

TRADITIONAL MEDICARE

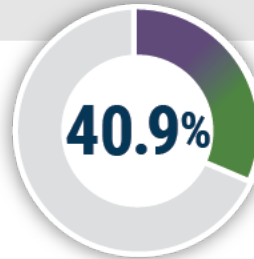
Commercial health plans, Managed Care Organizations (MCOs), state Medicaid agencies, Medicare Advantage (MA) plans, and Medicare voluntarily participated in a national effort to measure the use of Alternative Payment Models (APMs) as well as progress towards the LAN's goal of tying 30% of U.S. health care payments to APMs by 2016 and 50% by 2018.



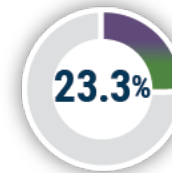
COMMERCIAL



MEDICARE ADVANTAGE



TRADITIONAL MEDICARE



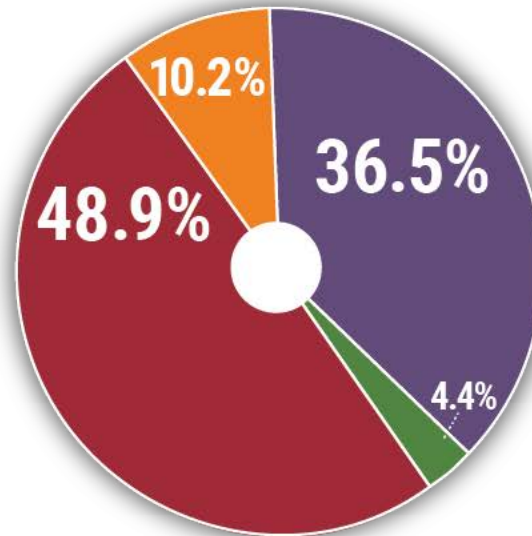
MEDICAID

CATEGORY 1: FEE-FOR-SERVICE - NO LINK TO QUALITY & VALUE

10.2%

CATEGORY 2: FEE-FOR-SERVICE - LINK TO QUALITY & VALUE

48.9%



Representativeness of covered lives:
Traditional Medicare - 100%

18.2%

Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMs.

CATEGORY 3: APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

22.7% Upside Rewards for Appropriate Care

13.8% Upside & Downside for Appropriate Care

CATEGORY 4: POPULATION-BASED PAYMENT

3.4% Condition-Specific Population-Based Payment

1.0% Comprehensive Population-Based Payment

0% Integrated Finance & Delivery Systems