Public and private health plans voluntarily participated in a national effort to measure the use of alternative payment models (APMs) as well as progress towards the LAN's goals of tying 30% of U.S. health care payments to APMs by 2016 and 50% by 2018.

Representing nearly 200 million Americans and... approximately 67% of the covered population in three market segments.

Participants:
- Commercial
- Medicare Advantage
- Medicaid

2015 Results:
1. Legacy Payments in Category 1: 62%
2. Link to Quality in Category 2: 15%
3. Payments in APM Categories 3 & 4: 23%

*Data collected over an 8-week period was aggregated to produce results based on the LAN's APM Framework.*
ABOUT THE HEALTH CARE PAYMENT LEARNING & ACTION NETWORK

The LAN, launched in March 2015 by HHS, brings together public, private, and non-profit sectors to transition to successful APMs that improve health care quality. Through the LAN’s collaborative structure, more than 6,500 participants are taking action towards APM adoption and implementation, a critical step in achieving the Triple Aim of better care, smarter spending, and healthier people. The LAN is working to increase adoption of APMs with the goal of tying 30% of U.S. health care payments to APMs by the end of 2016 and 50% by 2018.

APM FRAMEWORK

CATEGORY 1
Payments utilizing traditional legacy payments (e.g., fee-for-service) that are not adjusted to account for infrastructure investments, provider reporting of data, or provider performance on cost and quality metrics.

CATEGORY 2
Payments utilizing fee-for-service (FFS) payments are adjusted based on infrastructure payments to improve care or clinical services, whether providers report quality data or perform well on cost and quality metrics.

CATEGORY 3
Payments based on FFS architecture while providing mechanisms for effective management of a set of procedures, episode of care or all health services provided for individuals. Providers that meet cost and quality targets are eligible for shared savings; those who do not may be held financially responsible.

CATEGORY 4
Payments are structured to encourage delivery of well-coordinated, high quality, person level care within a defined budget. Per member per month (PMPM) payments are made to manage all of a patient's care and/or conditions.