

FRAMEWORK FOR ALTERNATIVE PAYMENT MODELS

	Current APMs		Well-Designed APMs				
	Shared Savings/ Shared Risk	Population-Based Payment	1A Accountable Payment for Services	1B Accountable Bundled Payment	2 Outcome-Based Payment	3 Bundled/Warrantied Payment	
Component #1: Adequate Payment for Needed Services	No change in FFS	Flexible payment for each patient; amounts may be higher for some but not all needs	Payment(s) for new high-value service(s) and/or higher payment(s) for existing service(s)	Bundled payment for group of services from a provider team	Payments for new high-value services and/or higher payments for existing services	Bundled payment for services from a provider team needed to address one or more health problems	
Component #2: Accountability for Spending	Penalty for increase in total cost of care	Fixed payment regardless of services needed or delivered	Penalty if spending controllable by provider exceeds target		Penalty if spending controllable by provider exceeds target		
Component #3: Accountability for Quality	None	Penalties for poor performance on population-level quality measures	Penalty if quality controllable by provider falls short of target for individual patient	Penalty if quality controllable by provider falls short of target for individual patient	No payment if quality standards or targets are not met		Compensation for problems caused by failure to deliver high-quality care
Component #4: Patient Eligibility Determination	Attributed based on service utilization	Attributed based on service utilization	Patient selects provider team	Patient selects provider team	Patient selects provider team		Patient selects provider team

