

Transforming Episode Accountability Model (TEAM)

CMS's TEAM Plans to Push Hospitals Out of Their Comfort Zone

On April 10, 2024, the Center for Medicare and Medicaid Innovation (CMMI) unveiled the Transforming Episode Accountability Model (TEAM), a proposed mandatory bundled payment model set to launch in January 2026. The five-year model will require selected hospitals to deliver coordinated, high-quality care for traditional Medicare beneficiaries undergoing one of five below surgical procedures, whether in an inpatient or outpatient setting:

- o Lower Extremity Joint Replacement
- o Hip Femur Fracture
- o Coronary Artery Bypass Graft
- o Spinal Fusion
- o Major Bowel Procedure

The new model builds on learnings from Bundled Payment for Care Improvement Program (BPCI), now BPCI Advanced, and Comprehensive Joint Replacement (CJR), but TEAM is unique in two aspects: First, in that it expects to mandate participation from 25% of all US hospitals across diverse geographies, ensuring broader adoption and more reliable data for CMS. Second, TEAM expands the range of covered procedures with a blend of new MS-DRG codes and HCPTS codes. The model also incorporates sophisticated risk adjustment methodologies to account for patient complexity, places a stronger emphasis on coordinated care through primary care relationships, and prioritizes health equity with added flexibility for hospitals caring for a higher proportion of underserved individuals.

Those hospitals required to participate would have two risk models to choose from in year one, with the ability to advance in risk in later years.



TRACK 1

No Downside Risk
Lower Reward
Option for Year 1 Only



TRACK 2

Upside / Downside
Low Risk / Reward
Option for Years 2-5



TRACK 3

Upside / Downside
Higher Risk / Reward
Option for Years 1-5

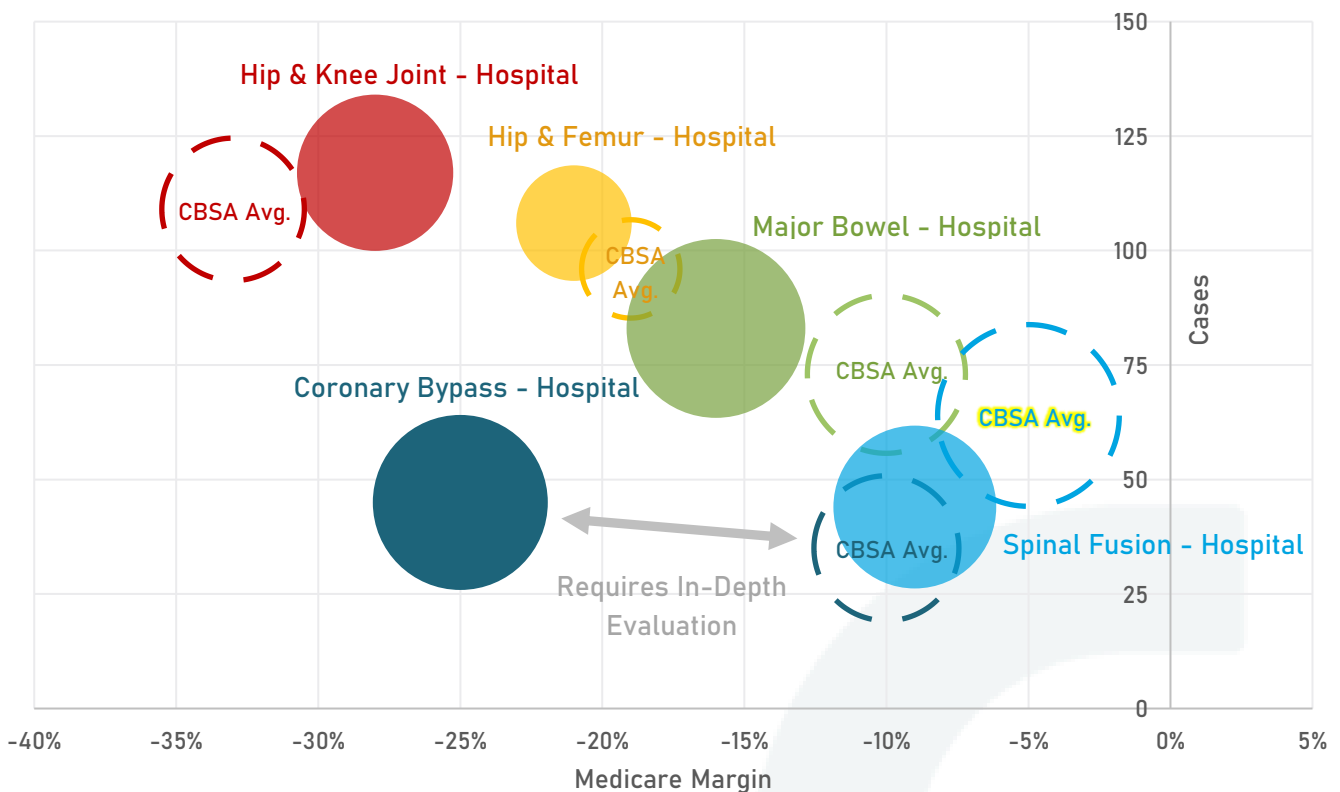
Hospitals Must Start Preparing Now

The episodes in TEAM represent an outsized proportion of hospital IP payments from Medicare, an average of 25% of total, and many facilities do not know their performance on cost or quality, nor the key factors influencing variability. Whether a hospital is required to participate or not, there is no better time to start preparing for specialty episodic models than right now.

A recommended first step is to understand opportunities and vulnerabilities presented by TEAM for each of these episodes, and how performance compares to other hospitals in the market.

A Caresyntax Analysis Can Shed Light on Episodes to Target, as Shown in Figure 1

Figure 1: Hospital Performance by Episode Group (Size = NPR)



This type of analysis relies on Medicare reported data at the MS-DRG level and can be run for any adult acute care hospital in the country. The findings then inform the starting point of a more in-depth evaluation of specific surgical processes and performance. One of these episodes, or all five, may be appropriate for a dedicated project focused on variation identification and process improvement.

How Caresyntax is Helping Hospitals with Surgical Episodes

Optimizing the Surgical Process

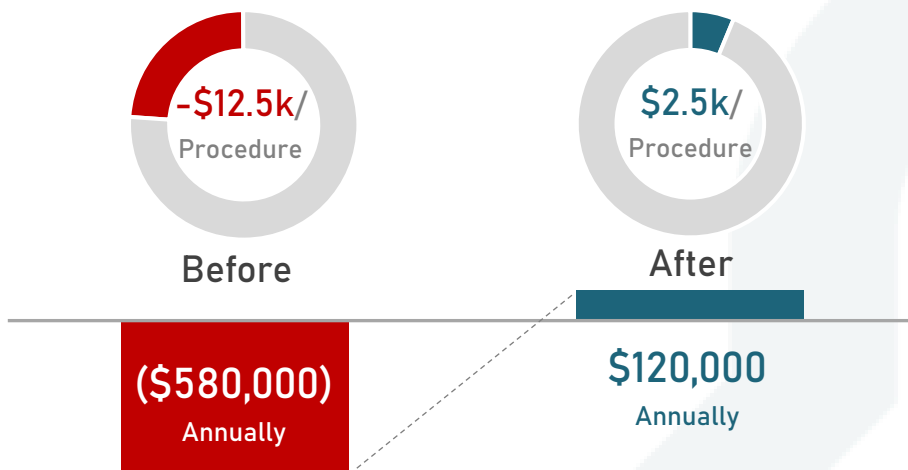
Caresyntax combines clinical expertise with surgical data and data science to bring novel insights to surgical teams. Rather than rely on averages of large datasets, or feedback loops that can take years, our Clinical Quality Improvement (CQI) projects focus on finding the data that truly matters and improving the surgical process in rapid 3–4-month cycles.

Caresyntax’s CMIO, Dr. Bruce Ramshaw, has over 10 years’ experience honing the methodology used to extract more meaningful insights in clinical and financial data, leading to more patient-centered and efficient healthcare. The result is an optimized clinical process. CQI projects are not just focused on evaluating supplies, or knowing when a certain intervention is appropriate, but on understanding the impact and intersection of all factors on the process and what is ultimately best for the patient.

Proven Results: Case Study

At one 678-bed academic medical center, the CQI method was applied to a specific reconstructive surgery procedure with a high level of variability in outcomes. Better understanding of the costs and benefits of using biologic supplies, as well as the efficacy of different types of anesthetics, led to improved processes with cheaper, equally effective synthetic supplies. Findings were shared with other surgeons and the result was an annual savings of \$700,000 for the hospital.

Net Margin Improvement



With Better Patient Outcomes

- Opioid Usage**
54% decrease in opioid use with application of new methodologies.
- Length of Stay**
33% decrease in patient length of stay with application of new methodologies.

Is TEAM Here to Stay?

In 2021, CMS published a strategy refresh with a stated goal of placing 100 percent of Original Medicare beneficiaries into accountable care relationships by 2030. As part of achieving this goal, a comprehensive specialty care strategy was developed to include mandatory bundled payments, specialist engagement with primary care, and ACO condition and procedure management. All of these elements are now being advanced through TEAM.

Lessons learned from ACO REACH and Direct Contracting, within the context of presidential administration transitions, suggest a consistent and bipartisan direction set by CMS, while new leadership may eventually reshape the model around the margins. For example, emphasis on health equity, or opportunities for participation by health plans and other partner organizations, may be subject to change. Even with some adjustments, the emphasis on specialty care accountability will remain a critical element of the CMS roadmap, eventually folding these individual programs into a cohesive “total value of care” model. The need to better understand surgical procedures and processes should remain a focal point for any health system investing in value-based care capabilities.

Get Started Today

The benchmarks for Year 1 are being set on today's activity, making 2025 an incredibly important timeframe for understanding your own data. Coming out of the gates with the right tactics and opportunities already identified will help make TEAM a win for your hospital.

To prepare for January 2026, and beyond, reach out to Caresyntax for a complimentary evaluation of surgical performance. Our solutions across peri-operative efficiency, OR integration, and clinical value analytics can be tailored to the specific needs of each organization.