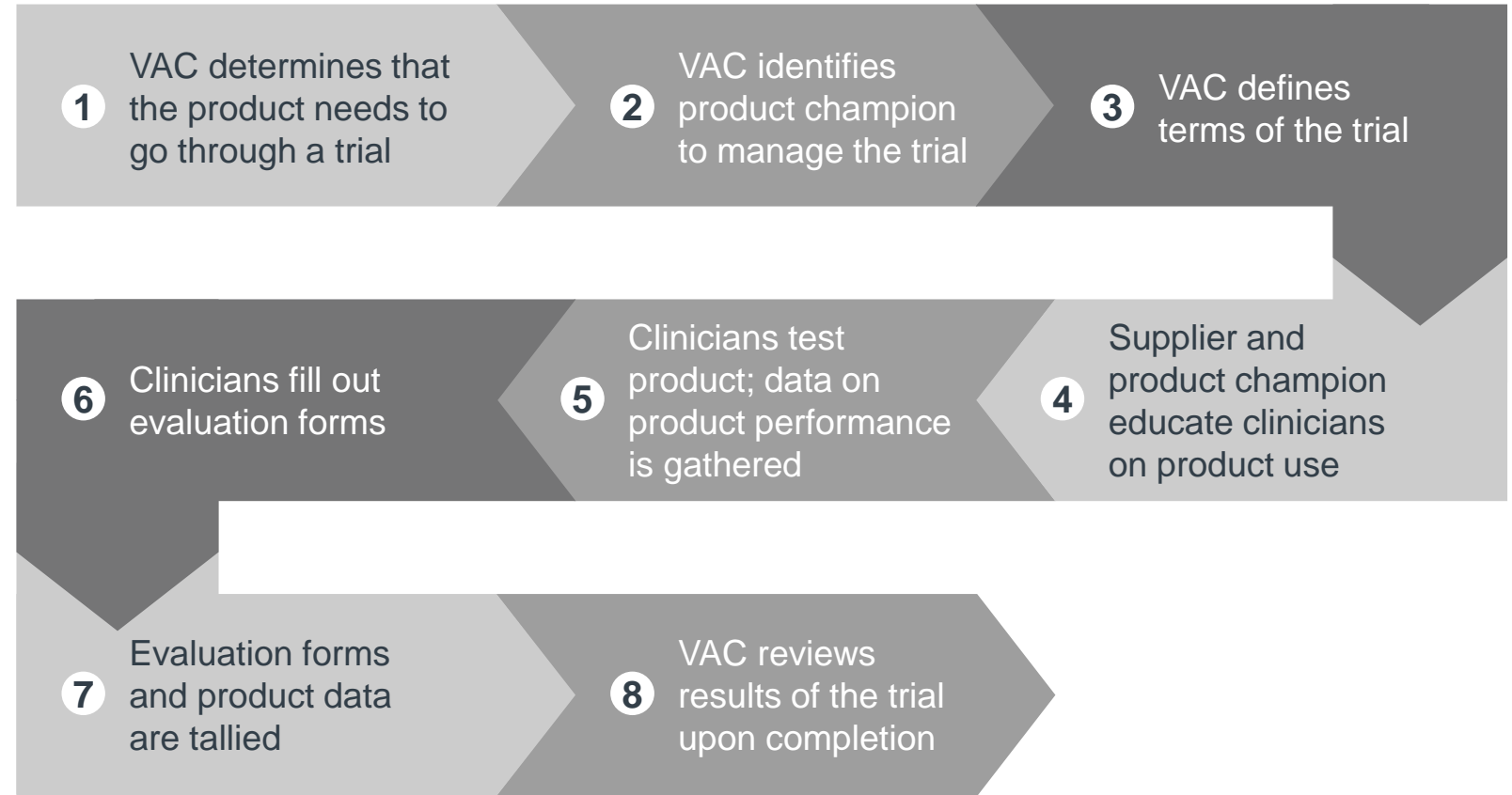
Source: HCIC Value Analysis Committee 2019 Update survey results.

Trials offer additional visibility into product performance

Common reasons for a trial

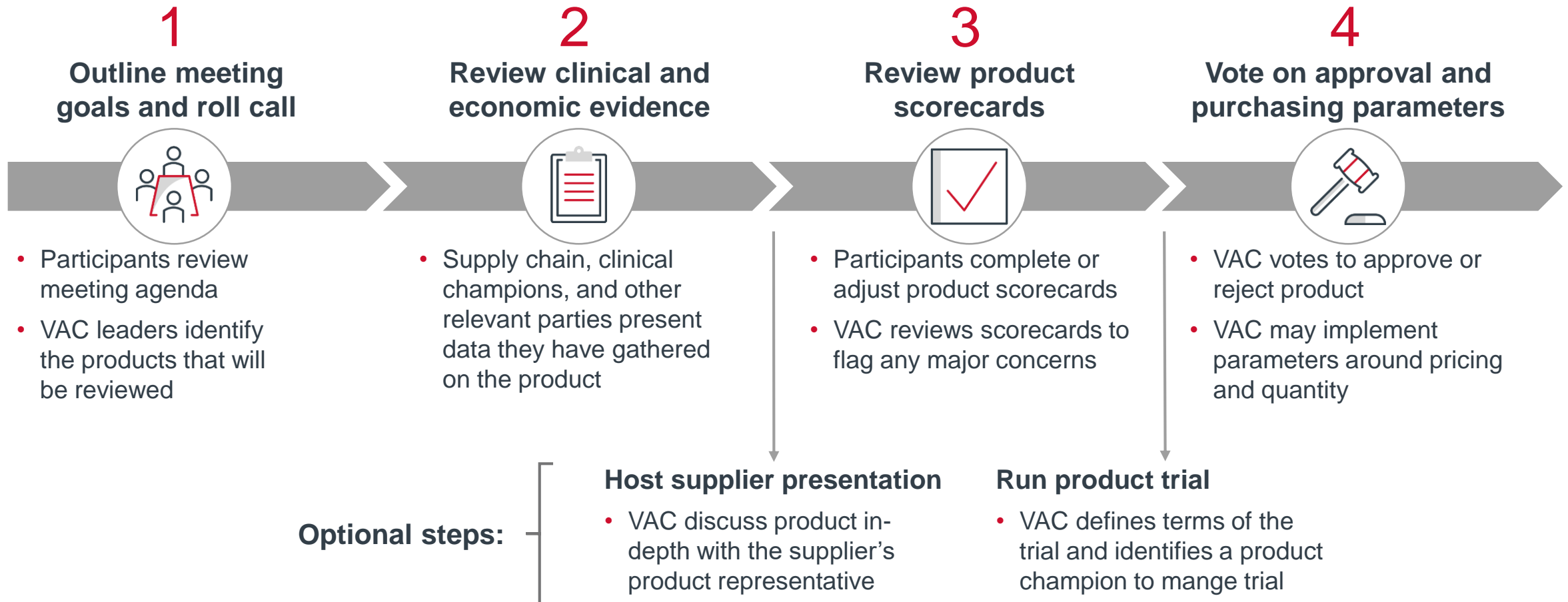
- The product is **new to market** and lacks sufficient data for the VAC to make an informed decision
- VAC wants to see **additional proof** of advertised outcomes
- VAC wants to evaluate product performance within **organization-specific processes and protocols**
- Clinical end-users are **not trained on using the product**

Sample product trial process



VAC convenes to discuss products and next steps

Typical VAC meeting agenda

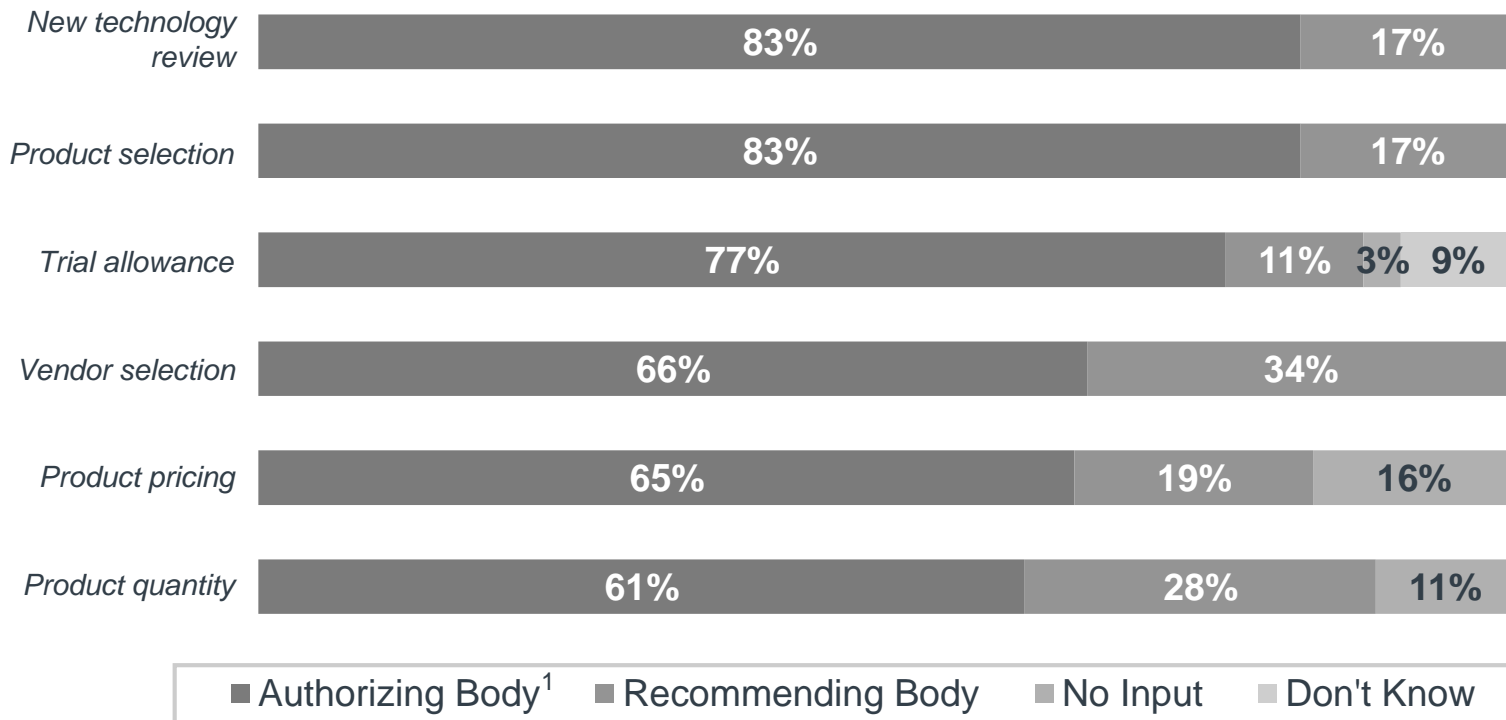


VACs possess broad decision-making power

VAC authority extends beyond product selection and new technology review

VAC decision-making authority

n=36



1. Either the only, or one of several authorizing authorities.

Source: HCIC Value Analysis Committee 2019 Update survey results.

Value analysis is the first step in the supply chain process

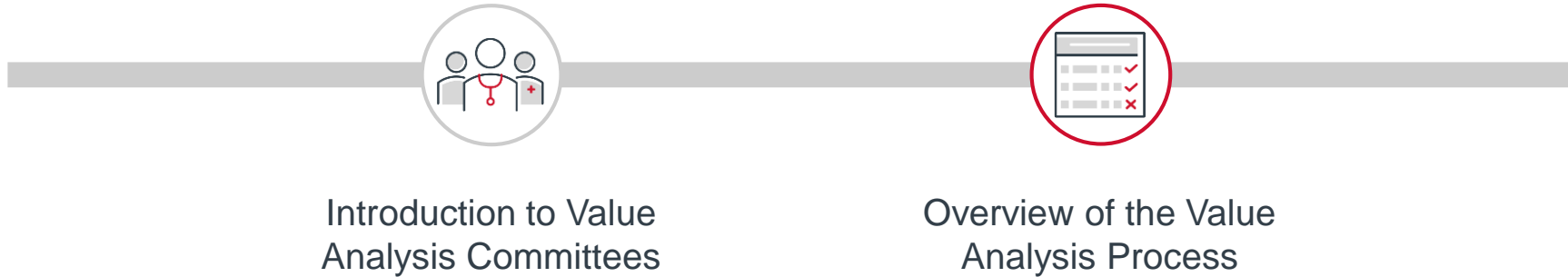
Utilization management is an increasingly important step

Illustrative product journey through the supply chain



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655 New York Avenue NW, Washington DC 20001
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