Affordability Dashboard: Alternative Payment Models Definitions

All APM Payments: All medical service payments sourced only from the APM submissions.

- Please note that alternative payment models can include some fee-for-service. See example below.

Total Payments: All medical services payments. This calculation includes both the health plan portion and the member (patient) portion. The sources for this calculation are the following: 1) the total APM payments spending from payers that were required to submit an APM file, and 2) FFS claims that qualify as primary care in the CO APCD for payers exempt from submitting an APM file.

Total payments do not include Medicare FFS or ERISA based self-insured payments.

APM Payments for Primary Care: Payments made to primary care providers (providers associated with taxonomies in the DSG primary care definition), sourced only from the APM submissions.

- Please note that alternative payment models can include some fee-for-service payments.
  An example of this is LAN category 2C: Pay for Performance. This model rewards providers who perform well on quality metrics or penalizes providers who do not perform well by increasing or decreasing their FFS baseline. For example, suppose the provider is treating a patient with asthma. In that case, the quality measure tied to the provider's performance could be reducing emergency room visits. A provider who can teach an asthma patient how to treat their condition effectively at home and thus reduce the number of trips the patient takes to the emergency department can increase their FFS baseline payments.

- **Total Payments for Primary Care:** Payments for primary care services as defined in the [Data Submission Guide](#) that are tied to a FFS claim. The calculation includes both the health plan portion and the member (patient) portion. The numbers for this calculation come from two sources: 1) FFS claim-based and APM payments spending identified as primary care from payers that were required to submit an APM file, and 2) FFS claims that qualify as primary care in the CO APCD for payers exempt from submitting an APM file.

- **All Payers:** All payers in this report include Medicare Advantage, Medicaid, CHP+ and commercial payers in the CO APCD. Please see below for a list of commercial payers who are exempt from reporting APMs to the CO APCD.

- **Integrated Payer-Provider Systems:** Filters are available in the report to enable users to understand how Colorado is doing on APMs with and without integrated payer-provider systems payments. Several Colorado payers are structured as integrated payer-provider systems and have a high proportion of APM payments compared to other commercial payers. These payers represent around a quarter of the commercially insured lives in Colorado but drive a large portion of the APM spending in the state.

- **Fee for Service (FFS):** Payments made to providers on a per-service basis.

- **Alternative Payment Models (APM):** Payments made to providers outside an FFS model that are intended to incentivize cost-effective, high quality care.

- **HCP LAN APM Categories:** Nationally recognized categories of APMs based on the Health Care Payment Learning and Action Network (HCP LAN). See below for definitions or click here for more information.

- **Value Based APM Payments:** Excludes non-value-based payments, LAN categories 3N and 4N, which are not linked to quality and are therefore not considered value-based.

- **% APM of Total Payments:** Total dollars spent on APMs (provided by payers through an annual APM file), divided by Total Payments (combination of payments received by *all* payers through monthly claim-level submissions to the CO APCD, AND APM files).

- **% APM of Total Primary Care Payments**: APM payments for primary care services as a percent of total primary care payments.

- **% of Payments by LAN Category Type:** Shows the distribution of payment categories as a percentage of the total for both Fee for Service and APMs by category type.