

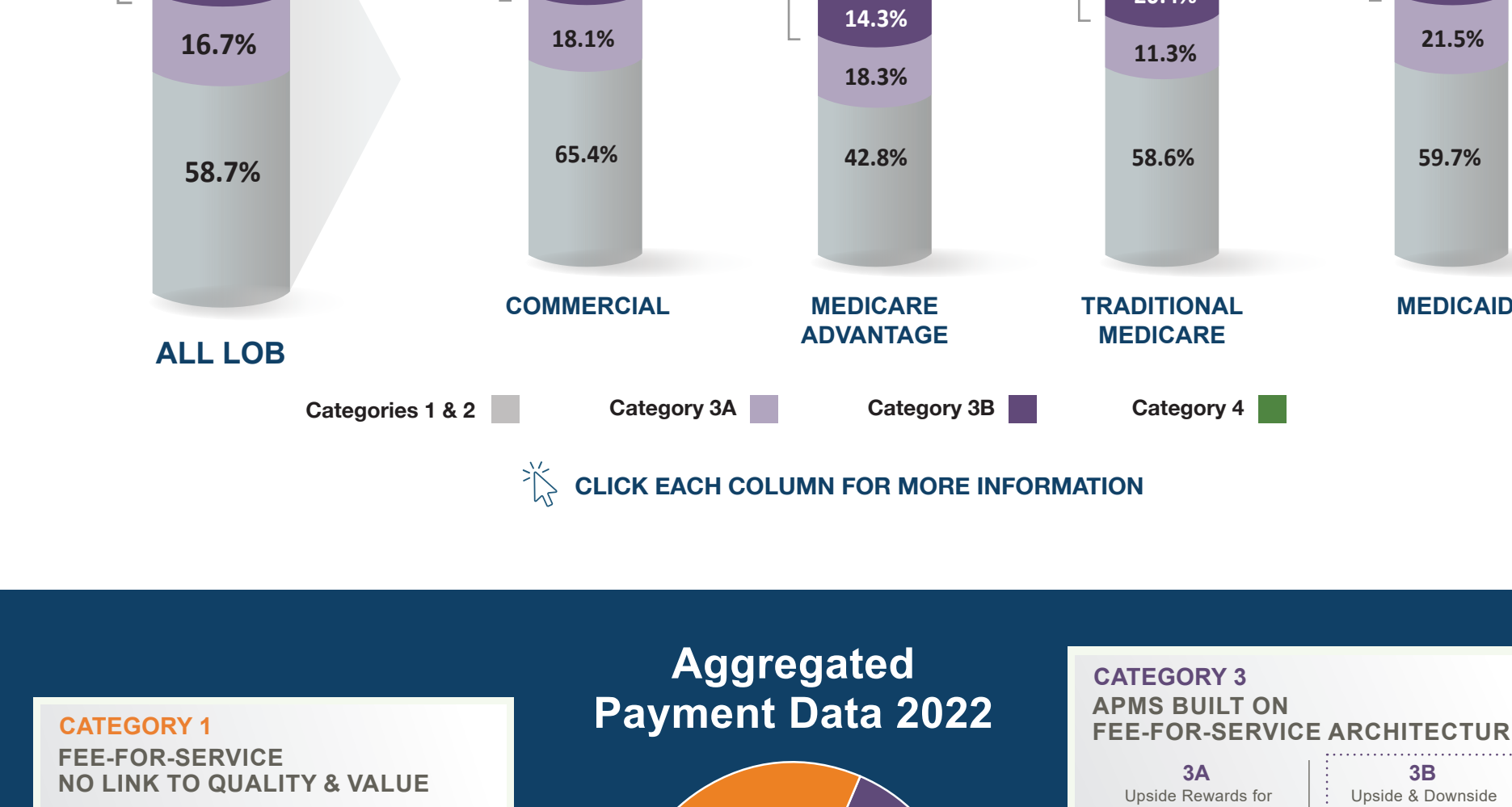
2023 APM MEASUREMENT EFFORT

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 APM 2030 goals by line of business. For the full 2023 APM Measurement Survey results, review the [2023 APM Measurement Methodology and Results Report](#).

In 2022, 24.5% of U.S. health care payments flowed through two-sided financial risk contracts (Categories 3B-4) across all Lines of Business (LOBs).

Percent of APM Payments in Categories 3B-4 by LOB

2022 Data Year



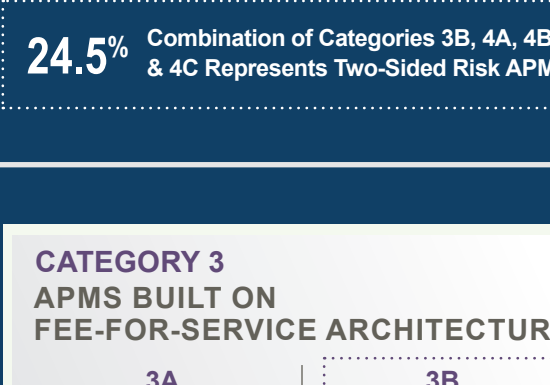
CLICK EACH COLUMN FOR MORE INFORMATION

Aggregated Payment Data 2022

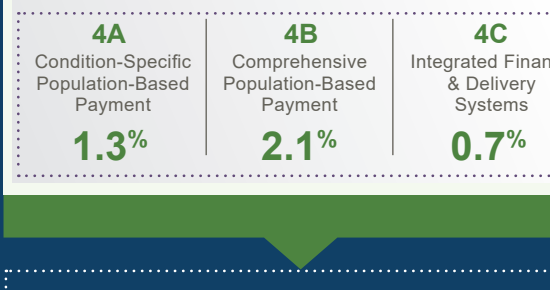


86.7% of the market represented in the survey
Based on 64 plans, 4 states, and Traditional Medicare

CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

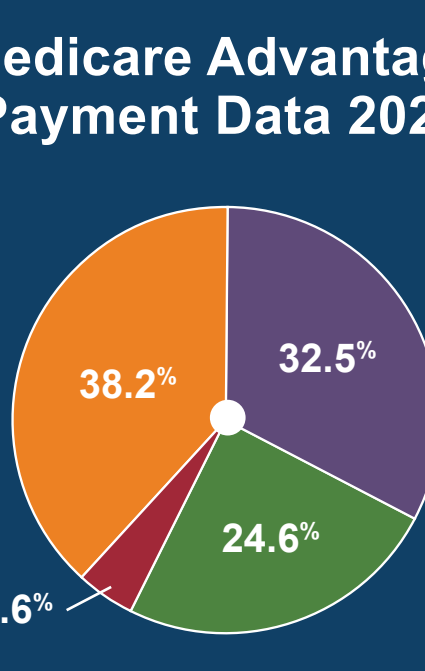


CATEGORY 4 POPULATION-BASED PAYMENT



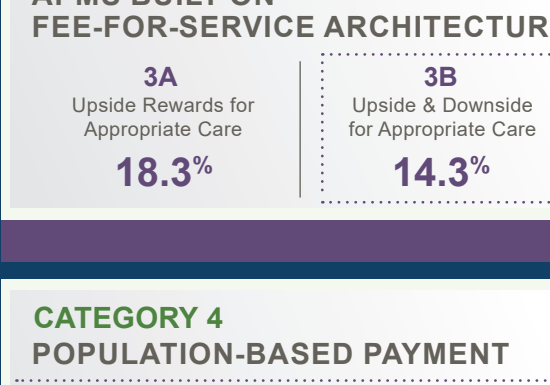
24.5% Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMS

Commercial Payment Data 2022



69.4% of the market represented in the survey

CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

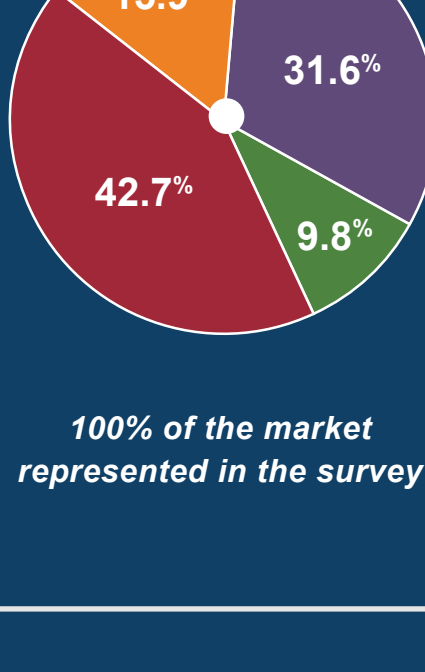


CATEGORY 4 POPULATION-BASED PAYMENT



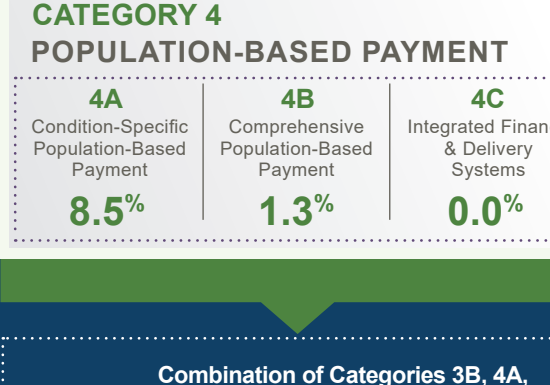
16.5% Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMS

Medicare Advantage Payment Data 2022

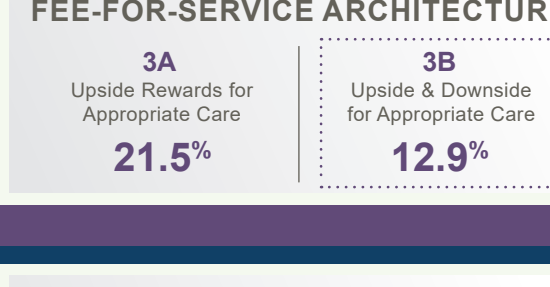


68.9% of the market represented in the survey

CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

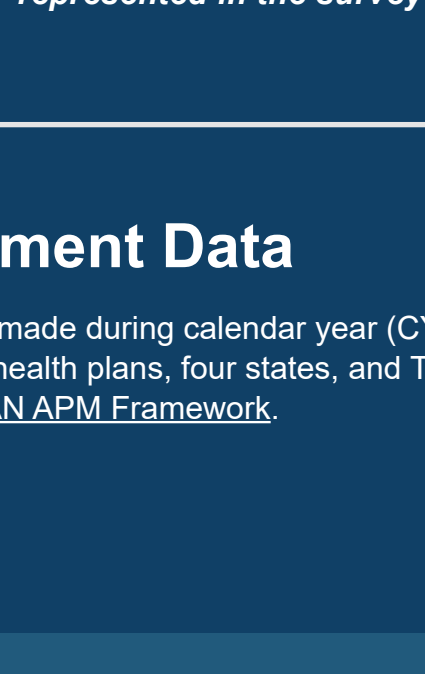


CATEGORY 4 POPULATION-BASED PAYMENT



38.9% Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMS

Traditional Medicare Payment Data 2022

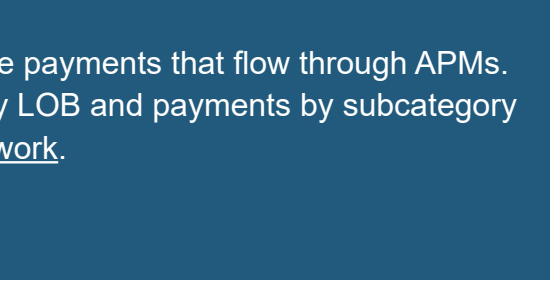


100% of the market represented in the survey

CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

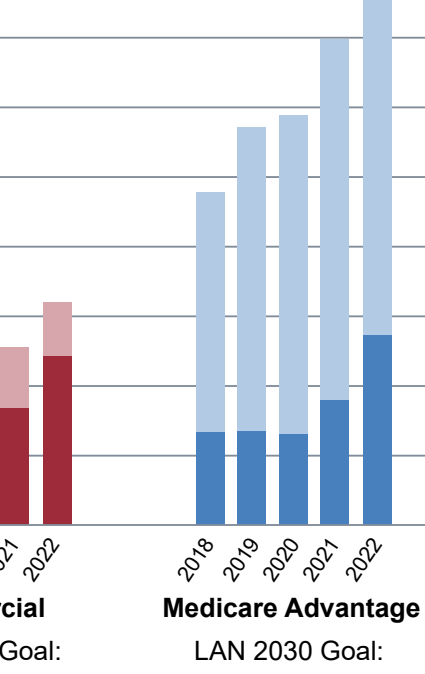


CATEGORY 4 POPULATION-BASED PAYMENT



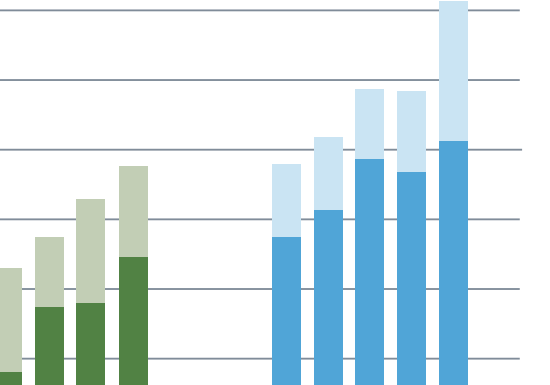
30.2% Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMS

Medicaid Payment Data 2022

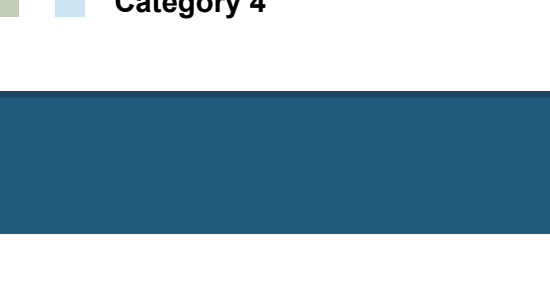


62.3% of the market represented in the survey

CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE



CATEGORY 4 POPULATION-BASED PAYMENT



18.7% Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMS

Aggregated APM Payment Data

Review the 2023 APM results for payments made during calendar year (CY) 2022 for all LOBs combined. The payments from 64 health plans, four states, and Traditional Medicare were categorized based on the LAN APM Framework.

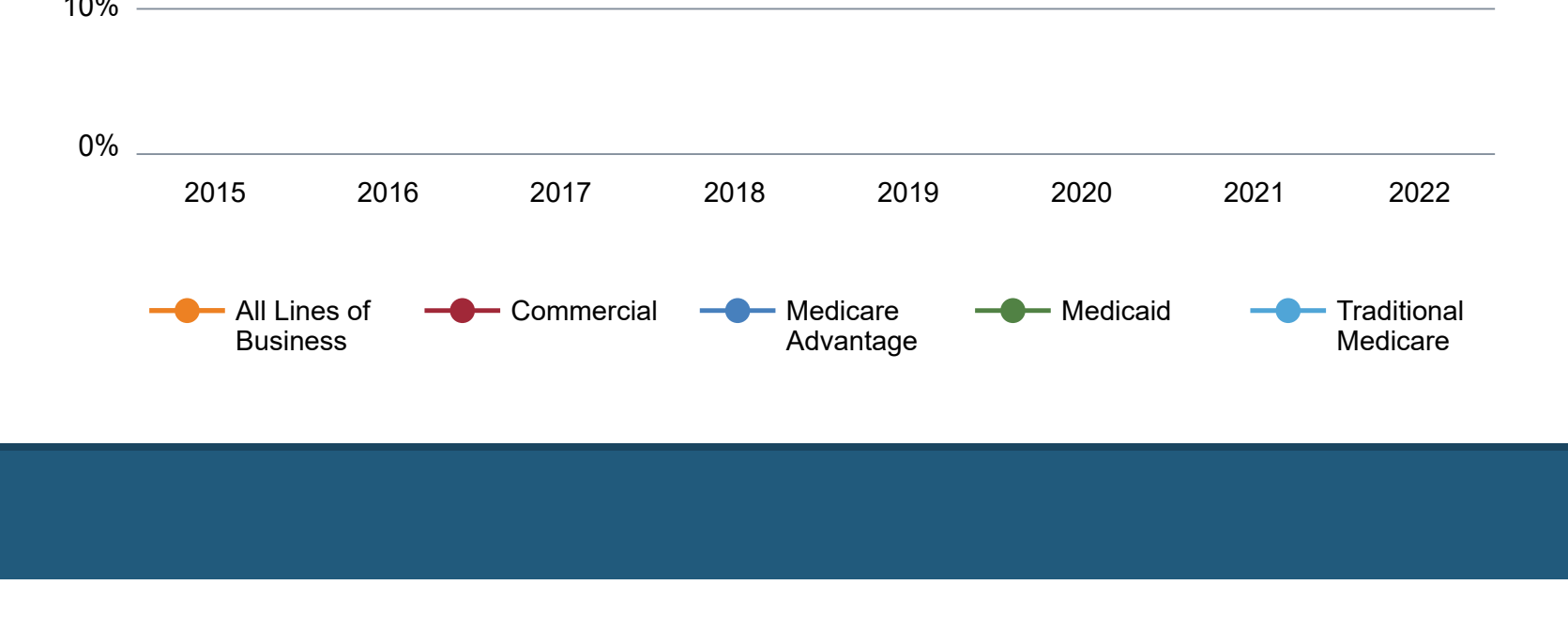
[Click to View](#)

Trends Over Time

Since its inception in 2015, the LAN has measured the amount of U.S. health care payments that flow through APMs. Over time, the LAN refined its measurement process to examine APM adoption by LOB and payments by subcategory within the four categories of the LAN APM Framework.

Categories 3B-4 APM Spending by Year and by LOB

2018 – 2022 Data Years



Categories 3-4 APM Spending by Year and by LOB

2015 – 2022 Data Years



Lives in Accountable Care Arrangements

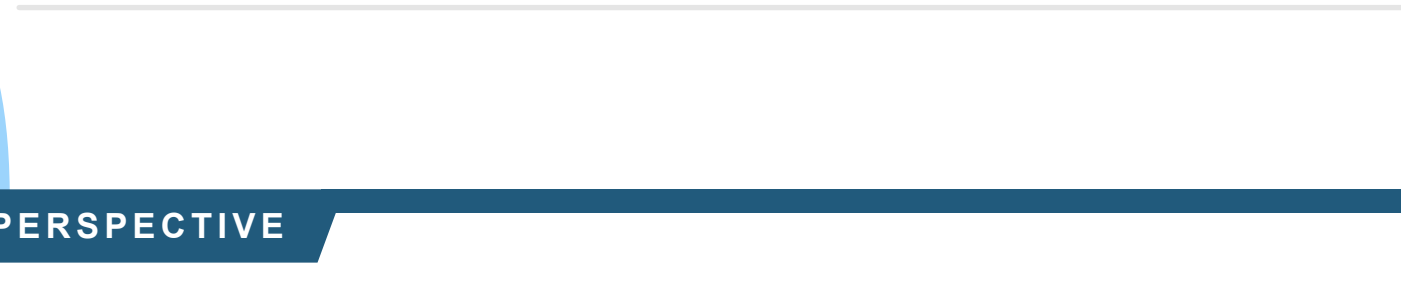
This year the LAN introduced metrics across all LOBs aimed at counting the lives in a care relationship with accountability for quality and total cost of care. APMs included in accountable care arrangements are Categories 3 and 4.

Percent of Lives in Accountable Care Arrangements by LOB

2022 Data Year

In 2022, 36.1% of the lives represented by data contributors were covered in accountable care arrangements, across all LOBs.

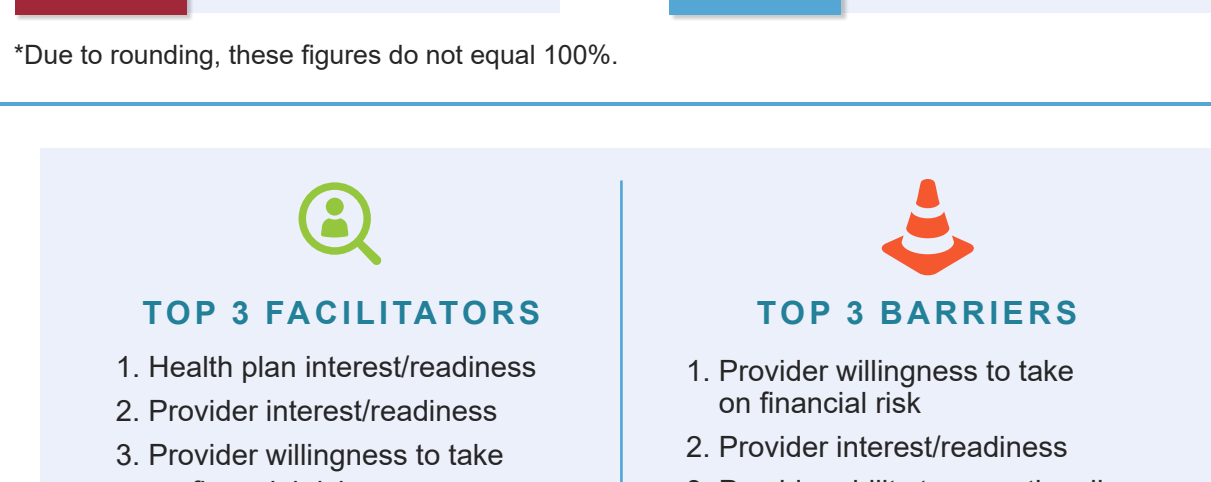
1 icon = 5 Million Lives



*Partial benefit members were not included from this covered lives analysis.

PAYERS' PERSPECTIVE

WHAT DO PAYERS THINK ABOUT THE FUTURE OF APM ADOPTION?



APM ADOPTION PREDICTIONS

- TOP 3 FACILITATORS**
1. Health plan interest/readiness
 2. Provider interest/readiness
 3. Provider willingness to take on financial risk
- TOP 3 BARRIERS**
1. Provider willingness to take on financial risk
 2. Provider interest/readiness
 3. Provider ability to operationalize

Which APM subcategory do you think will increase the most in activity over the next 24 months?

Fee-for-service-based shared risk, procedure-based bundled/episode payments (3B)	43%
Traditional shared savings, utilization-based shared savings (3A)	31%
Population-based payments that are NOT condition-specific, full or percent of premium population-based payments (4B)	14%
Condition-specific, population-based payments, condition-specific bundled/episode payments (4A)	8%
Integrated finance and delivery programs (4C)	2%
Not Sure	2%

APM Adoption Predictions

Will APM adoption result in...	Strongly Agree/Agree	% Change from 2021	Disagree/Strongly Disagree	% Change from 2021	Unsure/Did Not Answer	% Change from 2021
... better quality of care?	93%	▼ 3%	3%	▼ 1%	4%	▲ 4%
... improved care coordination?	93%	▼ 3%	3%	▼ 1%	4%	▲ 4%
... more affordable care?	79%	▼ 3%	6%	0%	15%	▲ 5%
... more consolidation among health care providers?	37%	▼ 4%	37%	0%	26%	▲ 5%
... higher unit prices for discrete services?	4%	▼ 6%	59%	▲ 3%	37%	▲ 3%

Health Equity

Top 5 Health Equity Strategies to Incentivize Providers in Value-Based Care Arrangements

- 1. Collection of standardized race, ethnicity, and language data
- 2. Participation in quality improvement collaboratives
- 3. Reporting performance measures by race, ethnicity, and language
- 4. Measurement of clinical outcome inequities among member groups
- 5. Collection of sexual orientation, gender, and identity data

Top 5 Social Determinants of Health Strategies to Improve Health Equity and Outcomes

- 1. Screening for socioeconomic barriers known to impact health or health outcomes
- 2. Referrals to community-based organizations to address socioeconomic barriers
- 3. Multidisciplinary team models (e.g., social worker, community health worker, medical staff, doulas, etc.)
- 4. Care coordination for services that address socioeconomic barriers
- 5. Safe transportation (e.g., incentives or partnership in ride sharing programs)

[Review the Health Equity Responses Year-Over-Year](#) [Click to View](#)

Health Equity Responses Year Over Year

The tables below include the top five responses to each Health Equity question. To review all of the response options, reference the [2023 APM Measurement Methodology and Results Report](#).

Top 5 Health Equity Strategies to Incentivize Providers in Value-Based Care Arrangements	2022	% Change from 2021
1. Collection of standardized race, ethnicity, and language data	44%	▼ 2%
2. Participation in quality improvement collaboratives	41%	▲ 1%
3. Reporting performance measures by race, ethnicity, & language	28%	▲ 6%
4. Measurement of clinical outcome inequities among member groups	26%	▼ 3%
4. Collection of sexual orientation, gender, & identity	26%	▲ 5%

Top 5 SDoH Strategies to Improve Health Equity and Outcomes	2022	% Change from 2021
1. Screening for socioeconomic barriers known to impact health or health outcomes	40%	▲ 3%
2. Multidisciplinary team models (e.g. social worker, community health worker, medical staff, doulas, etc.)	32%	▲ 1%
2. Referrals to community-based organizations to address socioeconomic barriers	32%	▲ 4%
3. Care coordination for services that address socioeconomic barriers	29%	▼ 5%
4. Safe transportation (e.g., incentives or partnership in ride sharing programs)	28%	▲ 4%

*Responses tied