

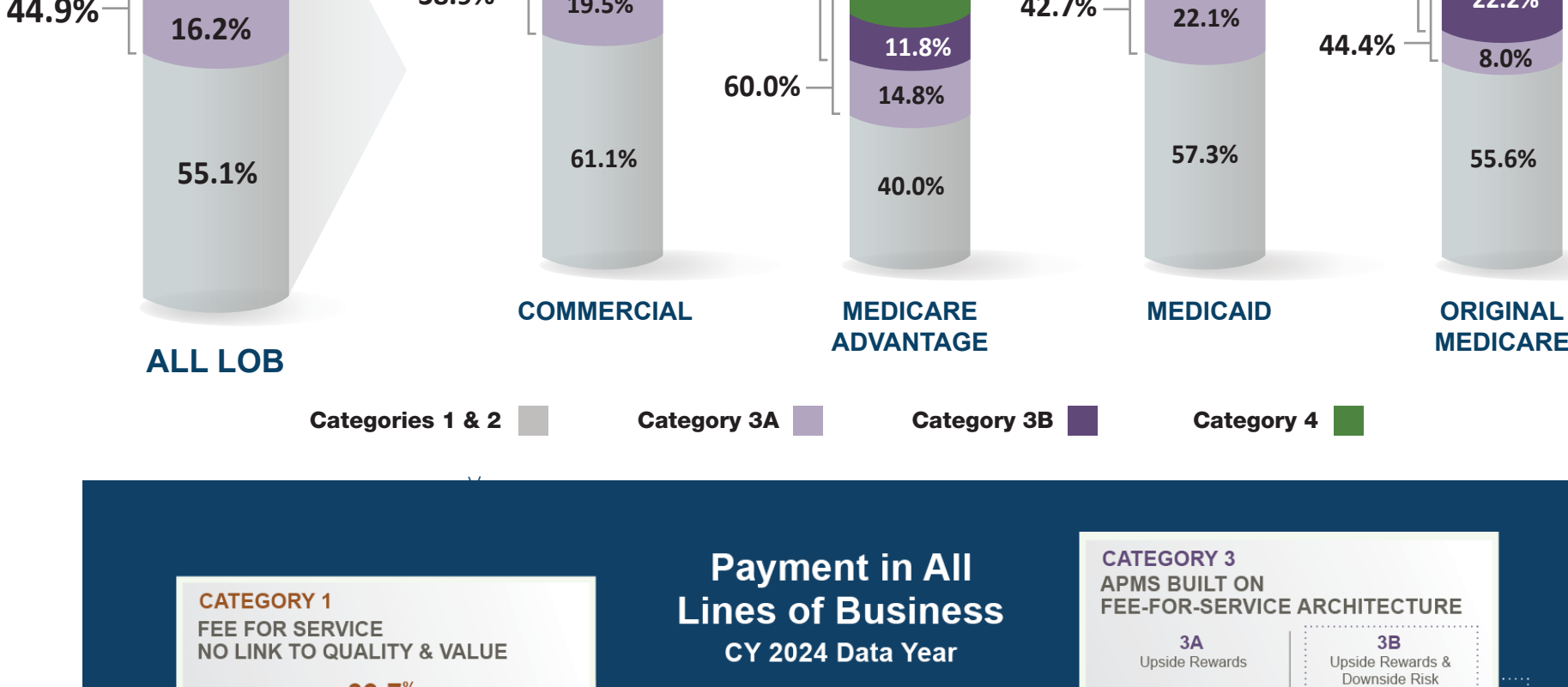
# 2025 MEASUREMENT EFFORT

The Health Care Payment Learning & Action Network (HCPLAN) initially led the national Alternative Payment Model (APM) Measurement Effort ("Measurement Effort" or "survey"), starting in 2016, to evaluate adoption of APMs across lines of business, assess general market trends and track the pace of progress toward APM adoption across commercial health plans, state Medicaid agencies, Medicaid managed care organizations, Medicare Advantage plans, and Original Medicare. Under the HCPLAN's leadership, the Centers for Medicare & Medicaid Services (CMS), AHIP, and the Blue Cross Blue Shield Association (BCBSA) served as survey partners. Beginning in 2025, AHIP assumed leadership of this work, continuing the partnership with CMS and BCBSA. This transition maintained the same measurement framework, data integrity, and partner collaboration established under the HCPLAN, reflecting a seamless shift from federal to industry stewardship and a shared commitment to tracking progress toward value-based care. For the full 2025 Measurement Effort results, review the [2025 Methodology and Results Report](#).

In 2024, across all lines of business (LOBs), 44.9% of U.S. health care payments flowed through an APM contract (Categories 3-4) and 28.7% flowed through a downside risk APM contract.

## Percentage of U.S. Health Care Payments in Categories 3-4 and Categories 3B-4 by LOB

CY 2024 Data Year



### CATEGORY 1

FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE

39.7%

### CATEGORY 2

FEE FOR SERVICE  
LINK TO QUALITY & VALUE

15.4%

### Payment in All Lines of Business

CY 2024 Data Year



87.5% of the market represented in the survey  
Based on 58 health plans, 2 states, and Original Medicare

### CATEGORY 3

APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

3A Upside Rewards 16.2%

3B Upside Rewards & Downside Risk 14.0%

### CATEGORY 4

POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment 4.1%

4B Comprehensive Population-Based Payment 5.2%

4C Integrated Finance & Delivery Systems 5.4%

28.7% APMs with Downside Risk (Categories 3B and 4)

44.9% APMs (Categories 3 and 4)

### CATEGORY 1

FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE

50.4%

### CATEGORY 2

FEE FOR SERVICE  
LINK TO QUALITY & VALUE

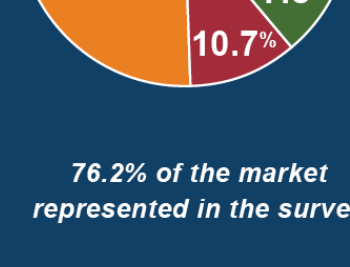
2A Foundational Payments for Infrastructure & Operations 0.0%

2B Pay for Reporting 0.0%

2C Pay for Performance 10.7%

### Commercial Payment

CY 2024 Data Year



76.2% of the market represented in the survey

### CATEGORY 3

APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

3A Upside Rewards 19.5%

3B Upside Rewards & Downside Risk 11.6%

### CATEGORY 4

POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment 0.7%

4B Comprehensive Population-Based Payment 1.6%

4C Integrated Finance & Delivery Systems 5.5%

19.4% APMs with Downside Risk (Categories 3B and 4)

38.9% APMs (Categories 3 and 4)

### CATEGORY 1

FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE

34.9%

### CATEGORY 2

FEE FOR SERVICE  
LINK TO QUALITY & VALUE

2A Foundational Payments for Infrastructure & Operations 0.0%

2B Pay for Reporting 0.0%

2C Pay for Performance 5.1%

### Medicare Advantage Payment

CY 2024 Data Year



93% of the market represented in the survey

### CATEGORY 3

APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

3A Upside Rewards 14.8%

3B Upside Rewards & Downside Risk 11.8%

### CATEGORY 4

POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment 2.7%

4B Comprehensive Population-Based Payment 17.9%

4C Integrated Finance & Delivery Systems 12.8%

45.2% APMs with Downside Risk (Categories 3B and 4)

60.0% APMs (Categories 3 and 4)

### CATEGORY 1

FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE

18.4%

### CATEGORY 2

FEE FOR SERVICE  
LINK TO QUALITY & VALUE

37.2%

### Original Medicare Payment

CY 2024 Data Year



100% of the market represented in the survey

### CATEGORY 3

APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

3A Upside Rewards 8.0%

3B Upside Rewards & Downside Risk 22.2%

### CATEGORY 4

POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment 12.8%

4B Comprehensive Population-Based Payment 1.4%

4C Integrated Finance & Delivery Systems 0.0%

36.4% APMs with Downside Risk (Categories 3B and 4)

44.4% APMs (Categories 3 and 4)

### CATEGORY 1

FEE FOR SERVICE  
NO LINK TO QUALITY & VALUE

47.6%

### CATEGORY 2

FEE FOR SERVICE  
LINK TO QUALITY & VALUE

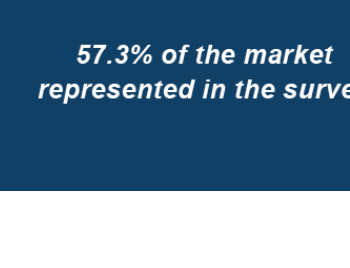
2A Foundational Payments for Infrastructure & Operations 3.2%

2B Pay for Reporting 0.0%

2C Pay for Performance 6.5%

### Medicaid Payment

CY 2024 Data Year



57.3% of the market represented in the survey

### CATEGORY 3

APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

3A Upside Rewards 22.1%

3B Upside Rewards & Downside Risk 11.0%

### CATEGORY 4

POPULATION-BASED PAYMENT

4A Condition-Specific Population-Based Payment 3.1%

4B Comprehensive Population-Based Payment 4.2%

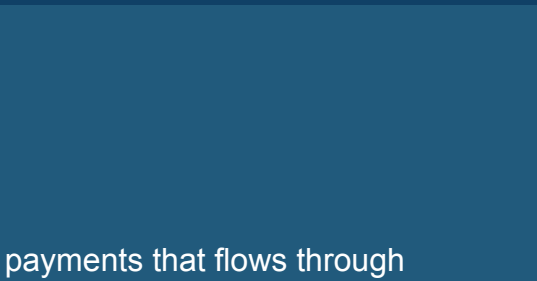
4C Integrated Finance & Delivery Systems 2.3%

20.6% APMs with Downside Risk (Categories 3B and 4)

42.7% APMs (Categories 3 and 4)

## Detailed Breakdown of Health Care Payments

Review the full results of how CY 2024 health care payments in all LOBs combined break down into each of the categories and subcategories of the HCPLAN APM Framework.



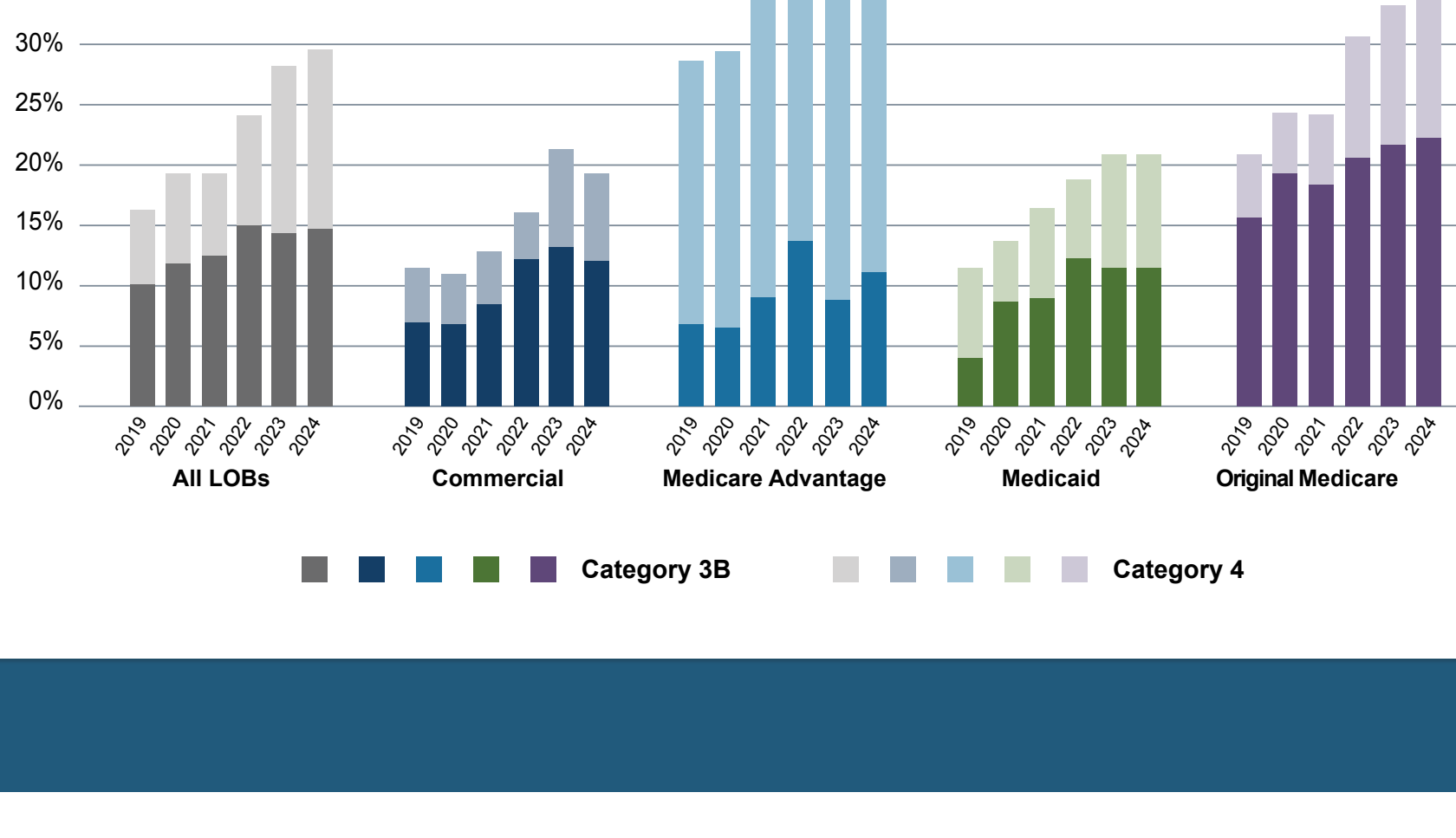
## Trends Over Time

Since its inception in 2015, the HCPLAN has measured the proportion of U.S. health care payments that flows through APMs. Over time, the HCPLAN has refined its measurement process to examine APM adoption by LOB and payments by subcategory within the four categories of the HCPLAN APM Framework. AHIP has continued the trend analyses as previously reported through the HCPLAN.

### Spending in Categories 3B-4 by Year and by LOB

Data Years 2019-2024

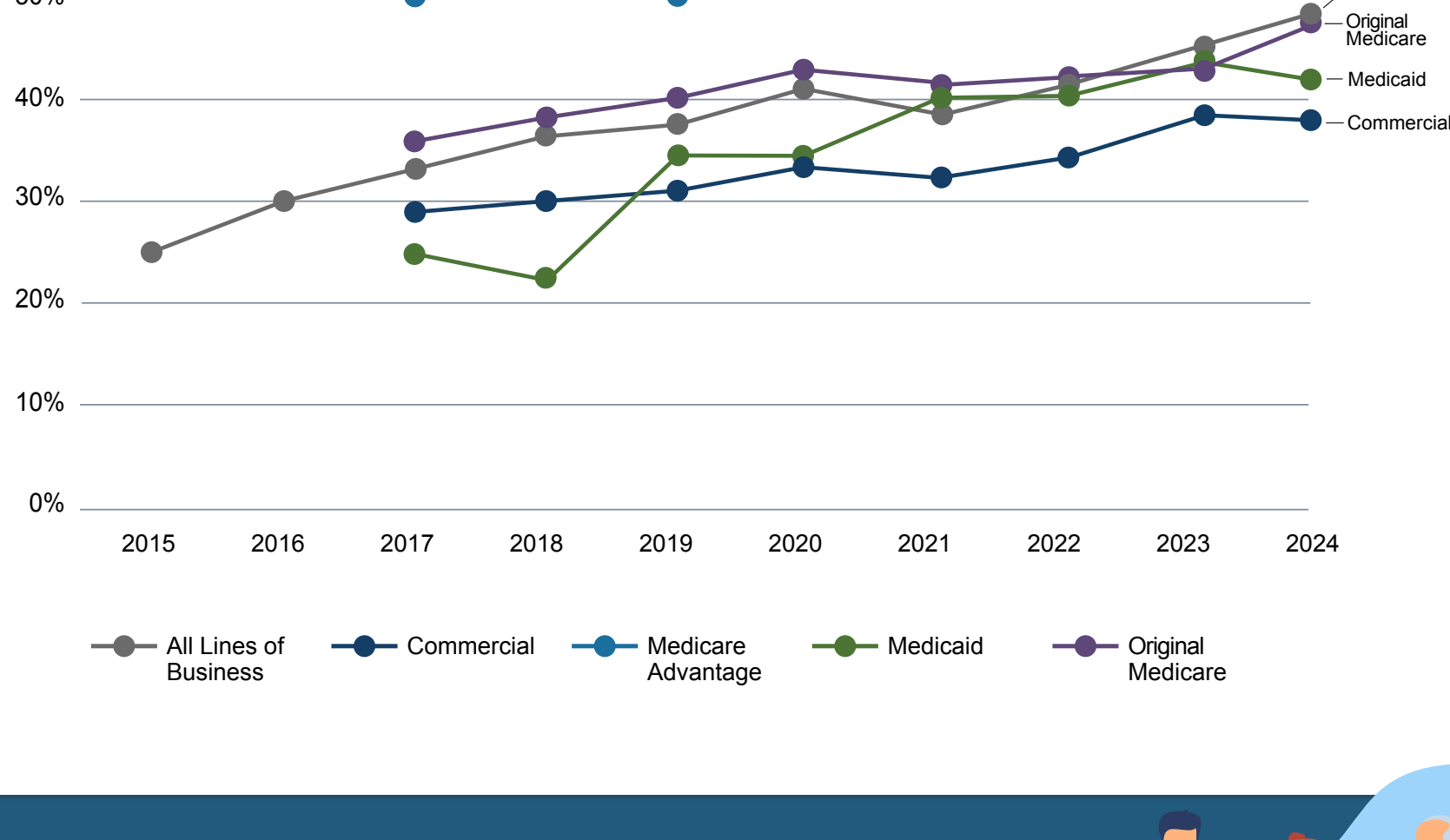
The bar graph below illustrates progress in the adoption of downside risk APM spending (Categories 3B-4) by LOB since 2019.



### Spending in Categories 3-4 by Year and by LOB

Data Years 2015-2024

The line graph below shows how APM spending in Categories 3 and 4 changed year over year by LOB.



## PAYERS' PERSPECTIVE

### WHAT DO PAYERS THINK ABOUT THE FUTURE OF APM ADOPTION?



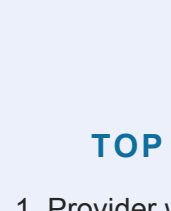
70% think APM activity will increase



3% think APM activity will decrease



20% think APM activity will stay the same



7% are not sure or did not answer

### APM ADOPTION PREDICTIONS



#### TOP 3 FACILITATORS

- Health plan interest/readiness
- Provider interest/readiness
- Health plan ability to operationalize



#### TOP 3 BARRIERS

- Provider willingness to take on financial risk
- Provider ability to operationalize
- Provider interest/readiness

### Which APM subcategory do you think will increase the most in activity over the next 24 months?

Fee-for-service-based shared risk, procedure-based bundled/episode payments (3B)	55%
Traditional shared savings, utilization-based shared savings (3A)	21%
Condition-specific, population-based payments; condition-specific bundled/episode payments (4A)	17%
Not sure	5%
Population-based payments that are NOT condition-specific, full or percent of premium population-based payments (4B)	2%
Integrated finance and delivery programs (4C)	0%

### APM Adoption Predictions

Will APM adoption result in...	Strongly Agree/Agree	Change from 2023	Disagree/Strongly Disagree	Change from 2023	Unsure/Did Not Answer	Change from 2023
...better quality of care?	95%	▼ 1 percentage points	2%	▼ 2 percentage points	3%	▲ 3 percentage points
...improved care coordination?	93%	▼ 1 percentage points	2%	▼ 1 percentage points	5%	▲ 2 percentage points
...more affordable care?	85%	▼ 3 percentage points	3%	▼ 2 percentage points	12%	▲ 5 percentage points
...more consolidation among health care providers?	28%	▼ 3 percentage points	47%	▲ 23 percentage points	25%	▼ 20 percentage points
...higher unit prices for discrete services?	14%	▲ 18 percentage points	47%	▼ 10 percentage points	39%	▲ 3 percentage points