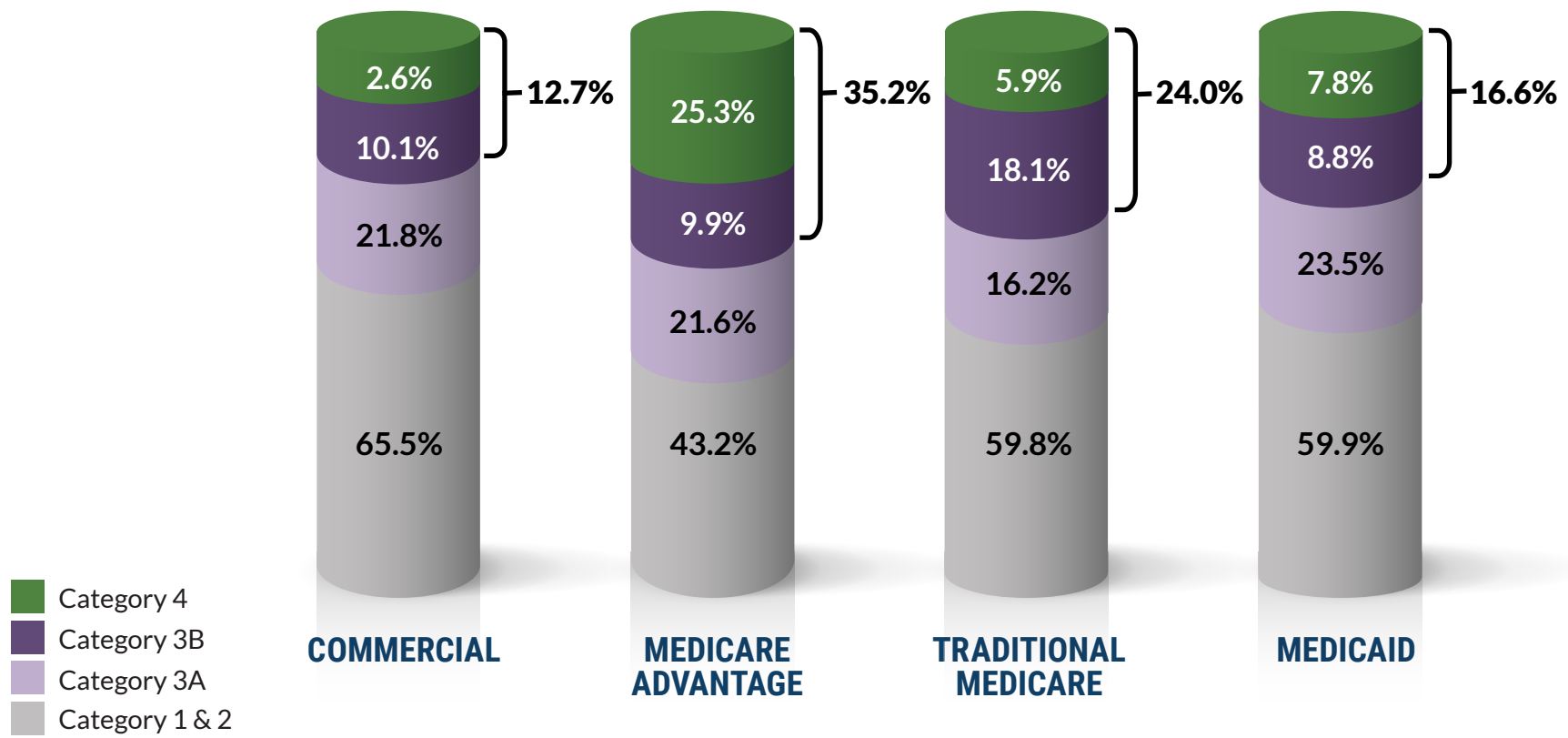


APM MEASUREMENT EFFORT

Commercial health plans, Managed Care Organizations (MCOs), state Medicaid agencies, Medicare Advantage (MA) plans, and Traditional Medicare voluntarily participated in a national effort to measure the use of Alternative Payment Models (APMs) as well as progress towards the LAN's 2030 goals by line of business.

In **2021**, **19.6%** of U.S. health care payments, flowed through Categories 3B-4 models. In each market, Categories 3B-4 payments accounted for:

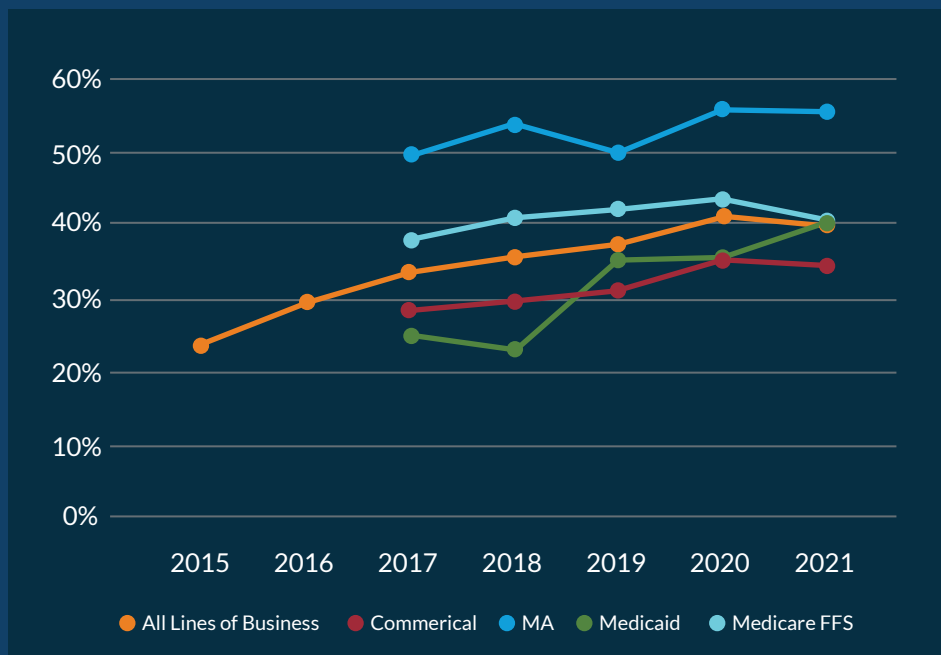


TRENDS OVER TIME

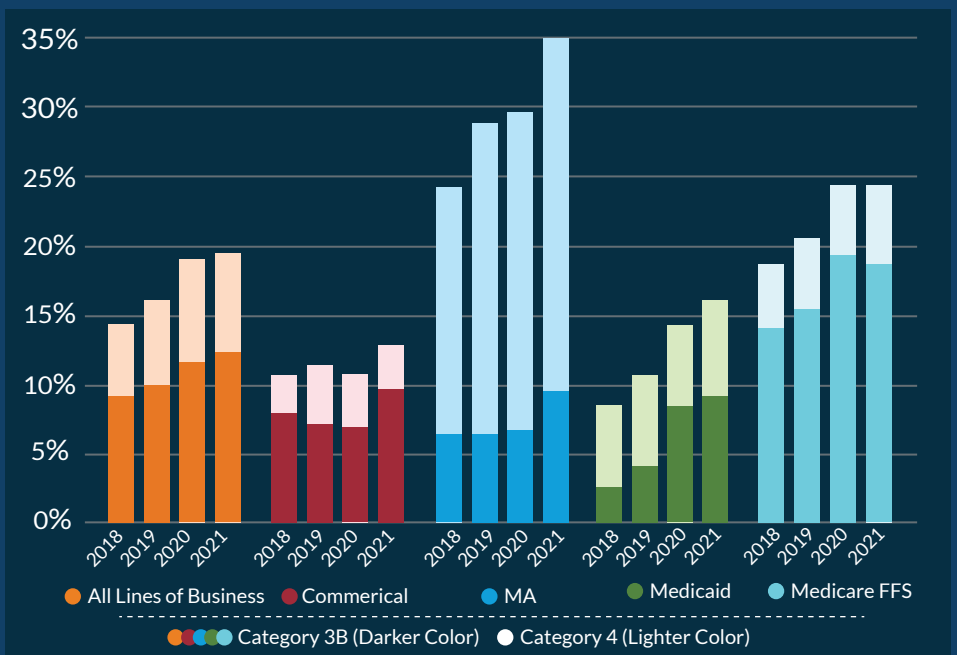
Since its inception in 2015, the LAN has measured the amount of U.S. health care payments that flow through alternative payment models (APMs). Over time, the LAN refined its measurement process to examine APM adoption by line of business (LOB) and payments by subcategory within the four categories of the LAN's Refreshed APM Framework.

The line graph shows how APM spending in Categories 3 and 4 changed year-over-year by LOB. The bar graph illustrates the adoption of two-sided risk APM spending (Categories 3B, 4A, 4B, 4C) by line of business since 2018.

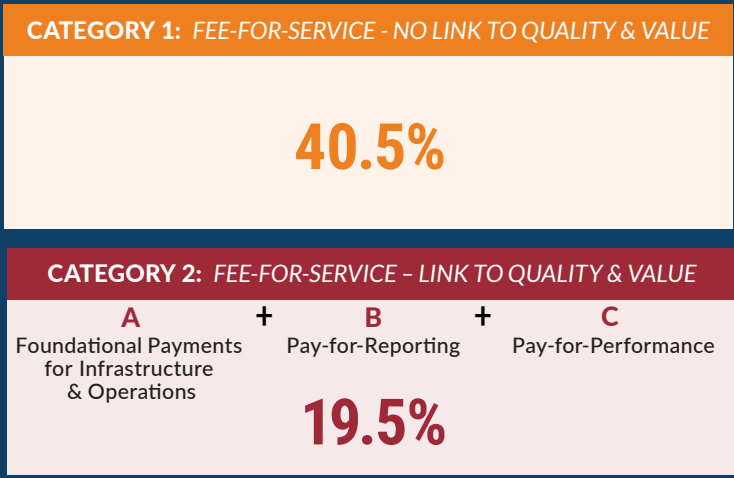
Categories 3-4 Spending By Year and by Line of Business: Data Years 2015-2021



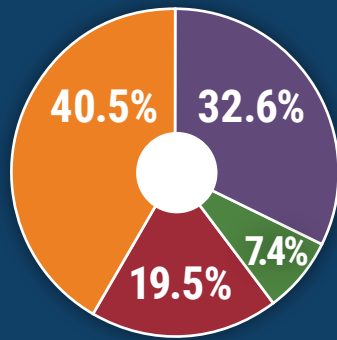
Categories 3B-4 Spending By Year and Line of Business: Data Years 2018-2021



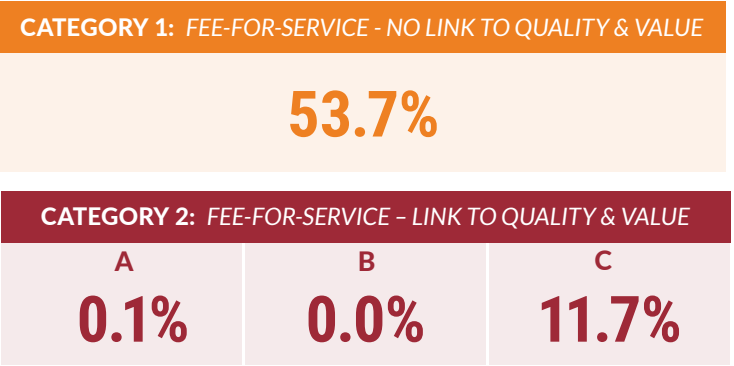
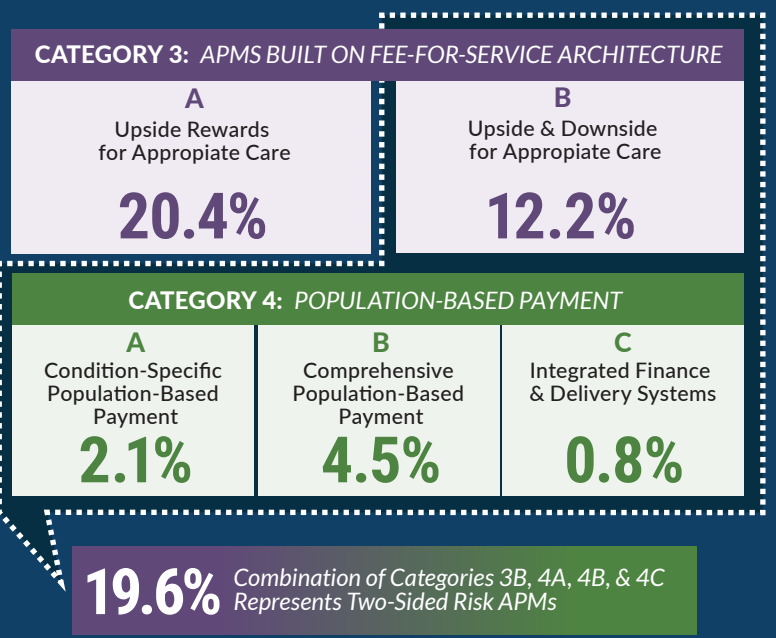
The LAN began collecting APM spending by LOB and subcategory in 2018 (2017 data year), however, not all plans that were surveyed in 2018 (2017 data year) included a breakdown of expenditures by subcategory. Therefore the subcategory breakdown is not shown in the above graphic.



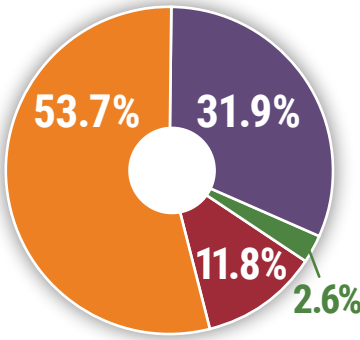
AGGREGATED DATA



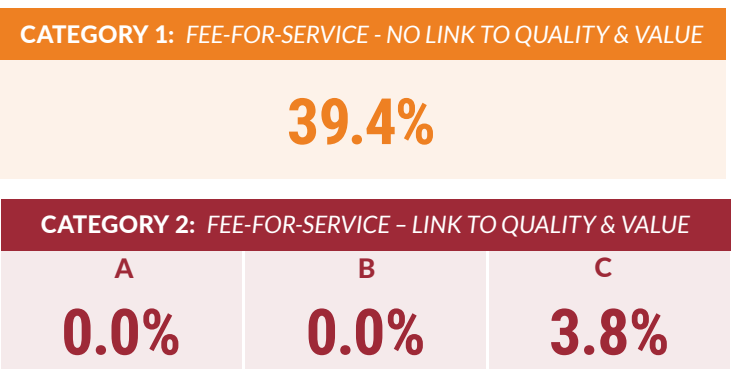
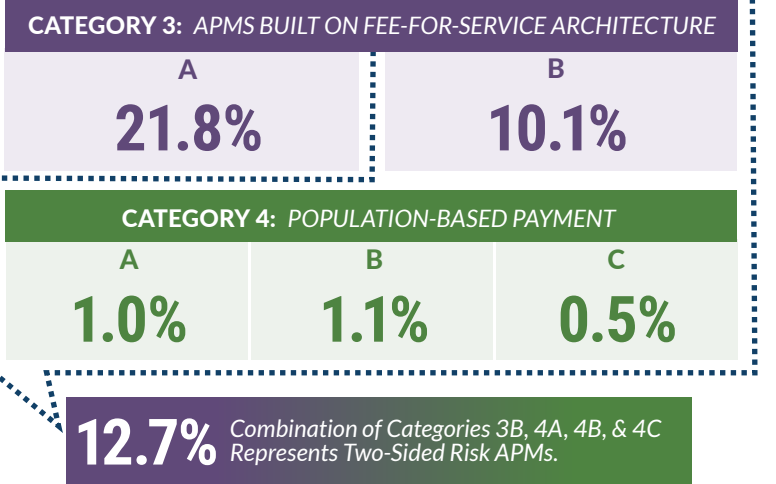
Based on 63 plans, 5 states, Traditional Medicare



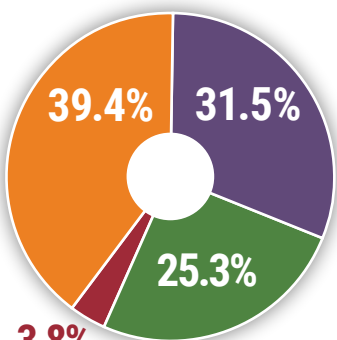
COMMERCIAL



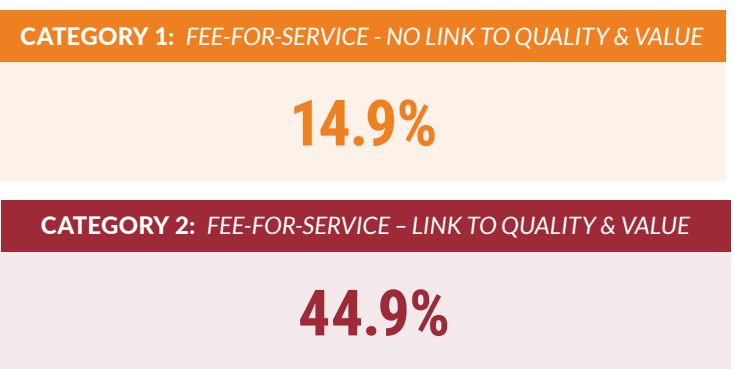
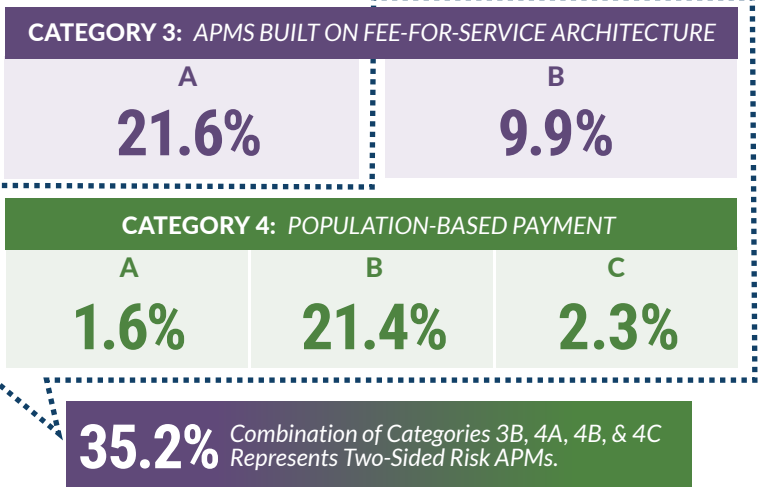
Representativeness of Covered Lives: Commercial - 62%



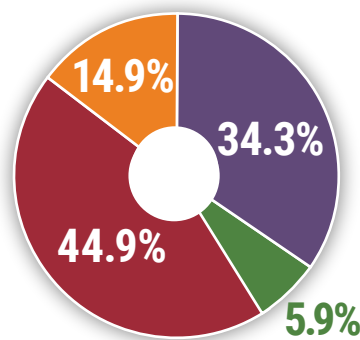
MEDICARE ADVANTAGE



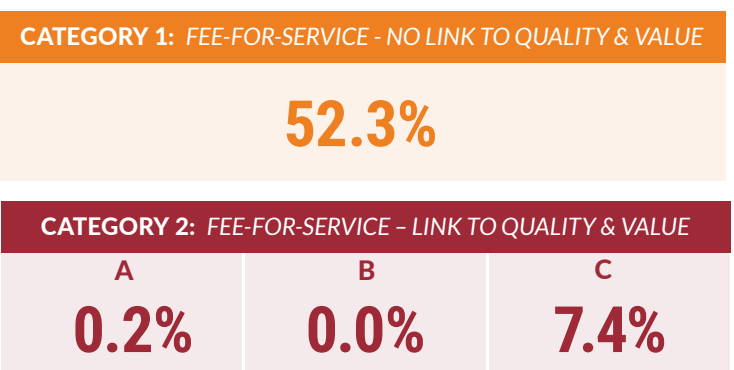
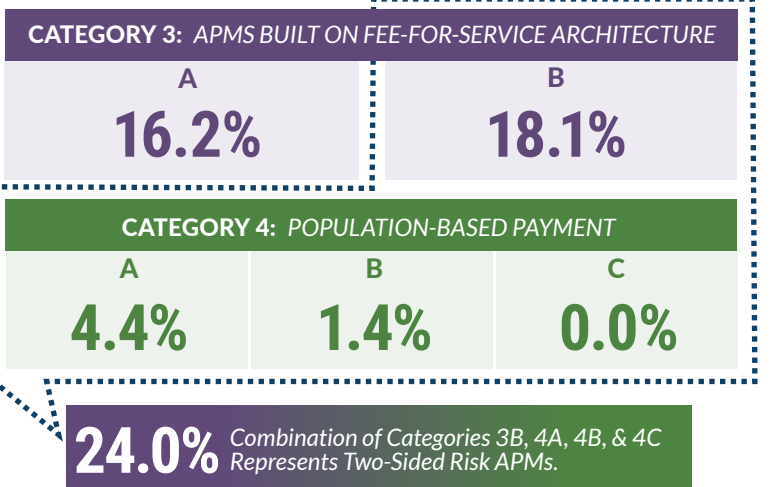
Representativeness of Covered Lives: Medicare Advantage - 69%



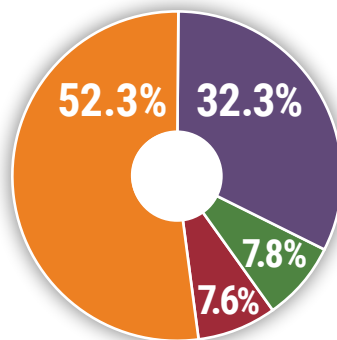
TRADITIONAL MEDICARE



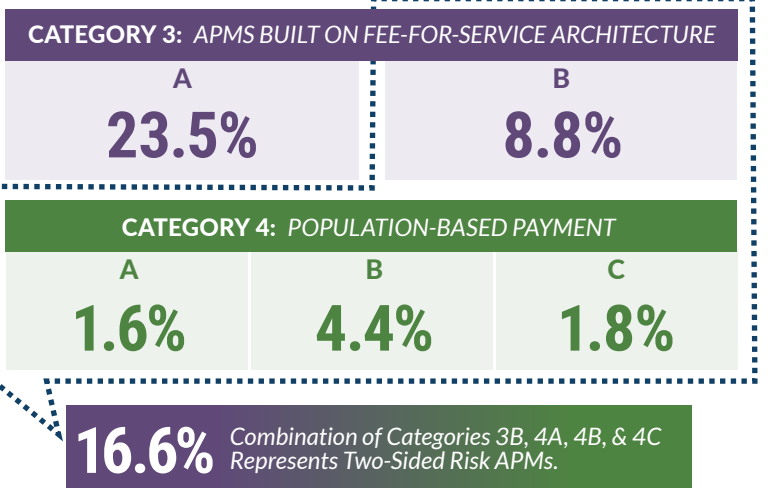
Representativeness of Covered Lives: Traditional Medicare - 100%



MEDICAID



Representativeness of Covered Lives: Medicaid (MCOs and state Medicaid Agencies) - 62%



Due to rounding, the sum of categories may not add up to 100.0%.

What Do Payers Think about the Future of APM Adoption?

↑83%
think APM activity will increase

→13%
think APM activity will stay the same

↓0%
think APM activity will decrease

?1%
not sure or didn't answer

Categories Payers Feel Will Increase the Most

3B 34%

3A 24%

Will APM adoption result in...	Strongly Agree/ Agree	Strongly Disagree/ Disagree	Unsure
...better quality of care?	96%	4%	0%
...more affordable care?	82%	6%	10%
...improved care coordination?	96%	4%	0%
...more consolidation among health care providers?	41%	37%	21%
...higher unit prices for discrete services?	10%	56%	34%

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

HEALTH EQUITY

Is your Plan leveraging value-based provider arrangements to incentivize providers to improve health equity through the following strategies?

- 46% Collection of standardized race, ethnicity, and language data
- 40% Participation in quality improvement collaboratives
- 29% Measurement of clinical outcome inequities among member groups
- 22% Reporting performance measures by race, ethnicity, and language
- 22% Reduction of clinical outcome inequities among member groups
- 21% Collection of sexual orientation, gender, and identity data
- 18% Participation in implicit bias (or similar) training
- 15% Complete staff competencies to serve diverse populations
- 7% Collection of disability status
- 6% Blank/did not answer
- 4% Collection of veteran status
- 3% Other

What specific SDoH or delivery strategies are intended to improve?

- 37% Screening for socioeconomic barriers known to impact health or health outcomes
- 34% Care coordination for services that address socioeconomic barriers
- 31% Multidisciplinary team models (e.g. social worker, community health worker, medical staff, doulas, etc.)
- 28% Referrals to community-based organizations to address socioeconomic barriers
- 24% Safe transportation (e.g., incentives or partnerships in ride sharing programs)
- 21% Food insecurity (e.g., offering resources for access to nutritious food)
- 16% Social isolation and loneliness (e.g., peer connection programs, group meetings, etc.)
- 15% Housing insecurity (e.g., provider sponsored housing after a hospital discharge)
- 12% Verifications of interventions provided
- 12% Other basic needs (e.g., providing clothing, diapers, or gift cards; helping with utilities or childcare, etc.)
- 12% Expanding access to virtual or digital care
- 10% Economic insecurity (e.g., connections to job placement or training services)
- 6% Blank/did not answer
- 4% Other