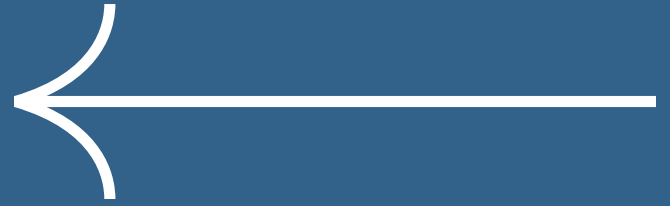


A Novel Alternative to the QALY



A new framework for quantifying value using real-world evidence

How should value in healthcare be measured? In this paper, we introduce the Standard of Living Valuation (SoLV), a novel approach developed by the authors to quantifying value using real-world evidence that may offer a reasonable and practical alternative to valuing therapies using quality-adjusted life years (QALYs). This work was commissioned by the Alliance for Aging Research.



The Alliance for Aging Research and others have pointed out the many shortcomings of using the discriminatory Quality Adjusted Life Year (QALY) metric, and the Centers for Medicare & Medicaid Services (CMS) has committed to not using it. To fill the need for transparent and sound methodology, the Alliance for Aging Research, in partnership with Milliman, has developed a new, reasonable, and practical alternative using real-world evidence.

In this vein, the report proposes the SoLV framework, which:



- Links the difference in household income to health outcomes
- Uses real-world evidence evaluation for value assessment
- Provides a methodology connecting value to socioeconomic and health disparity issues

The report details limitations of both the QALY approach to value and its alternatives like the evLYG and explains ways that a new framework could be more effective by utilizing standard of living factors such as education, housing, diet, family support, and leisure activities, all of which are important factors in life expectancy.

LEARN MORE: Read the full report at <https://www.milliman.com/en/insight/new-framework-healthcare-value-real-world-evidence>

