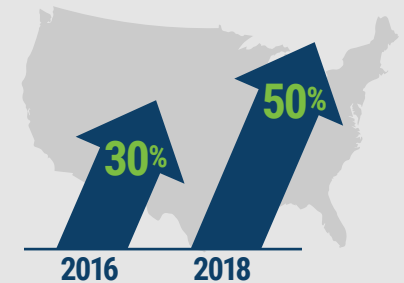
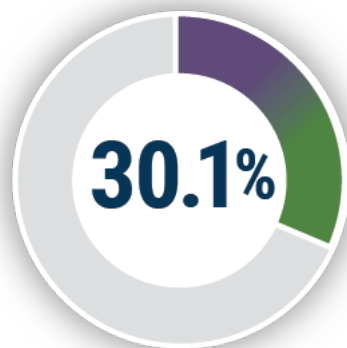


APM MEASUREMENT EFFORT

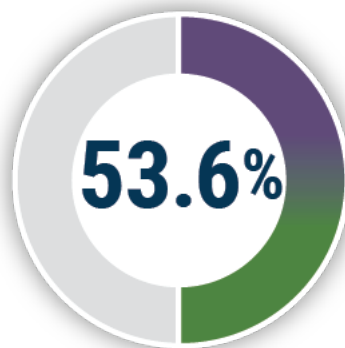
Commercial health plans, Managed Care Organizations (MCOs), state Medicaid agencies, Medicare Advantage (MA) plans, and Medicare voluntarily participated in a national effort to measure the use of Alternative Payment Models (APMs) as well as progress towards the LAN's goal of tying 30% of U.S. health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



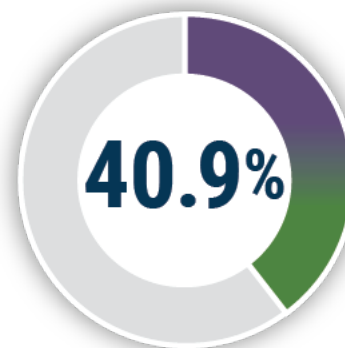
In **2018**,
35.8% of U.S. health care payments, representing approximately **226.5 million** Americans and **77%** of the covered population, flowed through Categories 3&4 models.
In each market, Categories 3&4 payments accounted for:



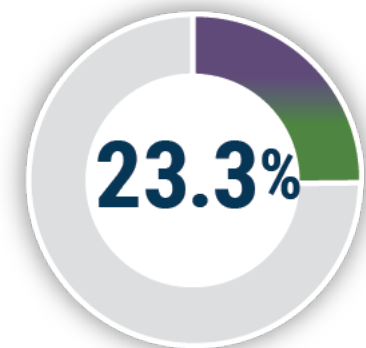
COMMERCIAL



**MEDICARE
ADVANTAGE**



**TRADITIONAL
MEDICARE**



MEDICAID

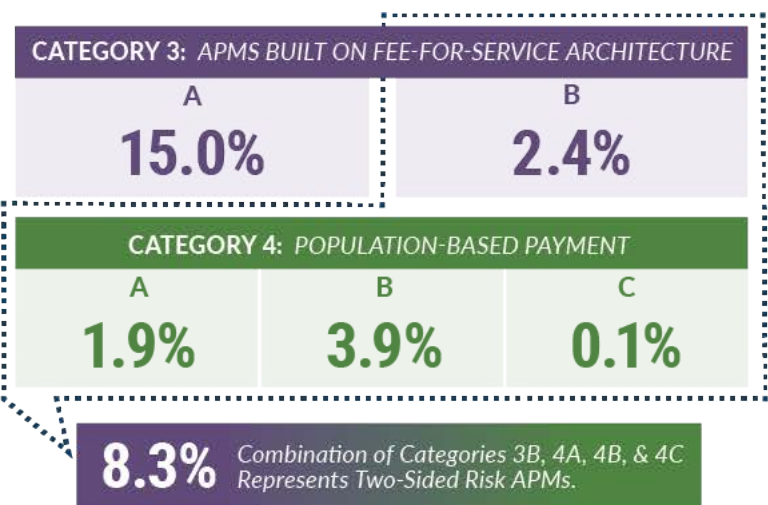
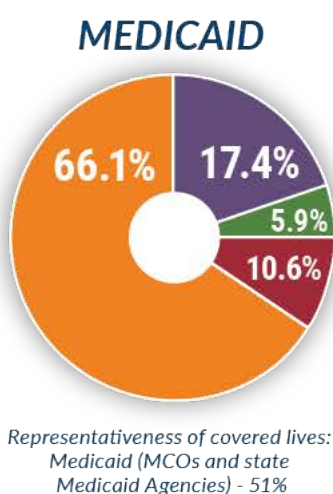
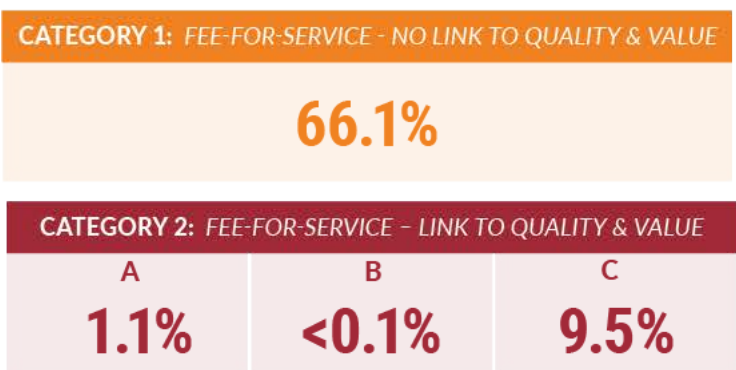
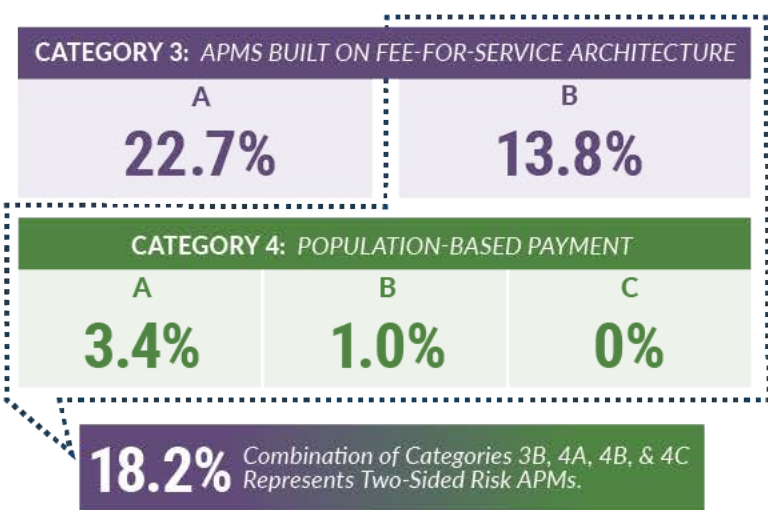
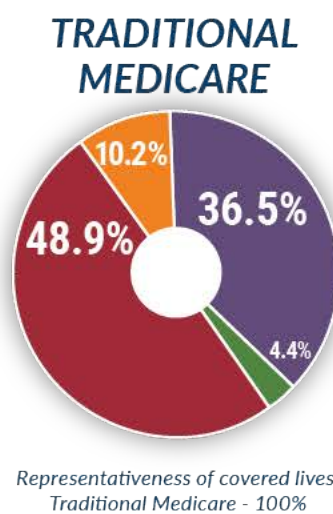
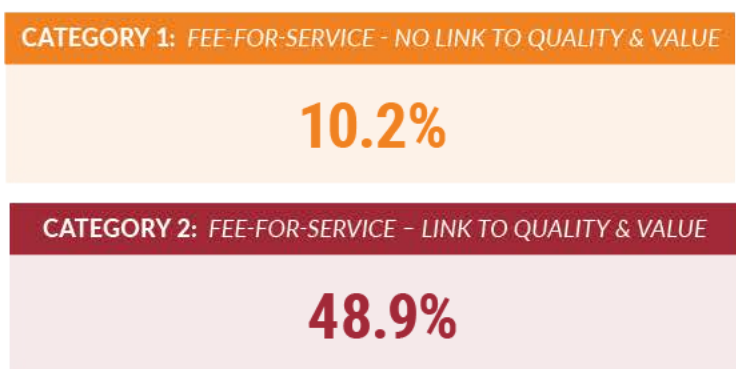
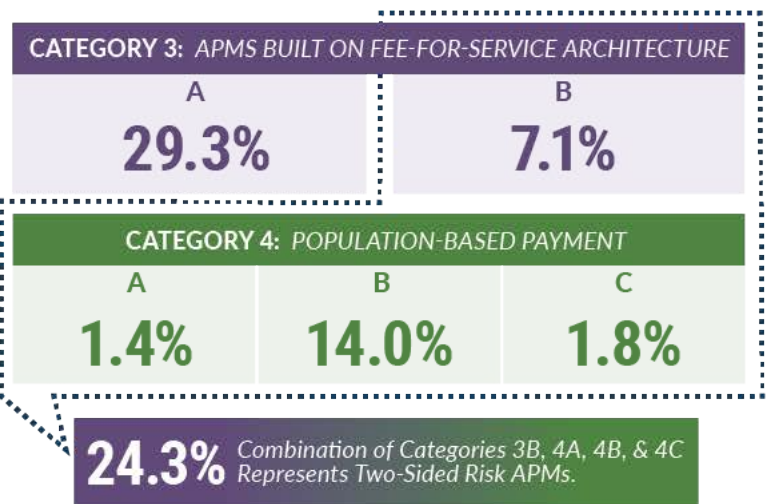
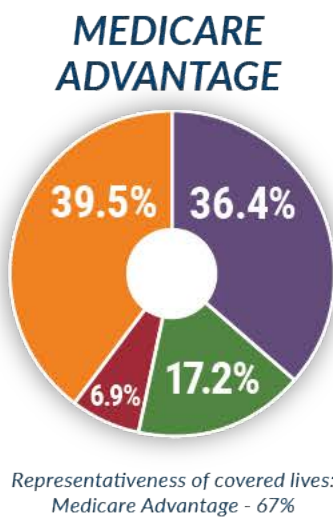
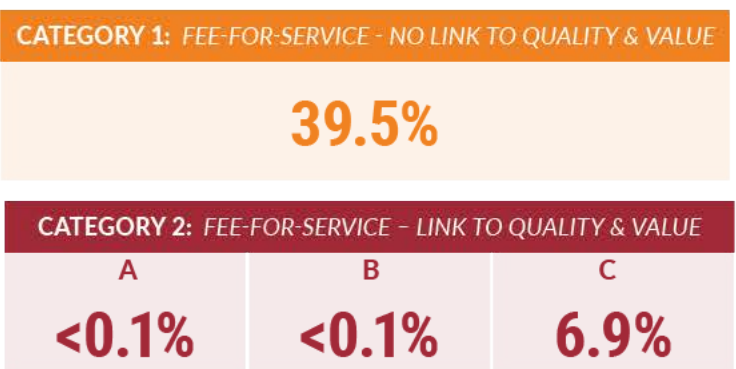
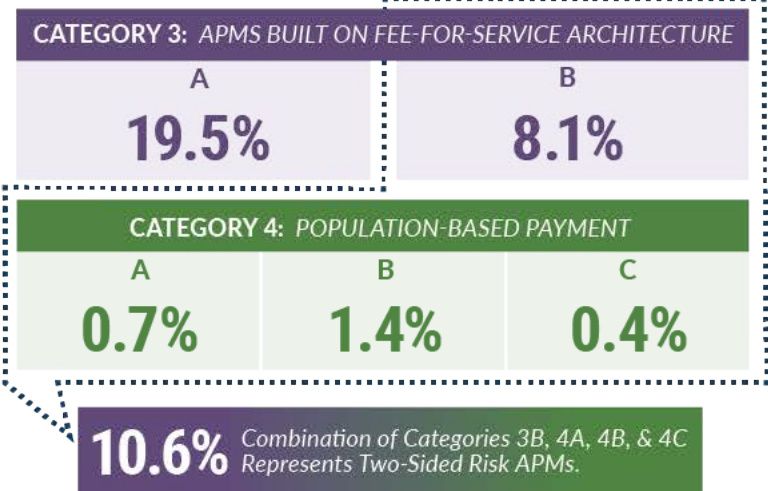
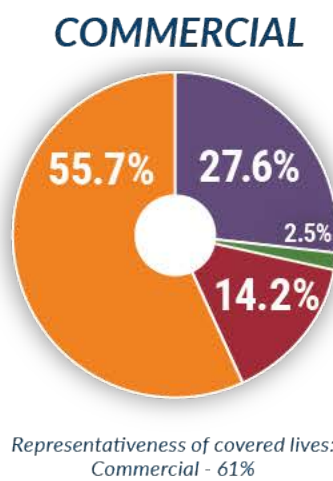
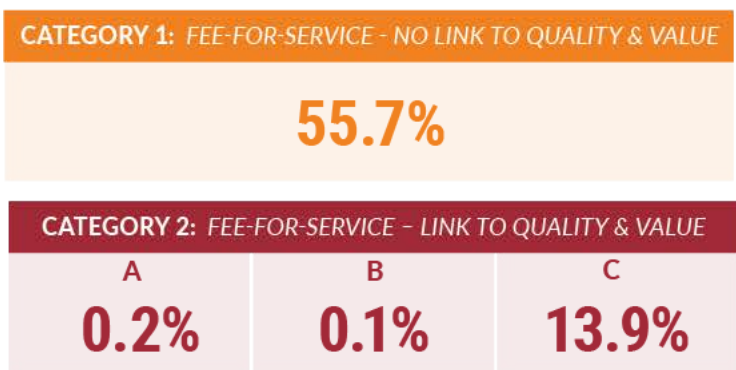
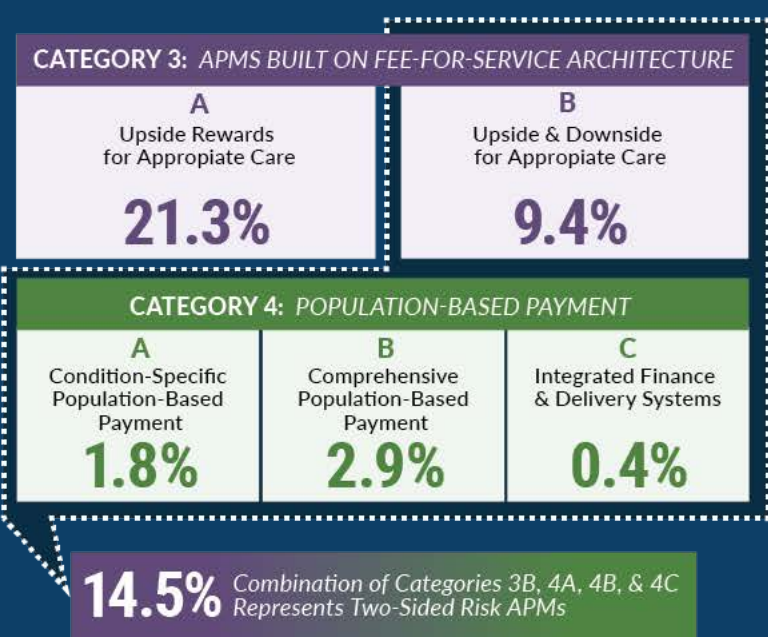
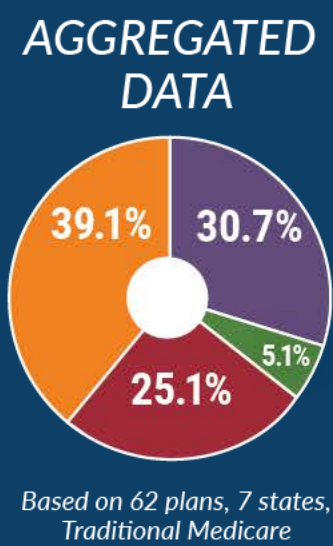
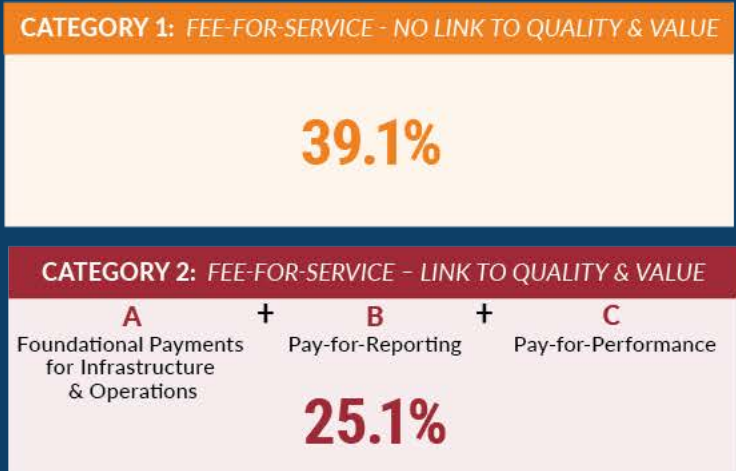
Representativeness of covered lives: Commercial - 61%; Medicare Advantage - 67%; Traditional Medicare - 100%; Medicaid - 51%

Approved for Public Release; Distribution Unlimited. Case Number 19-3276.

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HCPLAN
Health Care Payment Learning & Action Network



What Do Payers Think about the Future of APM Adoption?

↑ **91%**

think APM activity
will increase

→ **7%**

think APM activity
will stay the same

↓ **0%**

think APM activity
will decrease



? **2%**

not sure
or didn't answer

Categories Payers Feel Will Increase the Most

3B ↑ **45%**

3A ↑ **31%**

| Will APM adoption result in... |  Strongly Agree/ Agree |  Strongly Disagree/ Disagree | ? Unsure |
|---|--|--|------------|
| ...better quality of care? | 97% | 2% | 1% |
| ...more affordable care? | 88% | 4% | 8% |
| ...improved care coordination? | 95% | 2% | 3% |
| ...more consolidation among health care providers? | 56% | 19% | 25% |
| ...higher unit prices for discrete services? | 9% | 63% | 28% |

Top 3 Barriers:

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

Top 3 Facilitators:

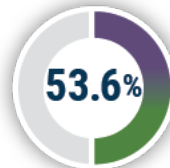
1. Health plan interest/readiness
2. Government influence
3. Provider interest/readiness

COMMERCIAL

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.



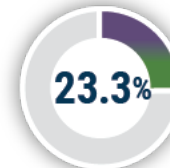
COMMERCIAL



MEDICARE
ADVANTAGE



TRADITIONAL
MEDICARE



MEDICAID

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

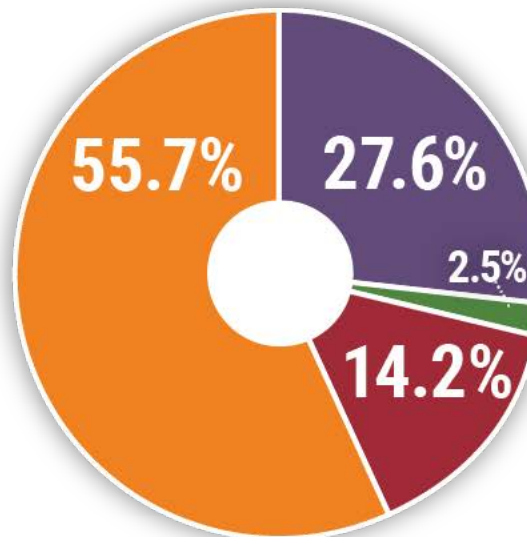
55.7%

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

0.2% Foundational Payments
for Infrastructure
& Operations

0.1% Pay-for-Reporting

13.9% Pay-for-Performance



Representativeness of covered lives:
Commercial - 61%

10.6%

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

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

19.5% Upside Rewards
for Appropriate Care

8.1% Upside & Downside
for Appropriate Care

**CATEGORY 4:
POPULATION-BASED PAYMENT**

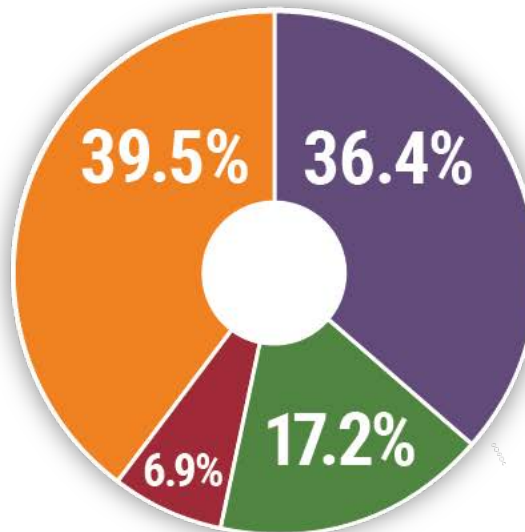
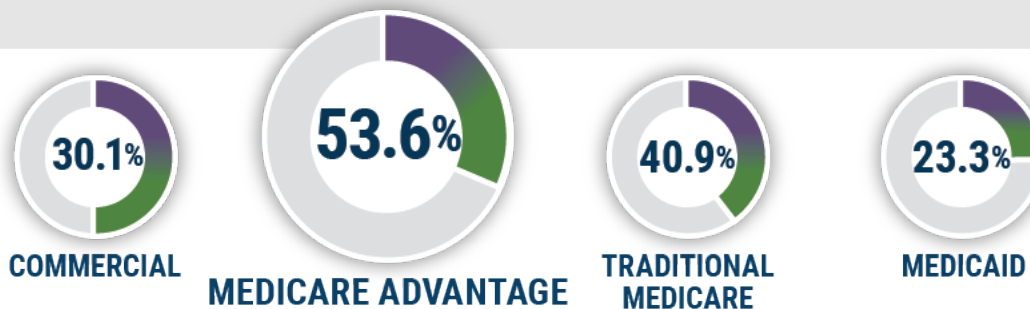
0.7% Condition-Specific
Population-Based
Payment

1.4% Comprehensive
Population-Based
Payment

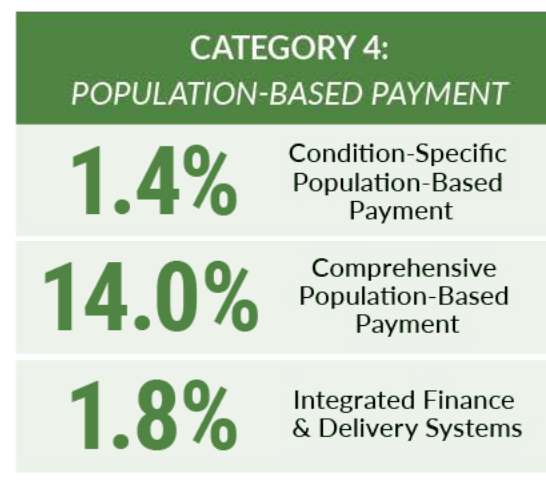
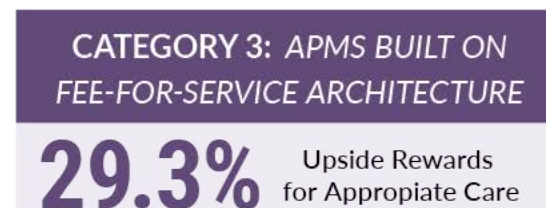
0.4% Integrated Finance
& Delivery Systems

MEDICARE ADVANTAGE

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.



Representativeness of covered lives:
Medicare Advantage - 67%



TRADITIONAL MEDICARE

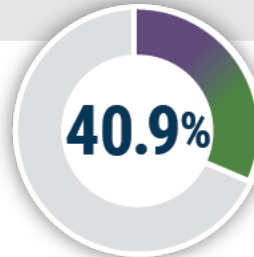
Commercial health plans, Managed Care Organizations (MCOs), state Medicaid agencies, Medicare Advantage (MA) plans, and Medicare voluntarily participated in a national effort to measure the use of Alternative Payment Models (APMs) as well as progress towards the LAN's goal of tying 30% of U.S. health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



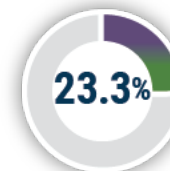
COMMERCIAL



MEDICARE
ADVANTAGE



TRADITIONAL MEDICARE



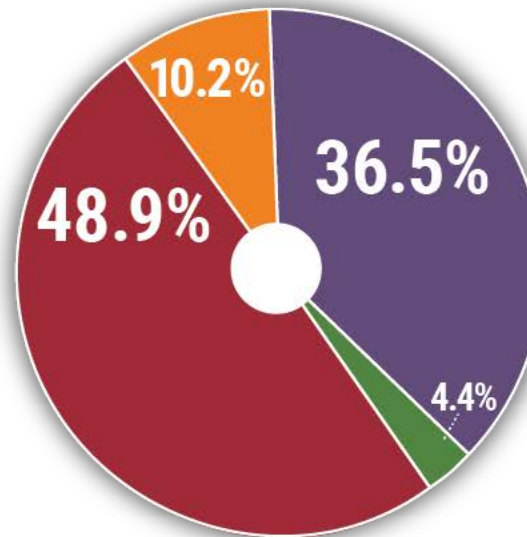
MEDICAID

**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

MEDICAID

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.



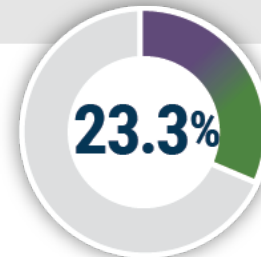
COMMERCIAL



MEDICARE
ADVANTAGE



TRADITIONAL
MEDICARE



MEDICAID

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

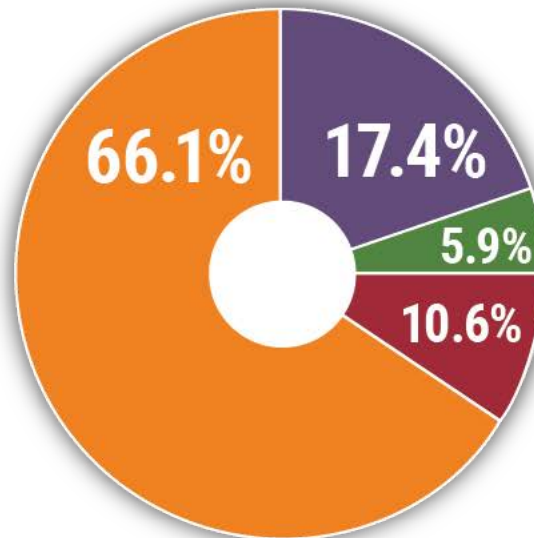
66.1%

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

1.1% Foundational Payments
for Infrastructure
& Operations

<0.1% Pay-for-Reporting

9.5% Pay-for-Performance



Representativeness of covered lives:
Medicaid (MCOs and state
Medicaid Agencies) - 51%

8.3%
Combination of Categories
3B, 4A, 4B, & 4C Represents
Two-Sided Risk APMs.

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

15.0% Upside Rewards
for Appropriate Care

2.4% Upside & Downside
for Appropriate Care

**CATEGORY 4:
POPULATION-BASED PAYMENT**

1.9% Condition-Specific
Population-Based
Payment

3.9% Comprehensive
Population-Based
Payment

0.1% Integrated Finance
& Delivery Systems