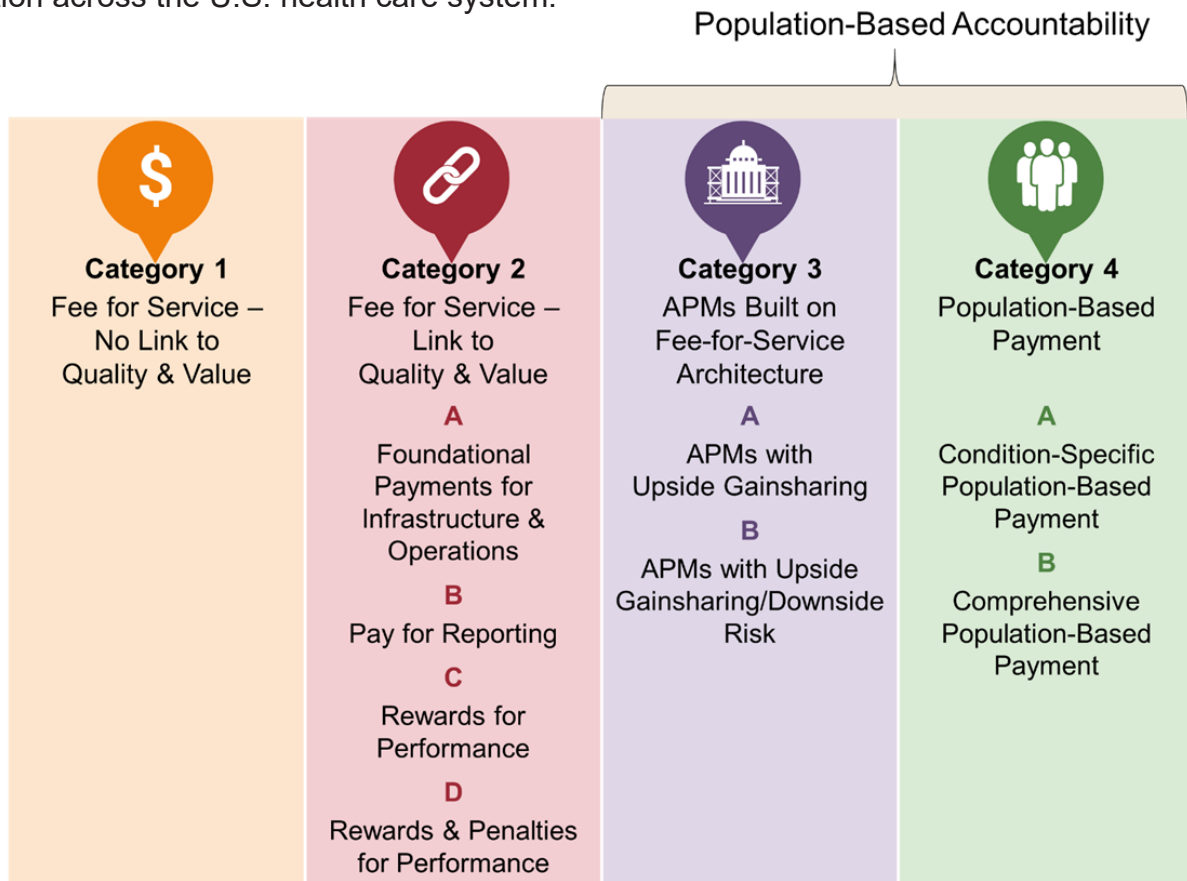


Better Care, Smarter Spending, and Healthier People

The Alternative Payment Model (APM) Framework

PURPOSE

The LAN established the APM Framework and Progress Tracking Work Group, which developed a new framework for categorizing APMs and an approach for measuring and reporting APM adoption across the U.S. health care system.



* Note: The framework situates existing and potential APMs into a series of categories.

APM FRAMEWORK PRINCIPLES

The APM Framework rests on the seven principles summarized below.

1

Empower Patients to be Partners

Changing providers' financial incentives is not sufficient to achieve person-centered care, so it will be essential to empower patients to be partners in health care transformation.

2

Shift to Population-Based Payments

The goal is to shift U.S. health care spending significantly towards population-based payments.

3

Incentives Should Reach Providers

Value-based incentives should ideally reach the providers who deliver care.

4

Payment Models & Quality

Payment models that do not take quality into account will be classified within the appropriate category and marked with an "N" to indicate "No Quality" and will not count as progress toward payment reform.

5

Motivate Providers

Value-based incentives should be intense enough to motivate providers to invest in and adopt new approaches to care delivery.

6

Dominant Form of Payment

APMs will be classified according to the dominant form of payment, when more than one type of payment is used.

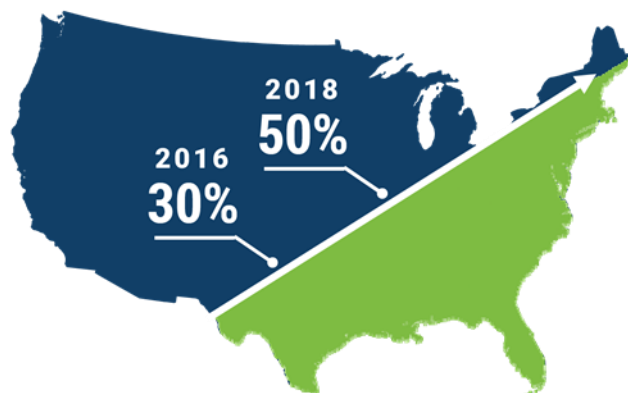
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Examples in the Framework

Centers of excellence, accountable care organizations, and patient-centered medical homes are examples in the Framework, rather than categories, because they are delivery systems that can be applied to and supported by a variety of payment models.

NATIONAL MEASUREMENT EFFORT

The LAN will launch an eight-week data collection program in mid-May 2016 with public and private health plans that will utilize the APM Framework to provide a baseline and prospective view. The results of this effort will help the LAN assess national progress toward its goal of 30% APM adoption by 2016 and 50% APM adoption by 2018 in the U.S. health system. It will also assist the effort with identifying major differences in APM adoption across commercial, Medicaid, and Medicare Advantage plans, and gauging how health plans effectively categorize their APMs within the APM Framework.



CALL FOR PARTICIPANTS

To learn more about the National APM Data Collection Effort, visit <https://hcp-lan.org/groups/apm-fpt/national-apm-data-collection-effort/>

This nationwide APM adoption measurement initiative is a key activity in the LAN's collective health care transformation effort toward better care, healthier people, and smarter spending.

Read the white paper at <https://hcp-lan.org/groups/work-products/>

View the Case Studies at: <https://hcp-lan.org/workproducts/apm-whitepaper-addendum.pdf>