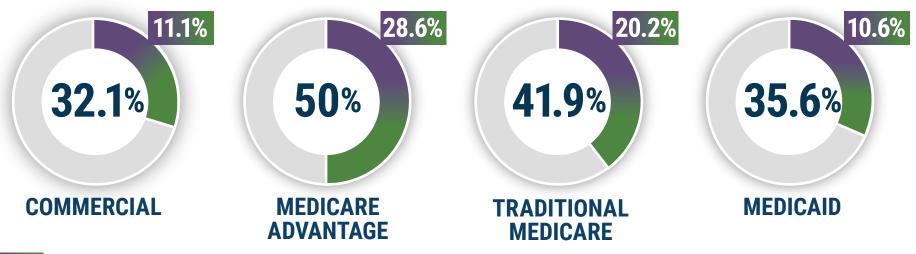


APM MEASUREMENT EFFORT

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 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:



%

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 %

Approved for Public Release; Distribution Unlimited. Public Release Case Number 21-3907. ©2021 The MITRE Corporation. ALL RIGHTS RESERVED

NOTICE

This technical data was produced for the U.S. Government under Contract Number 75FCMC18D0047, and is subject to Federal Acquisition Regulation Clause 52.227-14, Rights in Data-General. No other use other than that granted to the U.S. Government, or to those acting on behalf of the U.S. Government under that Clause is authorized without the express written permission of The MITRE Corporation. For further information, please contact The MITRE Corporation, Contracts Management Office, 7515 Colshire Drive, McLean, VA 22102-7539, (703) 983-6000.

©2021 The MITRE Corporation.



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

39.3%

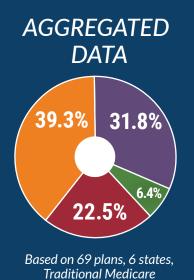
CATEGORY 2: FEE-FOR-SERVICE - LINK TO QUALITY & VALUE

Foundational Payments for Infrastructure & Operations

В Pay-for-Reporting

C Pay-for-Performance

22.5%



..... **CATEGORY 3:** APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE Upside & Downside **Upside Rewards** for Appropiate Care for Appropiate Care 10.1% **CATEGORY 4: POPULATION-BASED PAYMENT** Integrated Finance Comprehensive Population-Based & Delivery Systems Payment 2.4% 3.6%

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

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

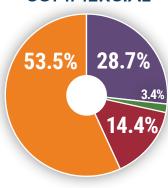
53.5%

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

A 0.2%

0.0%

C 14.2% COMMERCIAL



Representativeness of covered lives: Commercial - 56%

CATEGORY 3: APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE Α 7.7% **CATEGORY 4: POPULATION-BASED PAYMENT** Α C

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

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

46%

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

0.0%

0.0%

MEDICARE ADVANTAGE 46% 28.4% 21.6%

Representativeness of covered lives: Medicare Advantage - 59%

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

21.4%

CATEGORY 4: POPULATION-BASED PAYMENT

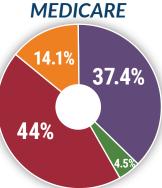
28.6% Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMs.

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

14.1%

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

TRADITIONAL



Representativeness of covered lives: Traditional Medicare - 100%

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

CATEGORY 4: POPULATION-BASED PAYMENT

Α

0.0%

C

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

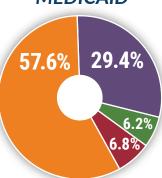
57.6%

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

0.4%

0.0%

MEDICAID



Representativeness of covered lives: Medicaid (MCOs and state Medicaid Agencies) - 55%

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

25%

4.4%

CATEGORY 4: POPULATION-BASED PAYMENT

3.0%

HCPLAN



@Payment_Network





What Do Payers Think about the Future of APM Adoption?

+ 87% think APM activity

will increase

→ 7% think APM activity will stay the same

think APM activity will decrease

not sure

or didn't answer

Categories Payers Feel Will Increase the Most

3B **51**%

3A 26%

	16	71	?
Will APM adoption result in	Strongly Agree/ Agree	Strongly Disagree/ Disagree	Unsure
better quality of care?	91%	5 %	4%
more affordable care?	86%	2%	11%
improved care coordination?	91%	5 %	4%
more consolidation among health care providers?	44%	18%	36%
higher unit prices for discrete services?	7%	59 %	34%

Top 3 Barriers: AAA



- 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









