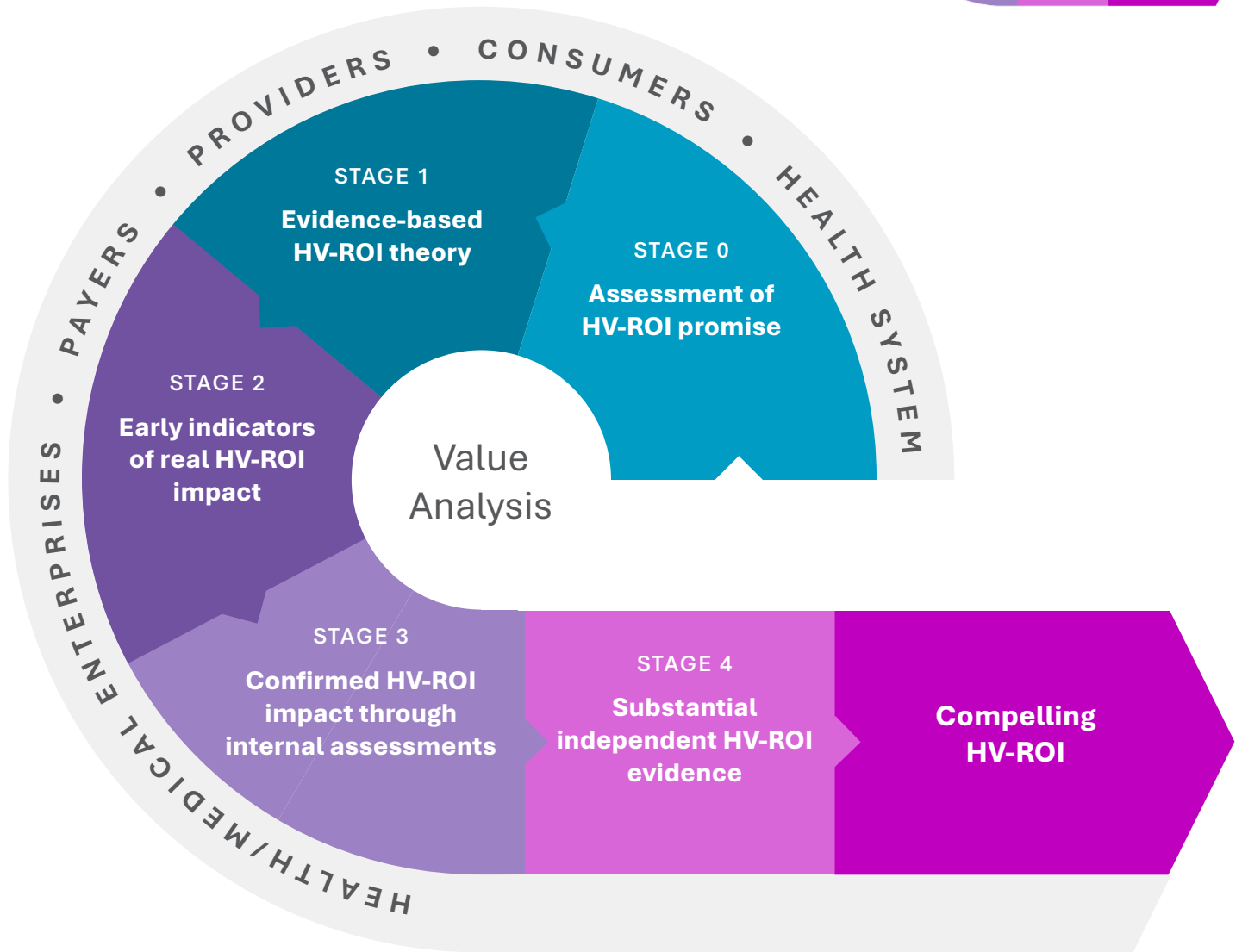


EXECUTIVE SUMMARY

Health Value Evidence Quality:

A Framework to Advance Private Investment That Improves Health Care and Health



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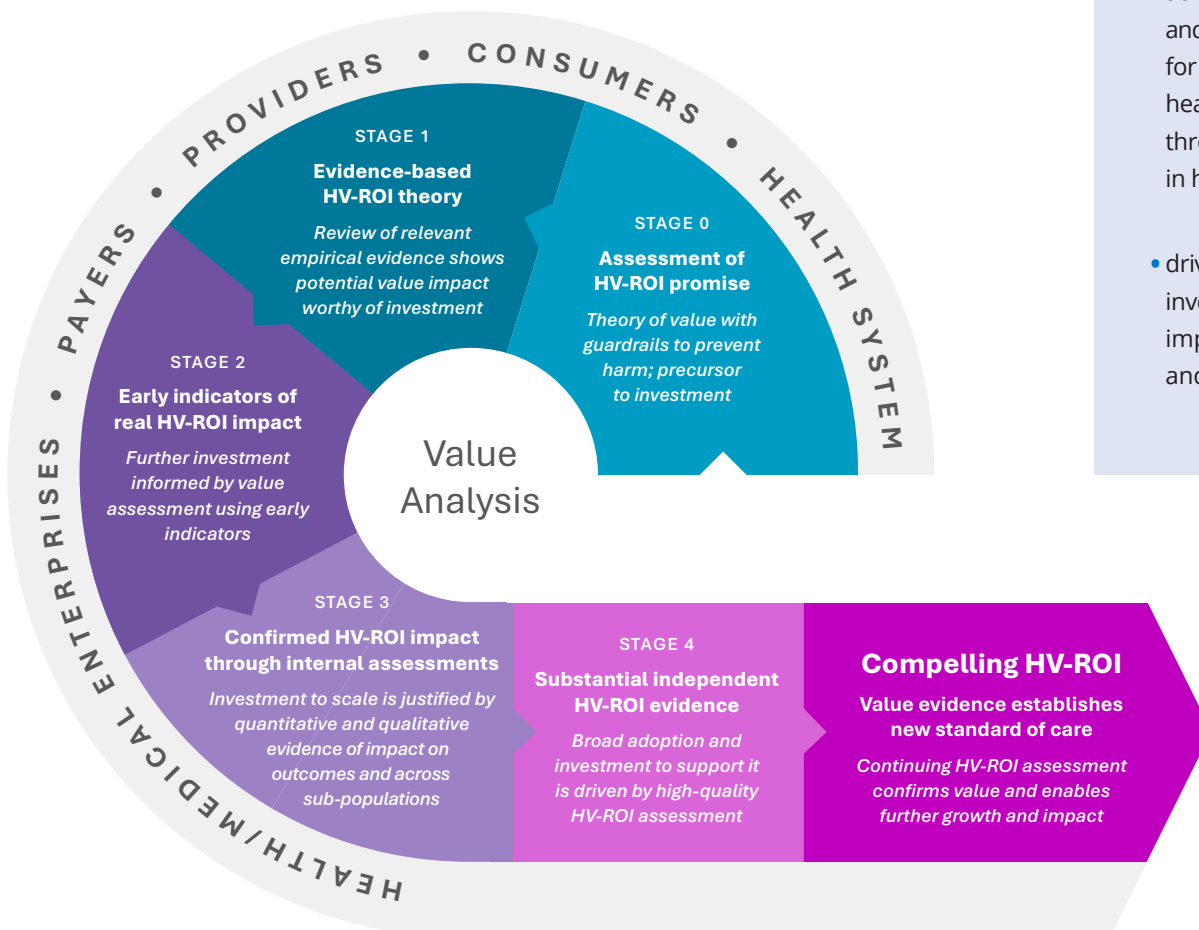
Health Value Evidence Quality: A Framework to Advance Private Investment That Improves Health Care and Health

Private for-profit investment continues to play a major role in efforts to improve health care access, affordability, and outcomes. Yet, persistent questions remain about the extent to which this capital is delivering measurable health value. Building on previous research examining private investments in medical services, efforts to develop valid “real-world” evidence in health care, and ongoing health investor initiatives to address concerns and deliver positive value, **the Duke-Margolis Institute for Health Policy’s Capital Impact Council (CIC)** presents a **Health Value Evidence Quality (HV-EQ) Framework** that can be used by investors, their partners, and other stakeholders as a structured approach to developing rigorous and credible evidence of health value.

The Duke-Margolis Capital Impact Council (CIC) supports the development of strategies, tools, and frameworks to enable the private investment community to demonstrate and deliver measurable benefits for health outcomes, access, affordability, and community resilience. The Council is comprised of mission-aligned venture capital and private equity investors and Duke-Margolis Advisory Board members. It is dedicated to:

- advancing use of evidence and establishing best practices for achieving measurable health value improvements through private investment in health care.
- driving the impact of private investment in health care to improve the lives of people and communities.

FIGURE 1 | Summary of Health Value Evidence Quality Framework



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Health Value Evidence Quality: A Framework to Advance Private Investment That Improves Health Care and Health



The HV-EQ Framework was developed with guidance from the Duke-Margolis CIC, a group of experienced investors committed to advancing resources, evidence, and published best practices, to help assure investments deliver health value alongside financial returns. This Framework complements the CIC's [Health Value Return on Investment \(HV-ROI\) Framework](#).

The HV-EQ Framework includes four stages of evidence quality, and how an intentional strategy to support HV-EQ can be incorporated at every stage in the life cycle of an investment. We describe the foundations for the framework and its methods and metrics and provide examples from CIC member experiences of its practical application in health care investments. We then identify promising directions to refine the framework and streamline its application in key areas of health care investment, through cross-industry collaborations, partnerships with assessment organizations, and advancing public policies that support health value returns.

Our review of the CIC case examples and the broader evidence landscape on health value in private investment shows that while many gaps remain, there is much that private capital investors can do to directly and routinely support their portfolio companies' efforts to measure health value, reducing long-term risk to their companies and increasing their ability to impact health care and health:

- Define and revisit a core question set on a company's health value model throughout the entire holding period.
- Build a forward-looking evidence strategy that advances with the company's evolution.
- Support and disseminate health-value assessment best practices, based on your companies' experiences; highlight and prioritize funding for organizations that follow these practices.

- Increase supply and demand for better evidence on health value by structuring commercial partnerships that accelerate evidence collection and learning and leveraging these partnerships to increase market demand for companies with stronger health value evidence.
- Collaborate with assessment organizations to clarify health value evidence pathways in the company's value impact area, making those pathways less risky and more efficient.
- Support and join collaborative platforms for evidence generation, including platforms supported by philanthropic capital aligned with health value creation as well as public-private partnerships that reward, normalize, and scale evidence generation.

Building on these strategies, the CIC aims to work with a range of collaborators to advance best practice models for demonstrating health value in private capital investment, and to strengthen and publicize measurement approaches to assess their own contributions to the development of health value. At a time when private investment that positively impacts health care is needed more than ever, the HV-EQ Framework can help assure that financial returns align with better health.

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