

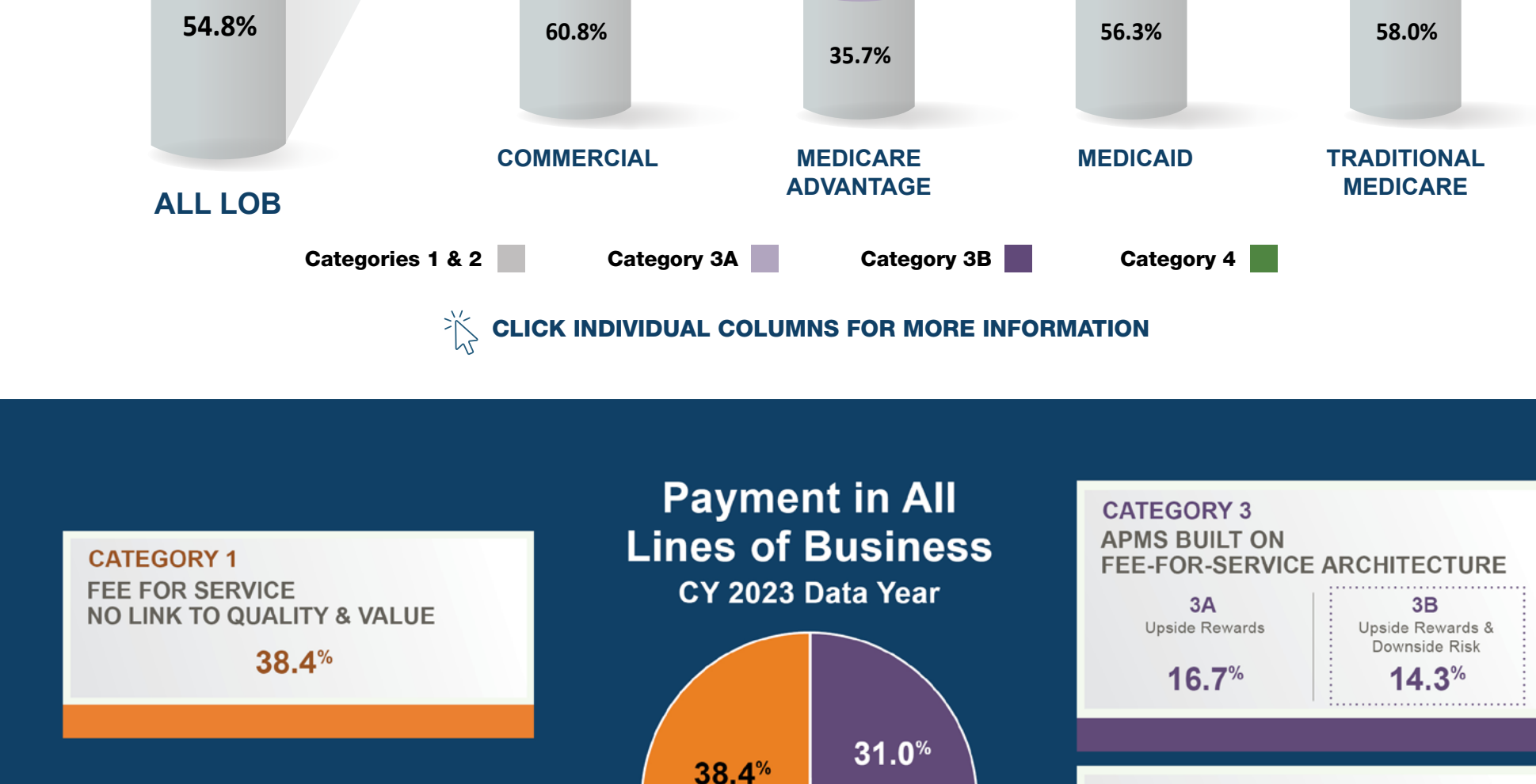
# 2024 MEASUREMENT EFFORT

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 toward the HCPLAN's 2030 APM goals by line of business. For the full 2024 Measurement Effort results, review the 2024 Methodology and Results Report.

In 2023, 28.5% of U.S. health care payments flowed through downside risk contracts (Categories 3B-4) across all lines of business (LOBs).

## Percentage of U.S. Health Care Payments in Categories 3B-4 by LOB

CY 2023 Data Year



CLICK INDIVIDUAL COLUMNS FOR MORE INFORMATION

**CATEGORY 1**  
FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE  
**38.4%**

**CATEGORY 2**  
FEE FOR SERVICE  
LINK TO QUALITY & VALUE  
**16.4%**

**Payment in All Lines of Business**  
CY 2023 Data Year

92.7% of the market represented in the survey  
Based on 73 health plans, 4 states, and Traditional Medicare

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

3A Upside Rewards: **16.7%**

3B Upside Rewards & Downside Risk: **14.3%**

**CATEGORY 4**  
POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment: **3.7%**

4B Comprehensive Population-Based Payment: **6.4%**

4C Integrated Finance & Delivery Systems: **4.2%**

**28.5%** APMs with Downside Risk (Categories 3B, 4A, 4B, & 4C)

**CATEGORY 1**  
FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE  
**50.0%**

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

2A Foundational Payments for Infrastructure & Operations: **0.0%**

2B Pay for Reporting: **0.0%**

2C Pay for Performance: **10.8%**

**Commercial Payment**  
CY 2023 Data Year

71.5% of the market represented in the survey

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

3A Upside Rewards: **17.6%**

3B Upside Rewards & Downside Risk: **13.4%**

**CATEGORY 4**  
POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment: **0.8%**

4B Comprehensive Population-Based Payment: **1.7%**

4C Integrated Finance & Delivery Systems: **5.7%**

**21.6%** APMs with Downside Risk (Categories 3B, 4A, 4B, & 4C)

**CATEGORY 1**  
FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE  
**31.3%**

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

2A Foundational Payments for Infrastructure & Operations: **0.0%**

2B Pay for Reporting: **0.0%**

2C Pay for Performance: **4.4%**

**Medicare Advantage Payment**  
CY 2023 Data Year

69.8% of the market represented in the survey

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

3A Upside Rewards: **21.3%**

3B Upside Rewards & Downside Risk: **9.0%**

**CATEGORY 4**  
POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment: **2.9%**

4B Comprehensive Population-Based Payment: **24.2%**

4C Integrated Finance & Delivery Systems: **6.9%**

**43.0%** APMs with Downside Risk (Categories 3B, 4A, 4B, & 4C)

**CATEGORY 1**  
FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE  
**47.3%**

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

2A Foundational Payments for Infrastructure & Operations: **0.2%**

2B Pay for Reporting: **0.0%**

2C Pay for Performance: **8.8%**

**Medicaid Payment**  
CY 2023 Data Year

69.3% of the market represented in the survey

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

3A Upside Rewards: **22.6%**

3B Upside Rewards & Downside Risk: **11.9%**

**CATEGORY 4**  
POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment: **2.6%**

4B Comprehensive Population-Based Payment: **4.6%**

4C Integrated Finance & Delivery Systems: **2.1%**

**21.1%** APMs with Downside Risk (Categories 3B, 4A, 4B, & 4C)

**CATEGORY 1**  
FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE  
**17.0%**

**CATEGORY 2**  
FEE FOR SERVICE  
LINK TO QUALITY & VALUE  
**41.0%**

**Traditional Medicare Payment**  
CY 2023 Data Year

100% of the market represented in the survey

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

3A Upside Rewards: **8.3%**

3B Upside Rewards & Downside Risk: **21.8%**

**CATEGORY 4**  
POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment: **10.5%**

4B Comprehensive Population-Based Payment: **1.4%**

4C Integrated Finance & Delivery Systems: **0.0%**

**33.7%** APMs with Downside Risk (Categories 3B, 4A, 4B, & 4C)

## Detailed Breakdown of Health Care Payments

Review the full results of how CY 2023 health care payments in all LOBs combined break down into each of the categories and subcategories of the HCPLAN APM Framework.

[Click to View](#)

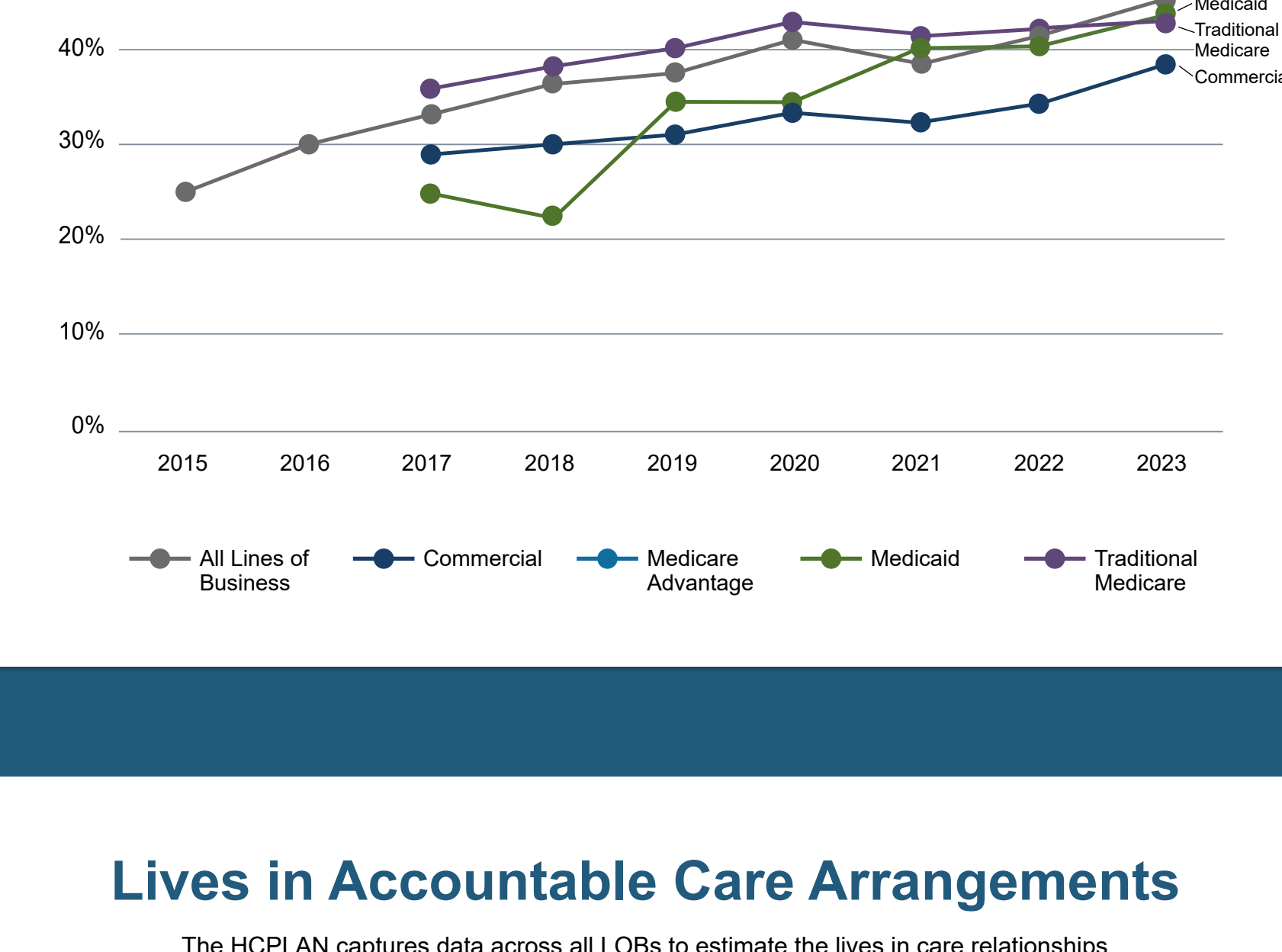
## Trends Over Time

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

### Spending in Categories 3B-4 by Year and by LOB

Data Years 2018-2023

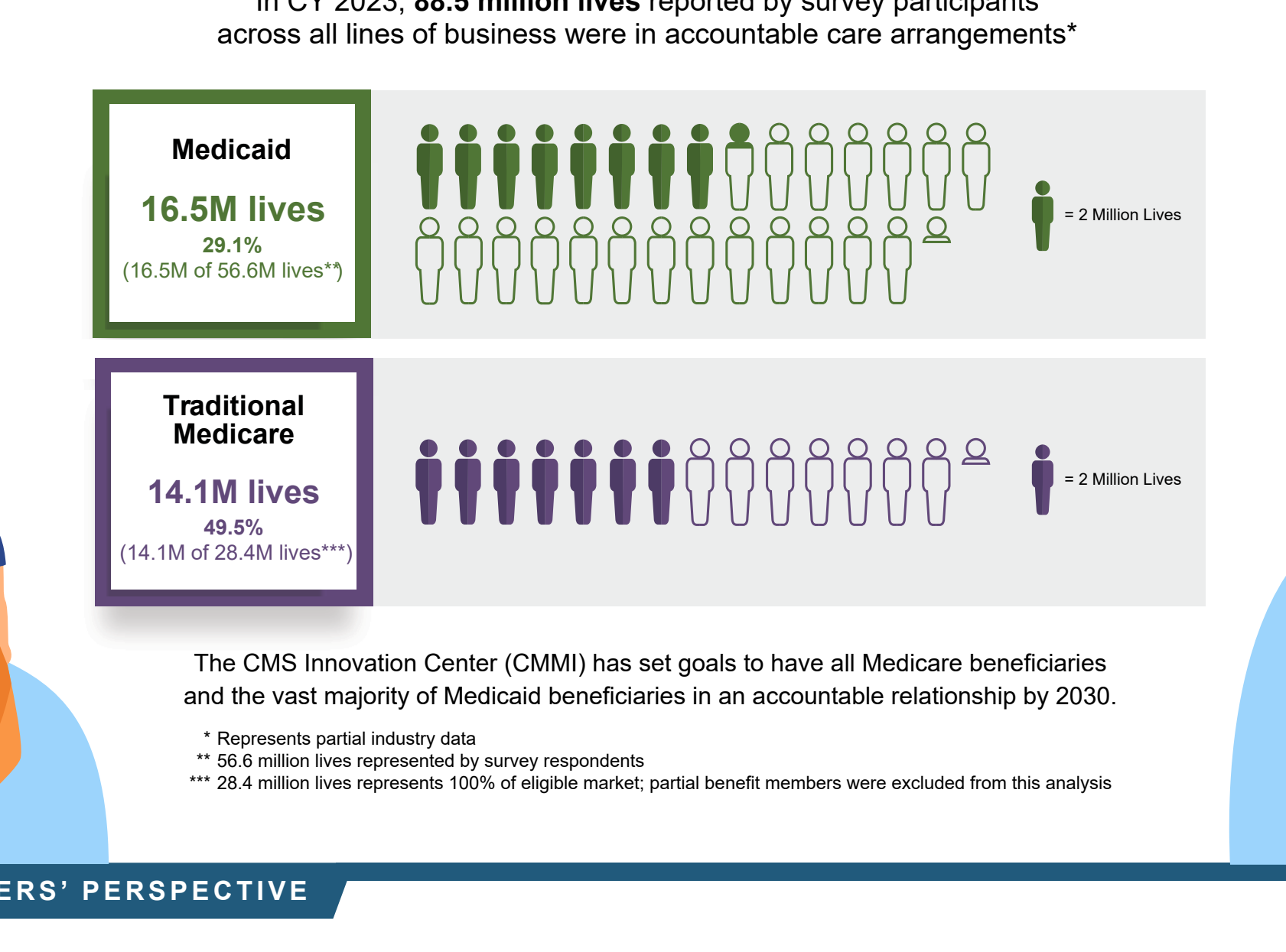
The bar graph below illustrates progress in the adoption of downside risk APM spending (Categories 3B-4) by LOB since 2018.



### Spending in Categories 3-4 by Year and by LOB

Data Years 2015-2023

The line graph below shows how APM spending in Categories 3 and 4 changed year over year by LOB.



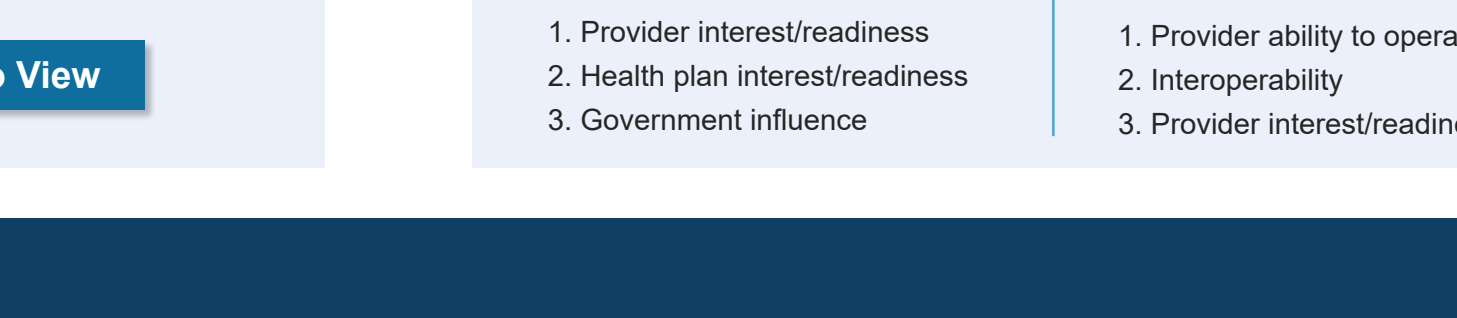
## Lives in Accountable Care Arrangements

The HCPLAN captures data across all LOBs to estimate the lives in care relationships with accountability for quality, total cost of care, and longitudinal care (6+ months).

### Percentage of Lives in Accountable Care Arrangements by LOB

CY 2023 Data Year

In CY 2023, 88.5 million lives reported by survey participants across all lines of business were in accountable care arrangements\*



The CMS Innovation Model (CMMI) has set goals to have all Medicare beneficiaries and the vast majority of Medicaid beneficiaries in an accountable relationship by 2030.

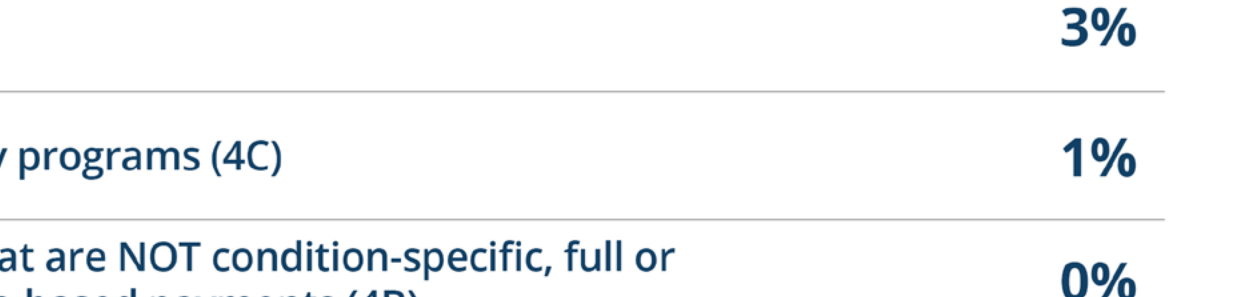
\* Represents partial industry data  
\*\* 56.6 million lives represented by survey respondents  
\*\*\* 28.4 million lives represents 100% of eligible market; partial benefit members were excluded from this analysis

## PAYERS' PERSPECTIVE

### WHAT DO PAYERS THINK ABOUT THE FUTURE OF APM ADOPTION?



### APM ADOPTION PREDICTIONS



### 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)	<b>59%</b>
Traditional shared savings, utilization-based shared savings (3A)	<b>22%</b>
Condition-specific, population-based payments; condition-specific bundled/episode payments (4A)	<b>14%</b>
Not sure	<b>3%</b>
Integrated finance and delivery programs (4C)	<b>1%</b>
Population-based payments that are NOT condition-specific, full or percent of premium population-based payments (4B)	<b>0%</b>

## APM Adoption Predictions

Will APM adoption result in...	Strongly Agree/Agree	Change from 2022	Disagree/Strongly Disagree	Change from 2022	Unsure/Did Not Answer	Change from 2022
...better quality of care?	96%	▲ 3 percentage points	4%	▲ 1 percentage points	0%	▼ 4 percentage points
...improved care coordination?	94%	▲ 1 percentage points	3%	0	3%	▼ 1 percentage points
...more affordable care?	88%	▲ 9 percentage points	5%	▼ 1 percentage points	7%	▼ 8 percentage points
...more consolidation among health care providers?	31%	▼ 6 percentage points	24%	▼ 13 percentage points	45%	▲ 19 percentage points
...higher unit prices for discrete services?	7%	▲ 3 percentage points	57%	▼ 2 percentage points	36%	▼ 1 percentage points

## Health Equity

### Top 5 Strategies Health Plans Are Using to Incentivize Health Equity

- Collection of standardized race, ethnicity, and language data
- Participation in quality improvement collaboratives
- Reporting performance measures by race, ethnicity, and language
- Complete staff competencies to serve diverse populations
- Collection of sexual orientation, gender, and identity data

### Top 5 Social Determinants of Health/Delivery Strategies Health Plans Intend to Improve

- Screening for socioeconomic barriers known to impact health or health outcomes
- Referrals to community-based organizations to address socioeconomic barriers
- Care coordination for services that address socioeconomic barriers
- Safe transportation (e.g., incentives or partnerships in ride-sharing programs)
- Food insecurity (e.g., offering resources for access to nutritious food)

Review Year-Over-Year Health Equity Responses

[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 2024 Methodology and Results Report.

Top 5 Strategies Health Plans Are Using to Incentivize Health Equity	2023	Change from 2022
1. Collection of standardized race, ethnicity, and language data	59%	▲ 15 percentage points
2. Participation in quality improvement collaboratives	53%	▲ 12 percentage points
3. Reporting performance measures by race, ethnicity, and language	43%	▲ 15 percentage points
4. Complete staff competencies to serve diverse populations	38%	▲ 13 percentage points
5. Collection of sexual orientation, gender, and identity data	34%	▲ 8 percentage points

Top 5 SDoH/Delivery Strategies Health Plans Intend to Improve	2023	Change from 2022
1. Screening for socioeconomic barriers known to impact health or health outcomes	58%	▲ 18 percentage points
2. Referrals to community-based organizations to address socioeconomic barriers	51%	▲ 19 percentage points
3. Care coordination for services that address socioeconomic barriers	49%	▲ 20 percentage points
4. Safe transportation (e.g., incentives or partnerships in ride-sharing programs)	41%	▲ 13 percentage points
5*. Food insecurity (e.g., offering resources for access to nutritious food)	38%	▲ 12 percentage points
5*. Multidisciplinary team models (e.g., social worker, community health worker, medical staff, doulas, etc.)	38%	▲ 6 percentage points