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.

In 2019, 38.2% of U.S. health care payments, representing approximately 216.4 million Americans and 72.5% of the covered population, flowed through Categories 3&4 models. In each market, Categories 3&4 payments accounted for:

- Commercial: 32.1%
- Medicare Advantage: 50%
- Traditional Medicare: 41.9%
- Medicaid: 35.6%

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

Representativeness of covered lives: Commercial - 56%; Medicare Advantage - 59%; Traditional Medicare - 100%; Medicaid - 55%

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What Do Payers Think about the Future of APM Adoption?

**PAYERS’ PERSPECTIVE**

- **87%** think APM activity will increase
- **7%** think APM activity will stay the same
- **0%** think APM activity will decrease
- **6%** not sure or didn’t answer

**Categories Payers Feel Will Increase the Most**

- 3B 51%
- 3A 26%

<table>
<thead>
<tr>
<th>Will APM adoption result in...</th>
<th>Strongly Agree/Agree</th>
<th>Strongly Disagree/Disagree</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>...better quality of care?</td>
<td>91%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>...more affordable care?</td>
<td>86%</td>
<td>2%</td>
<td>11%</td>
</tr>
<tr>
<td>...improved care coordination?</td>
<td>91%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>...more consolidation among health care providers?</td>
<td>44%</td>
<td>18%</td>
<td>36%</td>
</tr>
<tr>
<td>...higher unit prices for discrete services?</td>
<td>7%</td>
<td>59%</td>
<td>34%</td>
</tr>
</tbody>
</table>

**Top 3 Barriers:**
1. Provider willingness to take on financial risk
2. Provider ability to operationalize
3. Provider interest/readiness

**Top 3 Facilitators:**
1. Health plan interest/readiness
2. Provider interest/readiness
3. Government influence