CMS TEAM Model: Improving Quality of Care for Specific Surgical Procedures

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The Kentucky Hospital Association

Kentucky Hospital Association

SAVE THE DATE!

Marriott Lexington Griffin Gate Golf Resort & Spa
Lexington, Kentucky

Registration

Who I Am:

Billie Delauder, DNP, MSN,RN, CPHQ, HACAP-CMS, CFPS

- 37 years of nursing experience
- 17 years in quality as a PI Supervisor & Clinical Abstraction Specialist
- Background in Med-Surgical, Emergency Care, Education, and Quality

What to expect:

Type in your question(s) in the chat as we go, and we will try address them at the end of the presentation. ☺

Let's think about this…

How can we leverage the CMS TEAM Model to not only improve patient outcomes but also enhance the overall experience and satisfaction of both patients and healthcare providers?

First, Let's Talk About the Lingo…

PSI 90 (Patient Safety and Adverse Events Composite):

- Used to assess the safety of the care rendered by a hospital.
- Combines multiple indicators (patient safety events, complications, adverse events, etc.).
- Assists hospitals to monitor and improve their performance in safety.

PRO-PMs (Patient-Reported Outcome-Based Performance Measures):

- Used to assess healthcare quality based on outcomes reported by patients.
- Includes patient's perspectives on their health status and quality of life.
- They assist in elevating the patient voice in evaluating quality.
- Gives insights into health-related quality of life, symptoms, and health behaviors.
- Assists in making care improvements have alignment with patient experience and needs.

EACH (Essential Access Community Hospitals):

- Provide services to underserved and vulnerable populations.
- Often serve rural, urban, and low-income communities.

Let's Talk about the Lingo (continued):

- **The Hybrid Hospital-Wide Readmission (HWR) measure-** a metric used to evaluate the readmission rates of hospitals. It combines data from EHRs with administrative claims data to provide a more comprehensive assessment of hospital performance.
- **The Hospital-Acquired Condition (HAC) Reduction Program-** a Medicare initiative aimed at improving patient safety by reducing HACs.
- **Core-Based Statistical Areas (CBSAs)-** geographic regions defined by the U.S. Office of Management and Budget (OMB).
- **The Bundled Payments for Care Improvement Advanced (BPCI Advanced) Model-**a Medicare initiative designed to improve patient care and reduce healthcare costs.
- **The Comprehensive Care for Joint Replacement (CJR) Model-** a Medicare initiative aimed at improving care for patients undergoing hip and knee replacements.

Safety Net Hospitals

Concerning TEAM, a Safety Net Hospital is:

- A hospital that meets at least one of these criteria:
  - High Proportion of Dual-Eligible Patients:
    - More than 75% of Medicare patients are also eligible for Medicaid.
  - High Proportion of Low-Income Subsidy Patients:
    - More than 75% of Medicare patients are eligible for Part D low-income subsidies

Updates and Redeterminations:

- Before the first performance year.
- Review and update safety net status annually.
- Not expected to change status frequently.

Who Is A Safety Net Hospital in KY?

TEAM participant list will be updated by CMS to identify those that satisfy the definition of a ‘safety net hospital’ prior to the start of Performance Year 1.

Let’s Do a Quick Overview!

	Key Model Design Elements
Payer	Medicare Fee For Service (FFS) – only Traditional Medicare, not Medicare Advantage
Type of VBP Model	Mandatory; Episode-based; 30-day episodes from surgical procedures in ACHs IP or OP departments.
Method of Payment	Retrospective bundled payment based on comparison to target price (with 1.5-2% discount applied depending on the condition) for identified surgical episode.
Timeline	1/1/2026 – 12/31/2030
Episodes	5 major surgical procedures (IP only, IP + OP) Also CMS has been very clear that they will be adding conditions to the Model in the future.
Risk Levels	Track 1: Upside only financial risk. Track 2: 2-sided financial risk-only available to select participants i.e. safety net hospitals. Track 3: 2-sided financial risk; more risk than Track 2.

Transforming Episode Accountability Model

- Episode-based payment
- Mandatory participation
- Included procedures
- Cost and quality accountability
- Health Equity Focused
- Decarbonization and resilience initiative

Transforming Episode Accountability Model (TEAM) | CMS

TEAM Goal

- Enhancement of care coordination
- Improve patient outcomes
- Reduce avoidable readmissions
- Reduce Emergency Department (ED) visits

TEAM Model Quality Measure Reporting:

Measure Title	TEAM Performance Year 1	PY2	PY3	PY4	PY5
Hybrid Hospital-Wide Readmission	July 1, 2024 - June 30, 2025	July 1, 2025- June 30, 2026	July 1, 2026 - June 30, 2027	July 1, 2027- June 30, 2028	July 1, 2028 – June 30, 2029
PSI 90	July 1, 2023 - June 30, 2025	July 1, 2024- June 30, 2026	July 1, 2025 - June 30 - 2027	July 1, 2026- June 30, 2028	July 1, 2027 – June 30, 2029
THA/TKA PRO-PM	July 1, 2024 - June 30, 2025	July 1, 2025- June 30, 2026	July 1, 2026 - June 30, 2027	July 1, 2027 - June 30, 2028	July 1, 2028 - June 30, 2029

What is TEAM? An Overview of the CMS TEAM Model | Medisolv

TEAM Model Performance Period

5 Performance Years (Calendar Years) P1-P5

- Performance Year (PY 1) = January 1, 2026 – December 31, 2026
- Performance Year (PY 2) = January 1, 2027 – December 31, 2027
- Performance Year (PY 3) = January 1, 2028 – December 31, 2028
- Performance Year (PY 4) = January 1, 2029 – December 31, 2029
- Performance Year (PY 5) = January 1, 2030 – December 31, 2030

Which Hospitals Must Participate in TEAM?

A TEAM participant is defined as:

- Acute-care hospital
- Initiates episodes paid under Inpatient Prospective Payment System (IPPS)
- CMS Certification Number (CCN)
- Is listed as a **mandatory hospital** to participate in TEAM

(There was an optional opt-in for hospitals as well)

Transforming Episode Accountability Model (TEAM) | CMS

Who is involved in KY?

180010	Saint Joseph Hospital	30460	Lexington-Fayette, KY	Lexington-Fayette
180011	Chi Saint Joseph London	18340	Corbin, KY	Corbin
180013	The Medical Center At Bowling Green	14540	Bowling Green, KY	Bowling Green
180017	T J Samson Community Hospital	23980	Glasgow, KY	Glasgow
180020	Middlesboro Appalachian Regional Healthcare Hos	33180	Middlesborough, KY	Middlesborough
180043	Adventhealth Manchester	18340	Corbin, KY	Corbin
180046	Bourbon Community Hospital	30460	Lexington-Fayette, KY	Lexington-Fayette
180067	University Of Kentucky Hospital	30460	Lexington-Fayette, KY	Lexington-Fayette
180080	Baptist Health Corbin	18340	Corbin, KY	Corbin
180092	Clark Regional Medical Center	30460	Lexington-Fayette, KY	Lexington-Fayette
180101	Georgetown Community Hospital	30460	Lexington-Fayette, KY	Lexington-Fayette
180102	Mercy Health Lourdes Hospital	37140	Paducah, KY-IL	Paducah
180103	Baptist Health Lexington	30460	Lexington-Fayette, KY	Lexington-Fayette
180104	Baptist Health Paducah	37140	Paducah, KY-IL	Paducah
180124	Tristar Greenview Regional Hospital	14540	Bowling Green, KY	Bowling Green
180143	Chi Saint Joseph East	30460	Lexington-Fayette, KY	Lexington-Fayette
180154	Pineville Community Health Center, Inc	33180	Middlesborough, KY	Middlesborough

https://www.cms.gov/priorities/innovation/innovation-models/team-model

Voluntary Opting-in

Can hospitals that were eligible for voluntary participation in TEAM join at any time during the model's duration?

https://www.cms.gov/team-model-frequently-asked-questions

The VPEL

1. Can acute care hospitals who opt-in to TEAM participation opt out of the model after implementation begins?

TEAM Eligible Episodes

The TEAM model includes five specific episodes:

1. Coronary Artery Bypass Graft (CABG)
2. Lower Extremity Joint Replacement (LEJR)
3. Major Bowel Procedure
4. Surgical Hip/Femur Fracture Treatment (SHFFT)
5. Spinal Fusion

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TEAM Quality Measures

Will Focus On:

- Care coordination
- Patient safety
- Patient-reported outcomes (PROs)
- CMS plans to add more Patient-Reported Outcome-Based Performance Measures (PRO-PMs)in the future.

TEAM Quality Measures:

- Hybrid Hospital-Wide All-Cause Readmission Measure
- Patient Safety and Adverse Events Composite (PSI 90)
- THA/TKA PRO-PM for Lower Extremity Joint Replacement (LEIJR)

Health Equity (HE) Strategy

- Enhance care quality for all populations.
- Offer flexibility to participants serving more underserved individuals.
- Adjust target pricing for social risk to ensure fair investment.
- Allow participants to voluntarily submit HE plans and report demographic data to CMS.
- Enable TEAM participants to screen and report health-related social needs.

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TEAM Model Health Equity Reporting

- Screening for Health-Related Social Needs (HRSNs)
  - ✓Housing instability
  - ✓Food insecurity
  - ✓Transportation problems
  - ✓Utility help needs
  - ✓Interpersonal safety
- Health equity plan
- Social risk adjustment
- Voluntary submissions
- Screening and reporting

Transforming Episode Accountability Model (TEAM) | CMS

Responsibility and Cost

Participants in TEAM will connect patients to primary care services to establish **accountable care relationships** and support long-term health outcomes.

CMS will provide a target price representing most Medicare spending during an episode of care, including surgery and post-discharge services like skilled nursing facility stays or follow-up visits.

Rationale:

- Fragmented Care
- TEAM Goals
- Primary Care Referrals
- Health Equity

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TEAM Participation Tracks

Episode Details:

- Includes non-excluded Medicare Parts A & B items/services (not Medicare Advantage).
- Begins with:
  - **Anchor hospitalization** (admission to an acute care hospital) OR
  - **Anchor procedure** (OP procedure at a hospital OP department).
- Ends 30 days after hospital discharge or anchor procedure.

Additional Points:

- Episodes may involve multiple hospitalizations due to readmissions or transfers
- CMS holds the initiating hospital accountable for the episode.
- Episode start date:
  - ✓ Day of admission or procedure.
  - ✓ If admission is the same day or within three days of the procedure (same episode category), the start date is the procedure date.

Codes That Will Initiate an Episode for TEAM

- **Lower extremity joint replacement (LEJR):**

  MS-DRG 469, 470, 521, 522

  HCPCS 27447, 27130, 27702

- **Surgical hip and femur fracture treatment (SHFFT):**

  MS-DRG 480, 481, 482

- **Spinal fusion:**

  MS-DRG 402, 426, 427, 428, 429, 430, 447, 448, 450, 451, 471, 472, 473

  HCPCS 22551, 22554, 22612, 22630, 22633

- **Coronary artery bypass graft:**

  MS-DRG: 231, 232, 233, 234, 235, 236

- **Major bowel procedure:**

  MS-DRG 329, 330, 331

So Which Medicare Beneficiaries are Included and Will There Be Any Exclusions?

Beneficiary must be:	• Enrolled in Medicare Part A and Part B • Have Medicare as their primary payer
Beneficiaries are Excluded from TEAM if they are:	• Eligible for Medicare due to ESRD • Enrolled in any managed care plan, including Medicare Advantage • Covered under a United Mine Workers of America health plan

Which Cost Are Included?

Included Costs

All other Medicare Part A and Part B costs, including:

- → Inpatient hospital services (including readmissions)
- → Clinical laboratory services
- → Physician services: specialists
- → Durable medical equipment and primary care
- → Medications (Part B drugs and biologicals)
- → Outpatient therapy services
- → Skilled nursing facilities
- → Hospice
- → Home health services

Excluded Costs

Similar exclusion restrictions to BPCI-A, such as hospital admissions and readmissions for specific categories of diagnoses, such as oncology, trauma medical admissions, organ transplant, and ventricular shunts determined by MS–DRGs

Accounting for costs under special circumstances:

- → Unlike previous episodic models, **the episode is only cancelled due to beneficiary mortality** if the beneficiaries dies during the anchor surgical procedure. For episodes in which the beneficiaries dies after the procedure, **the hospital is still responsible for the costs of the episode**
- → CMS will prorate costs for care that extend **beyond** the length of the 30-day episode, using methodology consistent with the CJR model's methodology*

https://www.aha.org/team-webinar-series?check_logged_in=1

Calculating TEAM Model Reimbursement Amount

It's complicated…to say the least:

- Step 1: Convert quality measure performance into a useable score.
- Step 2: Calculate hospital reconciliation amount.
- Step 3: Adjust cost amount using your quality score.
- Step 4: Finalize your net payment reconciliation amount.

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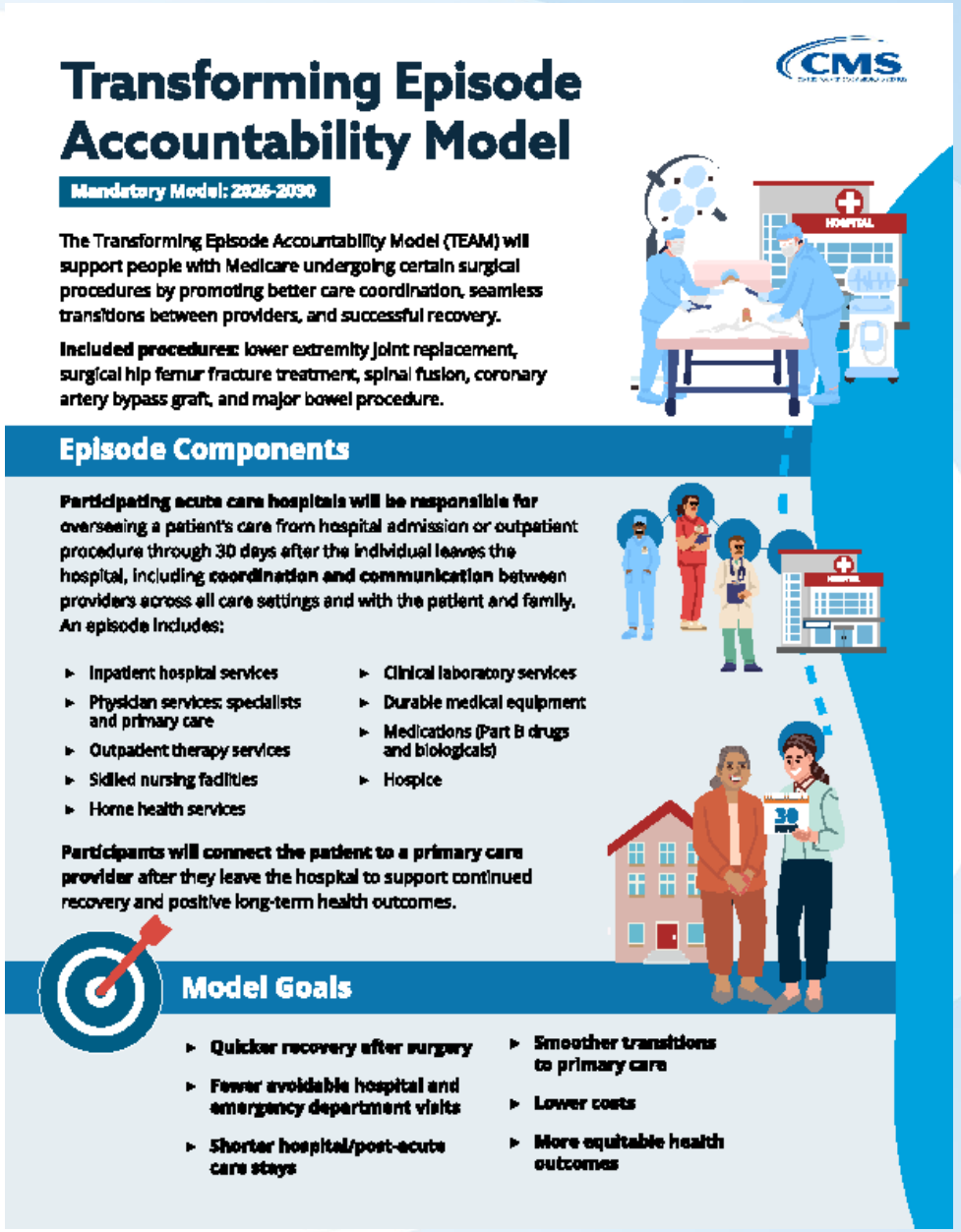
Let’s Tell a Story…

The Story of Mrs. Mary’s Journey to Recovery

CMS TEAM Model

https://www.cms.gov/media/611301



Transforming Episode Accountability Model

Mandatory Model: 2026-2090

The Transforming Episode Accountability Model (TEAM) will support people with Medicare undergoing certain surgical procedures by promoting better care coordination, seamless transitions between providers, and successful recovery.

Included procedures: lower extremity joint replacement, surgical hip femur fracture treatment, spinal fusion, coronary artery bypass graft, and major bowel procedure.

Episode Components

Participating acute care hospitals will be responsible for overseeing a patient's care from hospital admission or outpatient procedure through 30 days after the individual leaves the hospital, including **coordination and communication** between providers across all care settings and with the patient and family. An episode includes:

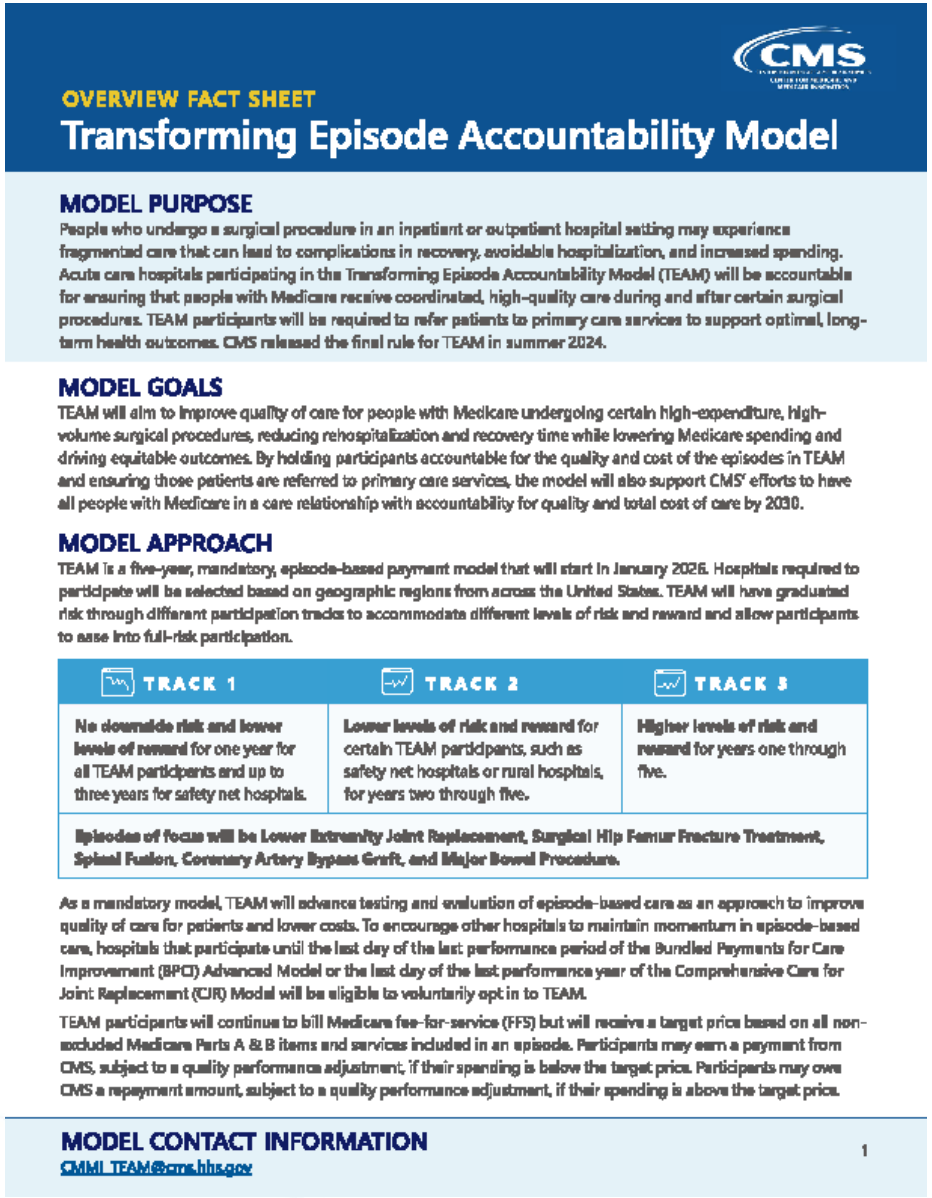
- Inpatient hospital services
- Physician services: specialists and primary care
- Outpatient therapy services
- Skilled nursing facilities
- Home health services
- Clinical laboratory services
- Durable medical equipment
- Medications (Part B drugs and biologicals)
- Hospice

Participants will connect the patient to a primary care provider after they leave the hospital to support continued recovery and positive long-term health outcomes.

Model Goals

- Quicker recovery after surgery
- Fewer avoidable hospital and emergency department visits
- Shorter hospital/post-acute care stays
- Smoother transitions to primary care
- Lower costs
- More equitable health outcomes

TEAM MODEL Fact Sheet:



OVERVIEW FACT SHEET

Transforming Episode Accountability Model

MODEL PURPOSE

People who undergo a surgical procedure in an inpatient or outpatient hospital setting may experience fragmented care that can lead to complications in recovery, avoidable hospitalization, and increased spending. Acute care hospitals participating in the Transforming Episode Accountability Model (TEAM) will be accountable for ensuring that people with Medicare receive coordinated, high-quality care during and after certain surgical procedures. TEAM participants will be required to refer patients to primary care services to support optimal, long-term health outcomes. CMS released the final rule for TEAM in summer 2024.

MODEL GOALS

TEAM will aim to improve quality of care for people with Medicare undergoing certain high-expenditure, high-volume surgical procedures, reducing rehospitalization and recovery time while lowering Medicare spending and driving equitable outcomes. By holding participants accountable for the quality and cost of the episodes in TEAM and ensuring those patients are referred to primary care services, the model will also support CMS' efforts to have all people with Medicare in a care relationship with accountability for quality and total cost of care by 2030.

MODEL APPROACH

TEAM is a five-year, mandatory, episode-based payment model that will start in January 2026. Hospitals required to participate will be selected based on geographic regions from across the United States. TEAM will have graduated risk through different participation tracks to accommodate different levels of risk and reward and allow participants to ease into full-risk participation.

TRACK 1	TRACK 2	TRACK 3
No downside risk and lower levels of reward for one year for all TEAM participants and up to three years for safety net hospitals.	**Lower levels of risk and reward** for certain TEAM participants, such as safety net hospitals or rural hospitals, for years two through five.	**Higher levels of risk and reward** for years one through five.
Episodes of focus will be Lower Extremity Joint Replacement, Surgical Hip Femur Fracture Treatment, Spinal Fusion, Coronary Artery Bypass Graft, and Major Bowel Procedure.		

As a mandatory model, TEAM will advance testing and evaluation of episode-based care as an approach to improve quality of care for patients and lower costs. To encourage other hospitals to maintain momentum in episode-based care, hospitals that participate until the last day of the last performance period of the Bundled Payments for Care Improvement (BPCI) Advanced Model or the last day of the last performance year of the Comprehensive Care for Joint Replacement (CJR) Model will be eligible to voluntarily opt in to TEAM.

TEAM participants will continue to bill Medicare fee-for-service (FFS) but will receive a target price based on all non-excluded Medicare Parts A & B items and services included in an episode. Participants may earn a payment from CMS, subject to a quality performance adjustment, if their spending is below the target price. Participants may owe CMS a repayment amount, subject to a quality performance adjustment, if their spending is above the target price.

MODEL CONTACT INFORMATION

CMMI_TEAM@cms.hhs.gov

1

https://www.cms.gov/files/document/team-model-fs.pdf

References/Resources:

- Transforming Episode Accountability Model (TEAM) | CMS
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Questions?