

# Estimate of the Situation

*Critical Information for Critical Times, Edition of Wednesday, April 8, 2015*



## How Many Premium Dollars is a Human Life Worth?

That's easy. All that is necessary is to understand and apply the official definitions of the National Institutes of Health.

“Value-based medicine is the practice of medicine emphasizing the value received from an intervention. Value is measured by objectively quantifying: 1) the improvement in quality of life and/or 2) the improvement in length of life conferred by an intervention.

“Evidence-based medicine often measures the improvement gained in length of life, but generally ignores the importance of quality of life improvement or loss.

“Value-based medicine incorporates the best features of evidence-based medicine and takes evidence-based data to a higher level by incorporating the quality of life perceptions of patients with a disease in concerning the value of an intervention. Inherent in value-based medicine are the costs associated with an intervention.

*“The resources expended for the value gained in value-based medicine is measured with cost-utility analysis in terms of the US dollars/QALY (money spent per quality-adjusted life-year gained). One way of addressing this variation – and giving patients the care they want and need – is to move to a reimbursement system that is value-based. We speak of it as “the value equation”: Quality over Cost over Time.” [Emphasis Added].*

Got that? It's just as plain as the nose on your face.

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Editor's Note: Our thanks to the National Institutes of Health for essentially writing this issue's content.