



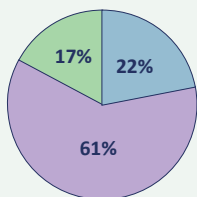
Annual Medicaid Managed Care Organization Survey Alternative Payment Models

Demographics

In its seventh year, the 2024 survey findings represent health plan data from almost every state with Medicaid managed care. The annual survey collected information at the parent company/corporate levels and is intended to equip Medicaid stakeholders with the information needed to accurately articulate the national narrative about Medicaid managed care. The survey respondents are representative of the national demographics of all Medicaid health plans.

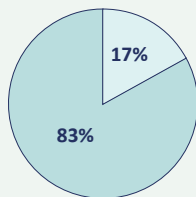
Health Plan Tax Status

- Private Nonprofit
- Private For-Profit
- Government or Other



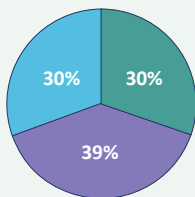
Health Plan Markets

- Single State
- Multistate



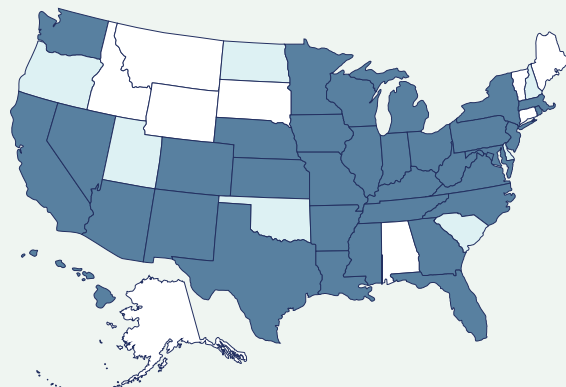
Health Plan Size

- Small Health Plans (<250K Covered)
- Medium Health Plans (250K–1 Million Covered)
- Large Health Plans (>1 Million Covered)



Note: Percentage does not equal 100% due to rounding.

Health Plan States



- Managed Care States Represented in Findings (states with capitated managed care)
- Managed Care States NOT Represented in Findings
- States without Medicaid Managed Care

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."



96%

of responding Medicaid health plans use value-based payment (VBP) or alternative payment models (APMs) as an alternative to Fee for Service.

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Notes: Health plans that do not use VBP models or APMs did not respond to questions in the APM section of the 2024 Annual Medicaid Health Plan survey. Alternative Payment Models (APMs) are payment approaches that incentivize high-quality and cost-efficient care. These models focus on rewarding healthcare providers for delivering better health outcomes, enhancing patient care experiences, and reducing healthcare costs, rather than the traditional fee-for-service model, which reimburses based on the volume of services provided. Source: The Health Care Payment Learning & Action Network.

Payment Strategies Used by Medicaid Health Plans

- 68%** Payment incentives based on performance measures related to access to care
- 50%** Enhanced payment rates for hard-to-recruit provider types
- 41%** Incentive payments for addressing health disparities
- 36%** Enhanced payment rates for providers in rural or frontier areas
- 36%** Payment incentives to integrate behavioral health care into primary care

- 36%** Payment incentives for availability of same-day or after-hours appointments
- 36%** Incentive payments for addressing health inequities
- 23%** Other*
- 18%** Enhanced payments to providers for reimbursement parity with other health plans
- 14%** Optional benefits for select populations as authorized by statute (e.g., sickle cell disease)

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Notes: *Other includes special programs such as bundled payments to support access to medications for opioid use disorder services, payment to improve transitions in care, and payment incentives tied to performance in quality measures. Health Equity, "means everyone has a fair and just opportunity to be as healthy as possible." Source: [Robert Wood Johnson Foundation](#). Health Inequities, "are differences in health status or in the distribution of health resources between different population groups, arising from the social conditions in which people are born, grow, live, work and age." Source: [World Health Organization](#).



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Value-Based Payment and Alternative Payment Model Approaches Used by Medicaid Health Plans with Providers

All Health Plans

Incentive or bonus payments tied to specific performance measures (e.g., pay for performance)	96%
Shared savings arrangements	73%
Arrangements with upside risk	73%
PMPM for care management services	73%
Global or capitated payments to primary care providers or integrated provider entities	73%
Bundled or episode-based payments	59%
Arrangements with downside risk	41%
Payment withholds tied to performance	36%
Upfront payments to encourage faster movement to more advanced APM arrangements	27%
Nonpayment or reduced payment for patient safety issues (e.g., never events)	23%
Nonpayment or reduced payment for elective deliveries before 39 weeks	9%
Other*	9%

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Note: *Other includes payments made through community-based care management.

Barriers to the Adoption and Innovation in Alternative Payment Models and/or Value-Based Payment Models

Health Plan Operational Barriers

64%	Staff capacity	
55%	Data sharing & readiness	
55%	Information technology system preparedness	
50%	Pricing structures or actuarial soundness	
46%	Contract requirements on APMs and/or VBP approaches	
36%	Staff expertise/skills	
23%	Willingness to participate in APMs and/or VBP models	
5%	Other*	

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Notes: *Other includes small enrollment. Nine percent (9%) of health plans selected "none."

Provider Operational Barriers

100%	Willingness to participate in APMs and/or VBP models	
91%	Staff capacity	
82%	Data sharing & readiness	
73%	Information technology system preparedness	
73%	Staff expertise/skills	
50%	Contract requirements on APMs and/or VBP approaches	
41%	Pricing structures or actuarial soundness	
23%	Lack of consistent evidence of efficacy of APMs and/or VBP approaches	
9%	Other*	

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Note: *Other includes small enrollment, staffing shortages at providers, and limitations of funding.

Policy Barriers

67%	Variation in payment models across payers (e.g., Medicaid, commercial, Medicare)	
62%	Medicaid payment rates	
57%	Uncertain or shifting state policy requirements or priorities	
33%	Uncertain or shifting federal policy requirements or priorities	
29%	Impact of 42 C.F.R Part 2 on limiting access to behavioral health data	
24%	State requirements limiting APMs and/or VBP models	
10%	Other*	

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Notes: *Other includes misalignment of strategic priorities and state regulations. Ten percent (10%) of health plans selected "none."

Other External Barriers

20%	Lack of consistent evidence of the efficacy of APMs and/or VBP models	
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Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Notes: Ten percent (10%) of health plans selected "other." Other includes workforce issues, provider burnout, and labor shortages. Fifty percent (50%) of health plans selected "none."

Trends in Value-Based Payment and Alternative Payment Model Approaches Used by Medicaid Health Plans with Providers

	2018	2019	2020	2021	2023*	2024
Incentive/bonus payments tied to specific performance measures (e.g., pay for performance)	95%	87%	94%	100%	96%	96%
Global or capitated payments to primary care providers or integrated provider entities	59%	47%	67%	68%	61%	73%
Bundled or episode-based payments	53%	40%	50%	53%	57%	59%
Payment withholds tied to performance	30%	33%	33%	32%	39%	36%
Nonpayment or reduced payment for patient safety issues (e.g., never events)	30%	7%	6%	11%	17%	23%
Nonpayment or reduced payment for elective deliveries before 39 weeks	18%	7%	11%	11%	9%	9%
Arrangements with upside risk	^	^	^	74%	83%	73%
Arrangements with downside risk	^	^	^	47%	48%	41%
Upfront payments to encourage faster movement to more advanced APM arrangements	^	^	^	21%	22%	27%

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Notes: *Prior to 2023, Annual Medicaid Health Plan Survey questions requested information on prior year activities. In 2023, the survey began requesting information on the current year. ^These questions were not asked until 2021.

Trends in External Barriers that Influence the Adoption and Innovation in Value-Based Payment Models and/or Alternative Payment Models

	2017	2018	2019	2020	2021	2023	2024
Provider readiness and willingness	100%	88%	100%	94%	89%	91%	100%
Medicaid payment rates	92%	65%	57%	67%	58%	52%	62%
Uncertain or shifting state policy requirements/priorities	92%	35%	43%	22%	32%	39%	57%
Impact of 42 CFR Part 2 on limiting access to behavioral health data	100%	24%	21%	17%	37%	35%	29%
State requirements limiting VBP and/or APM models	85%	41%	14%	39%	26%	30%	24%
Uncertain or shifting federal policy requirements/priorities	85%	29%	29%	11%	5%	17%	33%

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Note: 2022 data is not available as the survey was changed from retrospective to current in 2023.

Changes to State Requirements and Guidance That Would Assist Medicaid Health Plans to Effectively Implement Value-Based Payment Models and/or Alternative Payment Models

Better education for providers on state and health expectations	77%
Policies to facilitate data sharing between payers and providers	73%
Reporting of consistent metrics	68%
Provision of additional policy and/or fiscal levers for health plans to ensure provider engagement in VBP models	64%
Streamlined VBP model design across payers, including aligned performance measures	46%
Better education for health plans on state expectations for VBP models	46%

Removal of data sharing restrictions	41%
More flexibility in the design of VBP components (e.g., member attribution, benchmarking)	36%
Development of multiyear VBP strategy to allow for longer-term contracts with Medicaid	36%
Multi-payer alignment in VBP strategies	27%
Removal of requirements that limit VBP models and APM development	23%
Other*	9%

Source: Institute for Medicaid Innovation. "2024 Annual Medicaid Health Plan Survey."

Notes: *Other includes more consultation with plans and elimination of yearly cost neutrality requirement. Five percent (5%) of health plans selected "none."