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# **Alternative Payment Model (APM) Update**

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**February 12, 2024**

# APM Requirements: Progression

## Phase I

2012  
Value-based  
payment with APMS

## Phase II

2017/2018  
Contractual  
APM Targets

## Phase III

UMCC Sep. 2022 -  
UMCM Feb. 2024  
APM Performance  
Framework



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# APM Performance Framework Principles

Promote options and flexibility that align with HHSC priorities

Increase adoption of Accountable APMs

Improve reporting of APM activities

Broaden areas included in APMs

Foster MCO and provider collaboration for successful APMs



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# APM Performance Framework Domains



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- APM Performance Frameworks (APM-PF) is designed for STAR & CHIP, STAR+PLUS, STAR Kids and STAR Health programs.
- APM-PF offers MCOs flexibility to advance value-based strategies and initiatives, while maintaining alignment with the Health Care Payment Learning & Action Network (LAN).

MCOs earn points across five APM Domains over four years

- 1 *Achievement levels*
- 2 *Quality Performance*
- 3 *APM Priorities*
- 4 *APM Pilots and/or Initiatives*
- 5 *APM Support*

# HCP-LAN Perspective Accountable Care Curve\*



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MEASUREMENT TRACKS



LEVEL OF TRANSFORMATION



*“The Accountable Care Curve expands upon certain elements addressed in the APM Framework and realizes that while accountable care arrangements are often built in tandem with APM structures, true accountable care expands on elements necessary for accountable care not addressed in the APM Framework”.*

\* [HCPLAN Accountable Care Curve User Guide.pdf \(hcp-lan.org\)](https://hcp-lan.org/HCPPLAN_Accountable_Care_Curve_User_Guide.pdf)

# APM Point Requirements

- ✔ Achievable point requirements with annual benchmarks
- ✔ First year is a Test Year (Calendar Year 2023, reported Sept. 1, 2024)
  - Current APM thresholds will apply (50% overall, 25% risk-based)
  - One point toward cumulative totals for domains reported (bonus)
- ✔ Options for crediting “year over year” improvement (dollars, members served, providers)
- ✔ STAR and CHIP will be calculated together
- ✔ MCOs new to a program or with a substantial change in service areas will start with a Test Year (or Year Zero)



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# Other Decision Points

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- ➔ Definition of Accountable Care
- ➔ APM contracts involving Community Based Organizations
- ➔ Structure of Data Collection Tool (Uniform Managed Care Manual):
  - Rural APMs - column added
  - Provider Information - added provider types, provider affiliation with MCO, number of providers
  - Priorities and Pilots/Initiatives – check “Yes/No” boxes and provide description in a narrative tab
  - Details in the Narrative tab - APM Description and Evaluation Activities
  - New tab for Provider Engagement and Support