

# Continuum of Risk-Based Models

The Alternative Payment Model (APM) Framework provides a comprehensive view of the four approaches to payments - each moving health care organizations progressively towards population-based models<sup>1</sup>.



## CATEGORY 1: FEE-FOR-SERVICE

No link to quality or value. Practices get paid for the volume of services they provide.



## CATEGORY 2: PAY FOR PERFORMANCE

Incentivized to identify and address gaps in care. Practices begin to get paid for managing the care of specific populations.



## CATEGORY 3: SHARED RISK/ BUNDLED PAYMENTS

Shared savings with upside risk only. Practices accept multi-year risk-sharing across a group.

## CATEGORY 4: POPULATION-BASED PAYMENTS/ CAPITATION

Practices accept full upside and downside risk, often through multi-year engagements that require mature capabilities.



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1. <https://hcp-lan.org/apm-refresh-white-paper/>