

# Alternative Payment Models (APM) Framework



## Category 1

Fee for Service –  
No Link to Quality & Value



## Category 2

Fee for Service –  
Link to Quality & Value



## Category 3

APMs Built on  
Fee-for-Service Architecture



## Category 4

Population-Based  
Payment

Fee-for-Service	Category 2: Fee for Service – Link to Quality & Value				Category 3: APMs Built on Fee-for-Service Architecture		Category 4: Population-Based Payment	
	A	B	C	D	A	B	A	B
	Foundational Payments for Infrastructure & Operations	Pay for Reporting	Rewards for Performance	Rewards and Penalties for Performance	APMs with Upside Gainsharing	APMs with Upside Gainsharing/ Downside Risk	Condition-Specific Population-Based Payment	Comprehensive Population-Based Payment
<div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px;">Traditional FFS</div> <div style="border: 1px solid gray; padding: 5px;">DRGs Not linked To Quality</div>	<div style="background-color: #800000; color: white; padding: 10px; text-align: center;">Foundational payments to improve care delivery, such as care coordination fees, and payments for investments in HIT</div>	<div style="background-color: #800000; color: white; padding: 10px; text-align: center;">Bonus payments for quality reporting</div> <div style="background-color: #800000; color: white; padding: 10px; text-align: center;">DRGs with rewards for quality reporting</div> <div style="background-color: #800000; color: white; padding: 10px; text-align: center;">FFS with rewards for quality reporting</div>	<div style="background-color: #800000; color: white; padding: 10px; text-align: center;">Bonus payments for quality performance</div> <div style="background-color: #800000; color: white; padding: 10px; text-align: center;">DRGs with rewards for quality performance</div> <div style="background-color: #800000; color: white; padding: 10px; text-align: center;">FFS with rewards for quality performance</div>	<div style="background-color: #800000; color: white; padding: 10px; text-align: center;">Bonus payments and penalties for quality performance</div> <div style="background-color: #800000; color: white; padding: 10px; text-align: center;">DRGs with rewards and penalties for quality performance</div> <div style="background-color: #800000; color: white; padding: 10px; text-align: center;">FFS with rewards and penalties for quality performance</div>	<div style="background-color: #483D8B; color: white; padding: 10px; text-align: center;">Bundled payment with upside risk only</div> <div style="background-color: #483D8B; color: white; padding: 10px; text-align: center;">Episode-based payments for procedure-based clinical episodes with shared savings only</div> <div style="background-color: #483D8B; color: white; padding: 10px; text-align: center;">Primary care PCMHs with shared savings only</div> <div style="background-color: #483D8B; color: white; padding: 10px; text-align: center;">Oncology COEs with shared savings only</div>	<div style="background-color: #483D8B; color: white; padding: 10px; text-align: center;">Bundled payment with up- and downside risk</div> <div style="background-color: #483D8B; color: white; padding: 10px; text-align: center;">Episode-based payments for procedure-based clinical episodes with shared savings and losses</div> <div style="background-color: #483D8B; color: white; padding: 10px; text-align: center;">Primary care PCMHs with shared savings and losses</div> <div style="background-color: #483D8B; color: white; padding: 10px; text-align: center;">Oncology COEs with shared savings and losses</div>	<div style="background-color: #228B22; color: white; padding: 10px; text-align: center;">Population-based payments for condition-specific care (e.g., via an ACO, PCMH, or COE)</div> <div style="background-color: #228B22; color: white; padding: 10px; text-align: center;">Partial population-based payments for primary care</div> <div style="background-color: #228B22; color: white; padding: 10px; text-align: center;">Episode-based, population payments for clinical conditions, such as diabetes</div>	<div style="background-color: #228B22; color: white; padding: 10px; text-align: center;">Full or percent of premium population-based payment (e.g., via an ACO, PCMH, or COE)</div> <div style="background-color: #228B22; color: white; padding: 10px; text-align: center;">Integrated, comprehensive payment and delivery system</div> <div style="background-color: #228B22; color: white; padding: 10px; text-align: center;">Population-based payment for comprehensive pediatric or geriatric care</div>
					3N Risk-based payments NOT linked to quality		4N Capitated payments NOT linked to quality	

= example payment models will not count toward APM goal.

= payment models in Categories 3 and 4 that do not have a link to quality and will not count toward the APM goal.