



## States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model: What State Advocates Should Know

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In September 2023, the Centers for Medicare & Medicaid Services (CMS) announced a new [total cost of care](#) (TCOC) model called the [States Advancing All-Payer Health Equity Approaches and Development \(AHEAD\) Model](#) (“the Model”). The Model focuses on implementing payment and delivery system reforms through a multi-payer approach – aligning Medicaid, Medicare and commercial payers – building upon existing health system payment and delivery reform efforts in [Maryland](#), [Pennsylvania](#), and [Vermont](#).

The Model’s overarching vision is that aligning expectations and standards across payers, will make it easier to advance “patient-first care” ( or “value-based care”) initiatives, better serving patients and providers in our health care system. For example, aligning payments to providers to create incentives that improve health outcomes and care coordination, and emphasize quality over quantity, which patients strongly desire.

### Goals of the AHEAD Model

States will be given flexibility with the Model framework to meet three overarching goals for the Model:

- Curbing growth in health care cost spending;
- Improving population health; and
- Advancing health equity by reducing disparities in health outcomes for participating state residents.

Through the Model, CMS aims to work with states to meet these goals by:

- Increasing investments in primary care;
- Changing the way hospitals are paid for providing services; and
- Improving patient care coordination by connecting people with community resources to help support their needs.

### AHEAD Model Overview

CMS will choose up to eight states to participate in the Model. These states will operate the Model for 10 years, from 2024-2034. States can choose to implement the Model’s components on a statewide or regional basis, and receive up to \$12 million to support planning and implementation for the duration of the Model’s operation. This funding can be used by states for a variety of Model-related activities, such as engaging core stakeholders, setting TCOC growth and primary care investment targets, building behavioral health infrastructure and capacity, and supporting Medicaid and commercial payer alignment. States and/or regions currently

### The Importance of Patient-First Care in Improving the Patient Experience

United States of Care conducted [in-depth research and listening work](#) with people to better understand people’s health care needs. Through this, we have learned that people are supportive of taking a patient-first care, also known as value-based care, approach to providing services. Patient-first care better serves people through:

- Greater coordination between providers.
- Increased quality of care.
- Quality over quantity.
- Patients being treated as a whole person.
- Providers being encouraged to offer more personalized care.
- Providers being held accountable for the care they deliver.

participating in the [Making Care Primary](#)<sup>1</sup> or [Transforming Maternal Health](#) Models<sup>2</sup> are ineligible to apply. AHEAD participating states will be placed in one of three [cohorts](#), based on their [readiness](#) to implement the Model. Applications for Cohort one and two are due **March 18, 2024**, and applications for cohort three due **August 12, 2024**.

Participating states will be required to meet state-specific accountability targets established via state agreements with CMS, featuring the following four main components:

Cost Growth and Primary Care Spending Targets	States will be required to meet defined cost growth targets and primary care investment targets, set in partnership with CMS. These targets are intended to increase investments in primary care with the overall goal of delivering more services through primary care and community-based providers, rather than acute care settings.
Primary Care AHEAD	Primary care providers will have the option to participate in this Model component, designed to align Medicare with state-led primary care efforts. Participating providers will be required to implement reforms relating to behavioral health integration, care management and speciality coordination, and health related social needs, with associated prospective per-beneficiary payments.
Hospital Global Budgets	Hospital global budgets are a predetermined, fixed annual budget for hospital inpatient and outpatient facility services. This budget will be calculated based on Medicare and Medicaid payments in previous years, population changes, and services provided.
Health Equity Planning	States will be required to develop a Statewide Health Equity Plan, outlining Model activities aimed at reducing disparities and improving population health. Participating hospitals will also be required to create an aligning hospital equity plan.

## Benefits for People

People living or accessing care in participating states are expected to benefit from the Model through several ways, for example:

- The Model’s primary care programs could offer greater access to coordinated, team-based, whole person health care services – something that’s been well documented as [desired by patients](#);
- Hospital global budgets have been [shown](#) to disincentivize the provision of low-value services and offer a solution to control overall health care costs by reducing unnecessary hospital spending; and
- Strategies embedded into the Model’s requirements such as integrating equity, requiring behavioral health integration across care settings, implementing an all-payer approach (including alignment with Medicaid), and accelerating existing state innovations.

Through this, residents in participating states will gain greater access to high-quality, equitable, and affordable care.

<sup>1</sup> Colorado, Massachusetts, Minnesota, New Mexico, New Jersey, New York, North Carolina, and Washington have all been selected to participate in the Making Care Primary Model.

<sup>2</sup> Applications for the Transforming Maternal Health Model will open in Spring 2024, with CMS expected to select states to participate in Fall 2024.