Persivia

Is TEAM the Next Generation of Medicare Bundled Payments?

Introduction

The Centers for Medicare and Medicaid Services (CMS) has introduced the Transforming Episode Accountability Model (TEAM), a mandatory five-year initiative set to begin on January 1, 2026. This model will cover five surgical episodes and include 30 days of post-acute care.

Mandatory Model and Participation

The Transforming Episode Accountability Model (TEAM) is a proposed mandatory payment initiative by the Centers for Medicare & Medicaid Services (CMS) aimed at enhancing the quality of care for Medicare beneficiaries undergoing specific high-cost, high-volume surgical procedures. The model seeks to reduce rehospitalization rates and recovery times while simultaneously lowering Medicare expenditures and promoting equitable healthcare outcomes.

TEAM aims to create a more effective framework for care delivery.

The model will focus on the following five specific surgical procedures:

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

Hospitals participating in TEAM will be accountable for the entire episode of care, which extends from the surgical procedure to 30 days post-discharge. This includes ensuring coordinated care and referring patients to primary care services to support long-term health outcomes.

Participants of TEAM and how will they be impacted?

Acute care hospitals (ACHs) located in selected Core-Based Statistical Areas (CBSAs) will be required to participate in the mandatory Transforming Episode Accountability Model (TEAM) starting in January 2026.

CMS will select approximately 25% of the 800 eligible CBSAs, with a focus on those with low past exposure to bundled payment models and a high number of safety net hospitals. All ACHs within the selected CBSAs, including safety net, rural, and essential access hospitals, will be required to participate.

Episode attribution will be simpler than previous voluntary models, as only ACHs can initiate episodes and the episode will be attributed to the ACH performing the initiating procedure. To ease the transition for providers new to value-based care, CMS will provide a one-year glide path with limited downside financial risk.

Eligible participants can opt for this limited risk track for the remainder of the five-year model. The goal is to expand value-based care to a broader range of providers while supporting their adaptation to the model's requirements

Like the BPCI Advanced and CJR models, these episodes are initiated by a surgical procedure performed during either an inpatient stay or an outpatient visit, identified through Medicare severity diagnosis-related group (MS-DRG) and Healthcare Common Procedure Coding System (HCPCS) codes shown in Figure 1.

Initiating Procedures		
Episode Type	**Inpatient MS-DRGs**	**Outpatient HCPCS**
LEJR	469, 470, 521, 522	27447, 27130, 27702*
CABG	231-236	
SHFFT	480-482	
FUSION	453-455, 459-460, 471-473	22551*, 22554*, 22612*, 22630*, 22633*
BOWEL	329-331	

* Newly eligible to be performed in the outpatient setting.

The Transforming Episode Accountability Model (TEAM) will hold participants accountable for costs associated with surgical procedures and the following 30 days of post-acute care. The episode begins on the discharge date for inpatient admissions or the procedure date for outpatient surgeries.

Unlike the longer 90-day episodes in previous models like BPCI Advanced and CJR, TEAM focuses on the first 30 days post-acute care, as analysis shows that 75% of related spending occurs in this timeframe. This shorter duration aims to reduce costs linked to unrelated conditions that may arise later and to enhance the integration of episode-based models with Accountable Care Organizations (ACOs), positioning specialists as primary providers during the initial recovery phase.

The implications of TEAM are significant, as participants will manage surgical episodes across various specialties, which may lead to combined savings despite the limited opportunities for post-acute savings due to the shortened episode length. The model's design reflects a strategic shift towards more efficient care coordination and cost management within the Medicare system.

Downstream Provider Financial Arrangements

The TEAM model is expected to be a flexible approach, allowing participants to establish financial arrangements that enhance program success. Participants can share reconciliation payments or repayments with downstream providers and suppliers, including Medicare ACOs, which play a role in the participant's performance. These arrangements will necessitate proper documentation and adherence to specific criteria, including quality standards. This model is significant as it empowers ACH participants to incentivize downstream providers, encouraging them to optimize care delivery and minimize unnecessary expenditures. Although participants bear the ultimate financial responsibility for care episodes, they may lack direct control over post-acute care.

Persivia as Your Technology Partner in TEAM Success

With over 15 years of experience in creating AI models and clinical knowledge assets, Persivia's AI-driven integrated platform has already demonstrated its effectiveness in initiatives such as the Bundled Payments for Care Improvement Advanced (BPCI-A). With our AI-driven platform and deep expertise in value-based care models, we don't just prepare organizations for TEAM – we position them to lead the pack.

Here's how Persivia can help hospitals score big under the TEAM model

Full Program Orchestration

Persivia provides comprehensive orchestration that effectively captures, analyzes, and interprets clinical and financial data.

Advanced Analytics

Persivia's multi-layered risk stratification acts as a high-tech scouting report, identifying high-risk patients and creating personalized care plans.

Evidence-Based Care Pathways

Persivia designs patient-centered playbooks that cover the entire episode of care, optimizing every step of the patient journey for the best outcomes.

Benchmark Comparison

Persivia helps hospitals assess their performance by comparing it to national and regional benchmarks and identifying areas for improvement.

Responsive Service and Flexible Platform

With a responsive service team and an adaptable platform, Persivia is ready to adjust the plan for all episodic models, tailoring its approach to each organization's unique needs.

Continuous Patient Tracking

With real-time care alerts, Persivia monitors patients throughout their anchor and post-anchor stays, promoting continuity of care and reducing treatment gaps.

$17 million
saved in readmission costs

65%
Reduction in All-Cause 30-day readmission rate

7% decreased
in SNF Length of Stay

4% vs. 2.2% NPRA
Persivia BPCI-A Episode vs National Average

Persivia

Conclusion

The Transforming Episode Accountability Model (TEAM) will significantly influence a substantial portion of acute care hospitals (ACHs) across the country, encompassing both seasoned participants in episode-based payment models and newcomers to this approach. However, these organizations may face challenges in fully capitalizing on the opportunities and synergies inherent within the model.

By partnering with Persivia, hospitals can ensure they have the coaching, tools, and support necessary to win in the TEAM model. Together, we can achieve the triple aim of improved healthcare outcomes, enhanced patient experience, and optimized cost management, making TEAM a success story for all participants.

Click here to learn how Persivia helped its client drive success under the BPCI model.

https://persivia.com/case-studies-prime-healthcares-journey-to-value-based-excellence/

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