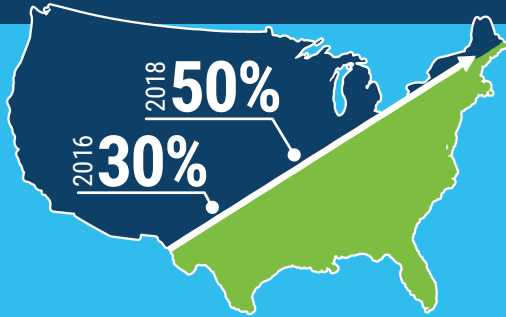
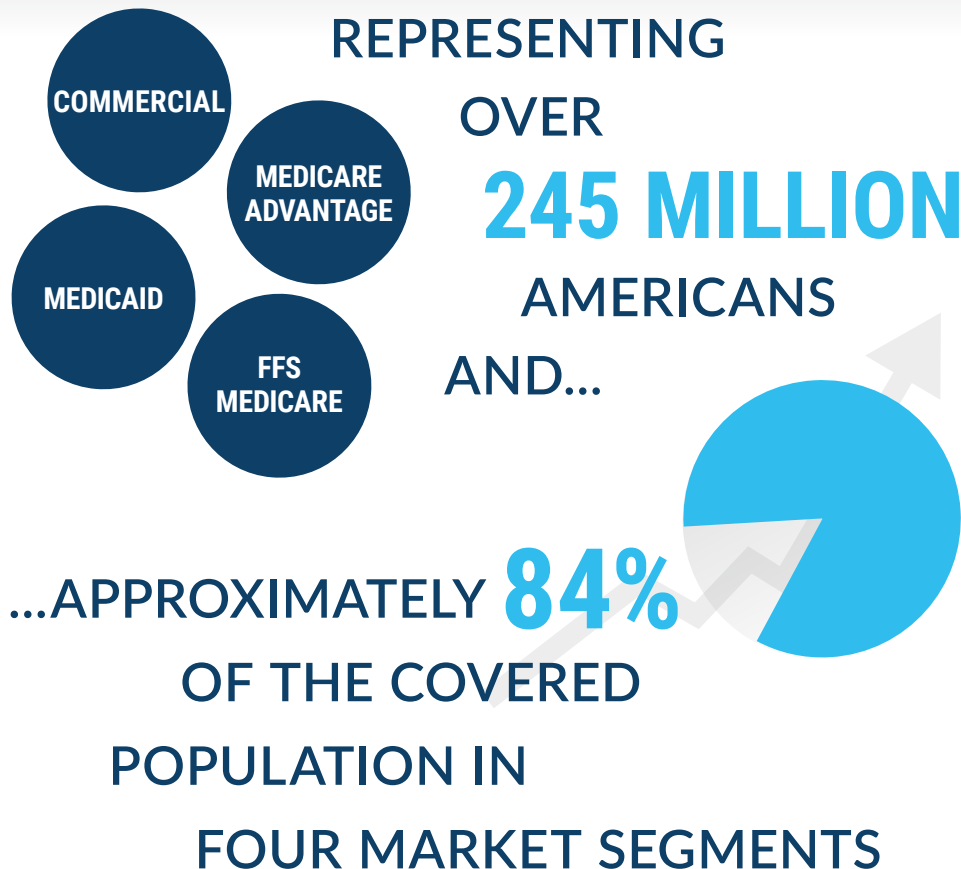


APM MEASUREMENT EFFORT

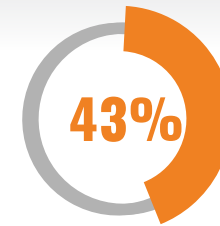


Public and private health plans, managed FFS Medicaid states, and FFS Medicare voluntarily participated in a national effort to measure the use of alternative payment models (APMs) as well as progress towards the LAN's goals of tying 30% of U.S. health care payments to APMs by 2016 and 50% by 2018.

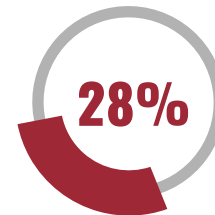
PARTICIPANTS



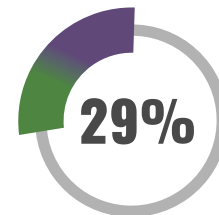
2016 PAYMENTS*



LEGACY PAYMENTS
IN CATEGORY 1



LINK TO QUALITY
IN CATEGORY 2



PAYMENTS IN APM
CATEGORIES 3 & 4



*Participants categorized payments made to providers in 2016 according to the original LAN Framework and the LAN aggregated results.

ABOUT THE LAN AND THE APM MEASUREMENT EFFORT

The Health Care Payment Learning & Action Network (LAN) aims to accelerate APM adoption and drive alignment in payment reform approaches across the public and private sectors as a means to improve care quality and affordability. The LAN conducts an annual APM Measurement Effort to assess APM adoption in the commercial, Medicare Advantage, and state Medicaid market segments across the U.S., with the intent to measure progress toward the LAN's goals and examine how APM adoption is changing over time. This year's LAN APM Measurement Effort marks the second year of this initiative and adds fee-for-service (FFS) Medicare.

ORIGINAL APM FRAMEWORK



CATEGORY 1

Payments utilizing traditional legacy payments (e.g., FFS) 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 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.