The HCP LAN Alternative Payment Model Categories

CATEGORY 1

FEE FOR SERVICE NO LINK TO QUALITY & VALUE

CATEGORY 2

FEE FOR SERVICE - LINK TO QUALITY & VALUE

A

Foundational Payments for Infrastructure & Operations

(e.g., care coordination fees and payments for HIT investments)

B

Pay for Reporting

(e.g., bonuses for reporting data or penalties for not reporting data)

C

Pay-for-Performance

(e.g., bonuses for quality performance)

CATEGORY 3

APMs BUILT ON FEE-FOR-SERVICE ARCHITECTURE

A

APMs with Shared Savings

(e.g., shared savings with upside risk only)

B

APMs with Shared Savings and Downside Risk

(e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)

3N

Risk Based Payments NOT Linked to Quality

CATEGORY 4

POPULATION-BASED PAYMENT

A

Condition-Specific Population Based Payment

(e.g., per member per month payments, payments for specific services, such as oncology or mental health)

B

Comprehensive Population-Based Payment

(e.g., global budgets or full/percent of premium payments)

C

Integrated Finance and Delivery System

(e.g., global budgets for full/percent of premium payments in integrated systems)

4N

Capitiated Payments NOT Linked to Quality

CIVHC

CENTER FOR IMPROVING VALUE IN HEALTH CARE

Graphic based on the HCP LAN APM Framework