



# Alternative Payment Methodology Advisory Committee Update

Health Insurance Advisory Council Meeting  
May 19, 2015

# APM Committee Update

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- ▶ Committee members have reviewed APM definitions, target constructs, and supporting activities to advance payment reform.
- ▶ **Key Take-aways:**
  - ▶ Lots of momentum to spread payments models that promote efficiency and quality of care.
  - ▶ Committee members are engaged.
  - ▶ Consumer and employer engagement is critical.

# APM Committee Update

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- ▶ Two sets of targets are proposed:
  - ▶ **APM Target:** Use of APM payments as a percentage of commercial insured medical spend.
  - ▶ **Non-FFS APM Target:** Use of strictly non-FFS APM payments as a percentage of commercial insured medical spend.

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- ▶ **The APM Target shall include:**
  - ▶ All FFS payments under a Total Cost of Care contract with shared savings or shared risk.
  - ▶ Episode-based payments, primary care, specialty care or other limited scope-of-service capitation payments, and global capitation payments.
  - ▶ Supplemental payments to PCMHs (e.g., for infrastructure development or Care Manager services), shared savings distributions, and all pay-for-performance payments for years 2016 through 2017.

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- ▶ **The Non-FFS APM Target shall include:**
  - ▶ Episode-based payments
  - ▶ Limited scope-of-service capitation payments, e.g., for primary or specialty care services
  - ▶ Supplemental payments for infrastructure development or Care Manager services for years 2016 through 2017 and shared savings distributions.

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- ▶ A final meeting is scheduled for June 18<sup>th</sup>. Draft recommendations will be reviewed.