COLORADO
Department of Health Care Policy & Financing

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Alternative Payment Methodology 2 Frequently Asked Questions

Fact Sheet January 2023

Below are some frequently asked questions to help providers better understand a transition to APM2. Providers can reach out to Department staff to receive free access to data analysis specific to their practice or system's situation or fill out a brief survey to learn more.

1. We have a good system we've used for many years to manage Medicaid billing and payments. If we make the transition, will our administrative burden increase?

    a. A full conversion to value-based payments is the future of Health First Colorado. Enrolling now will allow providers to get greater support during the transition. In addition, while APM 2 was developed with the help of providers, The Department is still open to refining the system to make it work even better. Joining now will help ensure that feedback on the model is collected and used to improve program operations.

    Providers already participating in the Alternative Payment Model One (APM 1) and meeting those quality standards will find that joining APM 2 involves the same standards but adds important control over payments that provide stability to practice revenue streams and potential additional revenue through a share in cost savings due to better management of chronic care.

2. Is the incentive payment calculated on all members with the chronic conditions listed?

    a. The chronic condition incentive payment is calculated based on all members at a primary care medical provider that are identified as having one or more of the thirteen chronic conditions. The members that are included have to be identified with a chronic condition prior to the contract year. If a member is diagnosed with a chronic condition during a contract year, then they will be included in the incentive payment the following year.

3. I'm not ready to make the leap fully to this payment structure. What should I do?

    a. Providers have the flexibility to choose to have a portion or all of their revenue made as per member per month payment, creating a reliable revenue stream that can weather

tough challenges like the pandemic and more normal fluctuations as well. Providers can select the way they want to receive their payments, giving an onramp to participation.

All participants are able to decide how far and how fast they join the program and have the option to change their level of participation over time

4. What are the episode definitions for the chronic conditions?

    a. http://www.careinnovationinstitute.com/episodes-list/

5. Will primary care medical providers be able to see or track their costs?

    a. Yes. The State is developing robust data-sharing dashboards for program participants. Each participating primary care medical provider will eventually have a dashboard to see their costs and trends overtime.

6. What Evaluation and Management codes will be a part of the per member per month?

    a. The codes used in the Alternative Payment Methodology One code set minus the Family Planning codes. Please see the APM 2 Guidebook for additional information and the full Modified APM Code Set.

7. When can a provider join the program?

    a. Providers can join on a quarterly basis. Potential program effective dates are January 1st, April 1st, July 1st, and October 1st. PMPM payments will begin after the effective date selected by the provider. Gainsharing payments will be prorated for the amount of time a provider participates in a program year.

8. How often will attribution take place?

    a. Attribution happens every 6 months. All Health First Colorado beneficiaries are enrolled in the Accountable Care Collaborative (ACC) and are attributed to a participating Primary Care Medical Provider (PCMP). The APM 2 program follows this process.

9. How often will the per member per month be paid?

    a. The per member per month will be paid monthly not quarterly for attributed members.

10. Can a primary care medical provider withdraw during the middle of a program year?

    a. Yes. A primary care medical provider can decide to withdraw from participation in the middle of a program year with proper notification. If a primary care medical provider

chooses to stop participating on the first of the month, their withdrawal will be effective starting the first of the following month. If they decide to withdraw in the middle of a given month then their withdrawal will be effective the beginning of the month after next.

11. Does a provider need to participate in APM 1 in order to join APM 2?

    a. Yes. A provider must already be participating in APM 1 to be eligible for APM 2. This is due to the use of APM 1 quality measures in both programs, and to ensure there is sufficient data to calculate the PMPM and gainsharing thresholds.

12. What are the quality measures a primary care medical provider can choose from?

    a. A primary care medical provider will pick from the same set of quality measures as they would in the Alternative Payment Methodology One program. The quality model is the same for both programs.

13. How often will incentive payments be paid?

    a. Incentive payments will be annually, and any shared savings will be split fifty-fifty with the state, if quality metrics are met.

14. How will incentive payments be calculated for providers who join mid-year (i.e. Q2, Q3, Q4)?

    a. For providers who join after the start of the program year, the incentive payment calculations will be prorated to account for the shorter time period. Only the quarters that a provider is enrolled in the program will be included in the annual payment calculation.

15. Can pediatricians join APM 2?

    a. The State recognizes the difference between adult and pediatric primary care and is working to create a separate track for pediatricians. That design process will begin in Fall 2022. In the interim, pediatricians are welcome to participate in APM 2 with the PMPM and chronic conditions.

For more information contact

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