Unpacking the mandatory CMS TEAM model:

Overcome new rules & challenges

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Educational Webinar Series

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AAMC

Learning Objectives

After today's webinar, you'll understand:

- how CMS bundled payment models have evolved;

- TEAM specifications from the IPPS final rule;

- methodological considerations for participants;

- key challenges to model implementation; and

- preparation strategies participants should take advantage of now.

About DataGen®

"Analytics as a Service" for Insights for Healthcare®

Over 120 customers throughout the United States

Applications and Consulting

- Community Health Needs Assessments
- Legislative and Litigation Trackers
- Culture of Safety Surveys
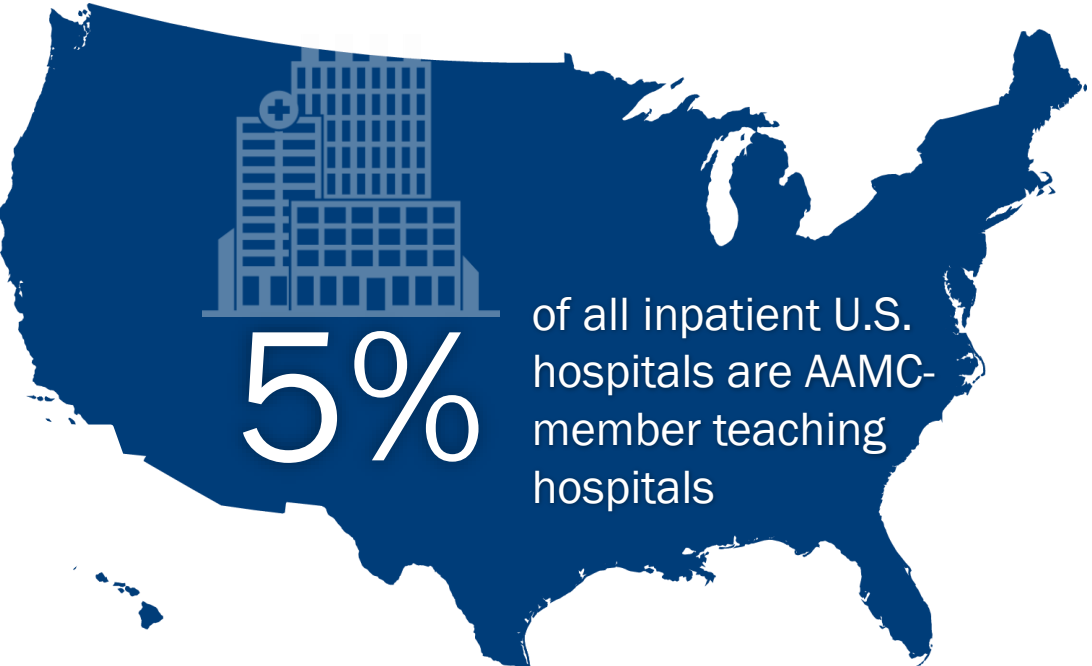- Patient Centered Medical Home – NCQA-recognition facilitator

Expert analysis of medical claims data…..

- Medicare's Part A fee-for-service programs – Impact Reports
- Medicare's CMMI value-based programs – Performance Analysis
- Custom analytics to evaluate financial, quality outcomes, and social determinants
- Clinical- & claims-based analytics for Federal grants

HANYS®
Always There for Healthcare

- Founded 25+ years ago
- A subsidiary of HANYS

About AAMC

5% of all inpatient U.S. hospitals are AAMC-member teaching hospitals

Teaching hospitals & medical schools receive:

60+%

of NIH Extramural Research Award dollars

AAMC-member hospitals provide training to:

72%

of all residents

These teaching hospitals & physicians provide critical services often not available elsewhere. They provide:

25% of all hospital inpatient days

22% of all Medicare inpatient days

28% of all Medicaid inpatient days

32% of all charity care costs

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How we work together

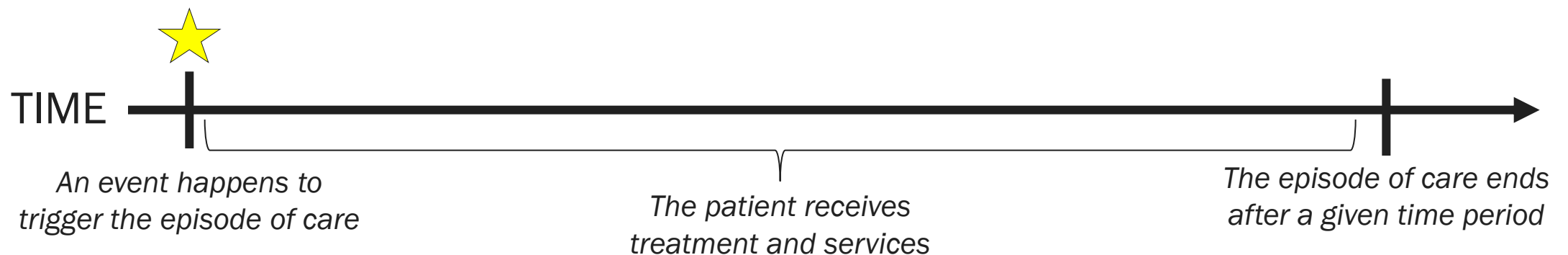|	
Policy & Implementation Support	**Data Analytics & Benchmarking**
Shared Learning Among Academic Health Systems	**Advocacy to CMS**

9/20/2024   Slide 5

Polling Question

- ## What aspect of the new CMS TEAM model are you most concerned about? (Choose one)

  - Participation requirements

  - Payment methodology

  - Quality measure strategy

  - Organizational preparedness

  - Clinician engagement

Bundled Payments Overview
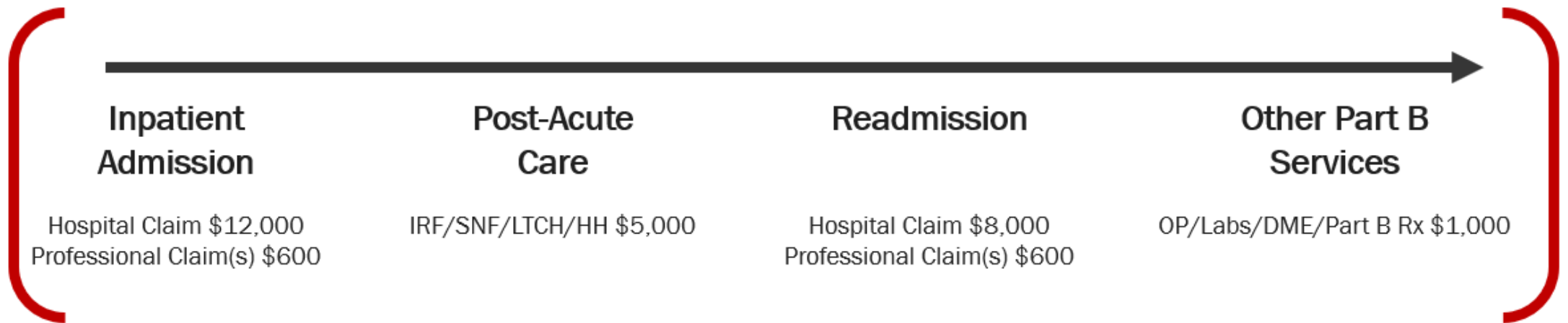
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What is an Episode of Care?

An **episode of care** is a patient's entire treatment for an illness or condition, including all services provided to treat a clinical condition or procedure
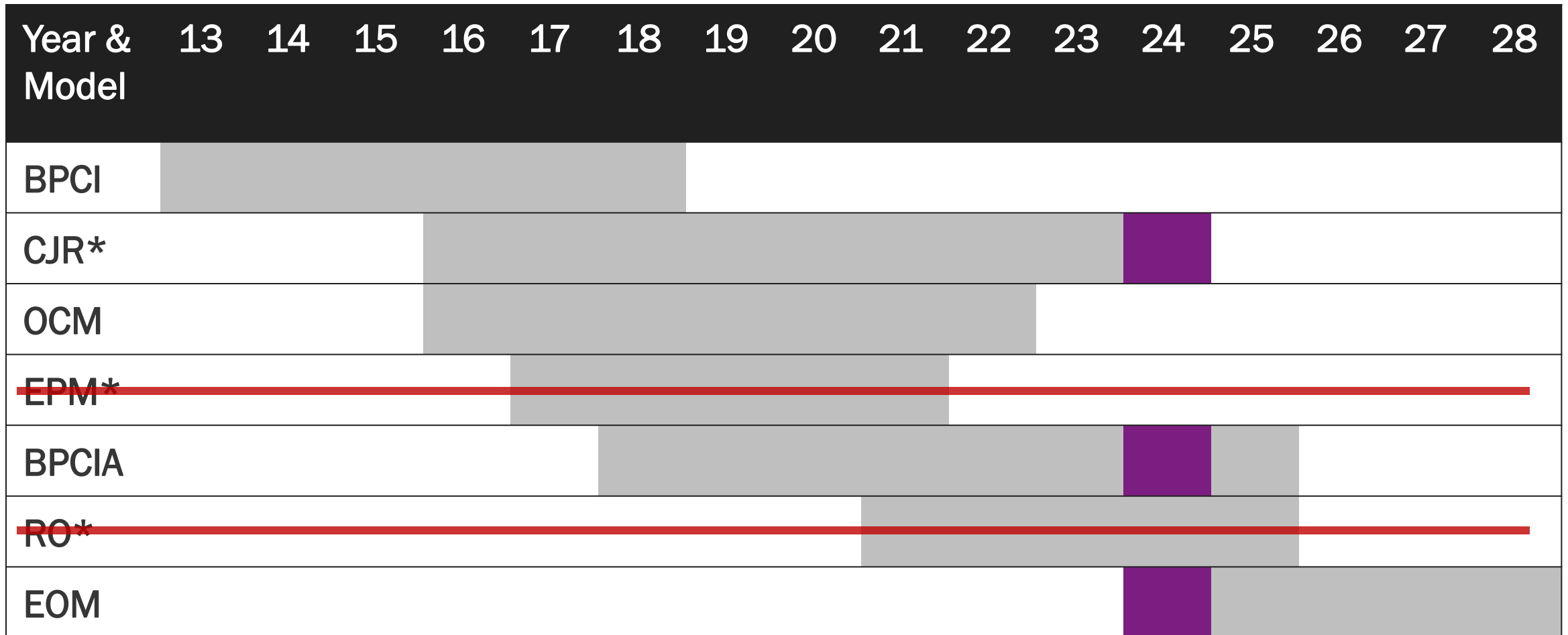
TIME

An event happens to trigger the episode of care

The patient receives treatment and services

The episode of care ends after a given time period

What is a Bundled Payment?

A single price for the full spectrum of services during an episode of care

Inpatient Admission	Post-Acute Care	Readmission	Other Part B Services
Hospital Claim $12,000 Professional Claim(s) $600	IRF/SNF/LTCH/HH $5,000	Hospital Claim $8,000 Professional Claim(s) $600	OP/Labs/DME/Part B Rx $1,000

Theoretical Simple Target Price Example:
Average Baseline Period Medicare Episode Spend: $27,200
Discount factor to incentive/ensure savings: 2%
Target: $27,200 x 0.98 = **$26,656**

Medicare Bundled Payment Models

Year & Model	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
BPCI		░░	░░	░░	░░	░░										
CJR*				░░	░░	░░	░░	░░	░░	░░	░░	██				
OCM				░░	░░	░░	░░	░░	░░	░░						
EPM*					░░	░░	░░	░░	░░							
BPCIA				░░	░░	░░	░░	░░	░░	░░	░░	██	░░			
RO*									░░	░░	░░	░░	░░			
EOM												██	░░	░░	░░	░░

*mandatory model

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New Mandatory Bundled Payment Model

Transforming Episode Accountability Model

Mandatory Model: 2026-2030

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.

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

TEAM Specifications

TEAM Highlights

Criteria	TEAM Specifications
Model Duration	5 years (CY2026–CY2030)
Participants	Acute care hospitals (by CCN)
Participation	Mandatory for hospitals in selected CBSAs One-time voluntary opt-in available for BPCIA and CJR hospitals
Selection	188 CBSAs selected for participation (23.4%)
Patients	Medicare beneficiaries with Part A & B coverage, non-ESRD
Clinical Episodes	30-day episodes of care for 5 surgical procedures
Discount Factor	1.5-2% depending on episode category
Quality	Hospital-Wide AC RDX, CMS PSI-90, THA/TKA PROs PY2+: Falls with Injury, Post-Operative Respiratory Failure, Failure-to-Rescue

CBSA Sampling Probability
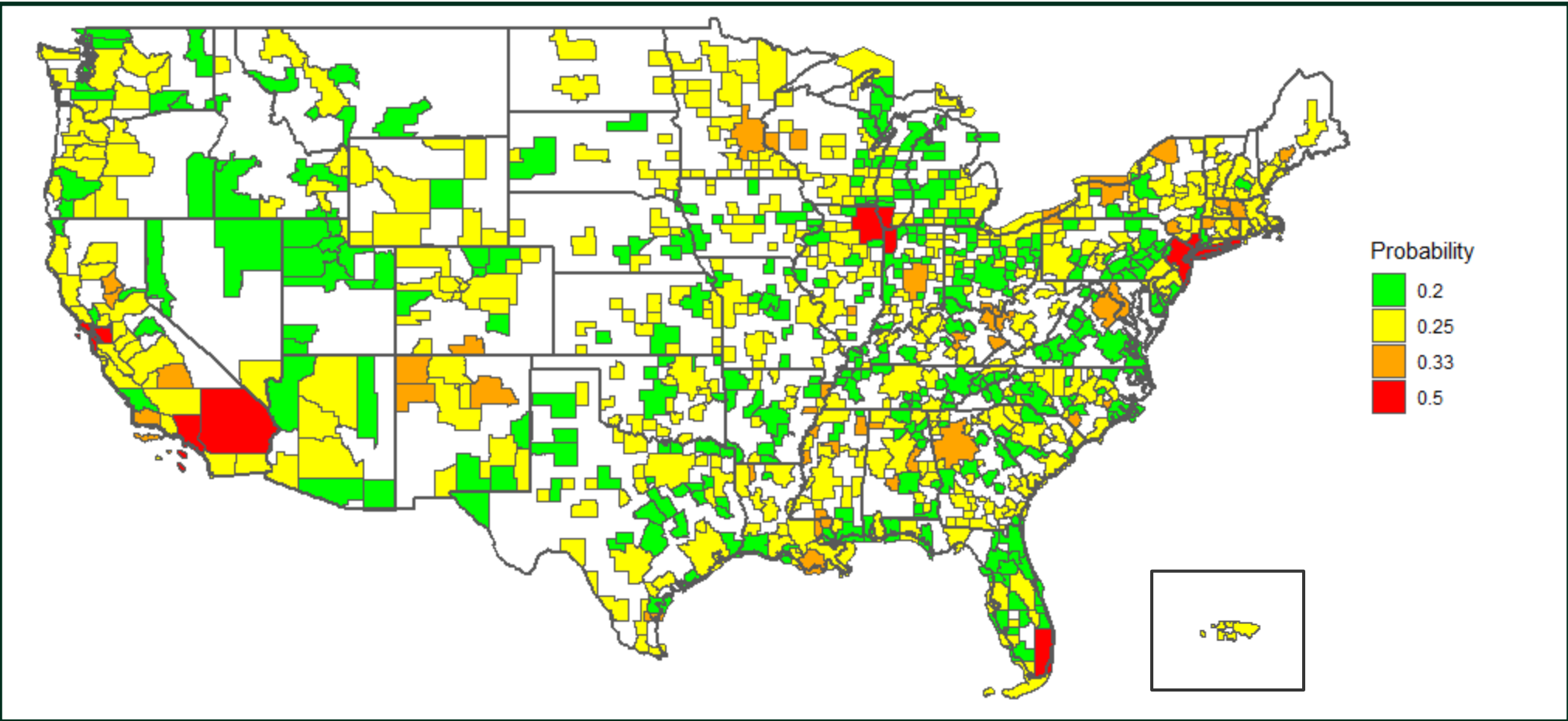
Final Mandatory CBSAs Selected

188 CBSAs selected

741 hospitals with mandatory participation status

Participation Tracks

Track	Performance Year	Participant Eligibility	Financial Risk
Track 1	PY 1	All TEAM participants	• Upside risk only (10% stop-gain) • CQS adjustment percentage ≤10% for positive reconciliation amounts
	PY 1-3	TEAM participants that are safety net hospitals	
Track 2	PY 2-5	TEAM participants that are: • Safety net hospital • Rural hospital • Medicare Dependent Hospital • Sole Community Hospital • Essential Access Community Hospital	• Upside and downside risk (5% stop-gain/loss) • CQS adjustment percentage ≤10% for positive reconciliation amounts • CQS adjustment percentage ≤15% for negative reconciliation amounts
Track 3	PY 1-5	All TEAM participants	• Upside and downside risk (20% stop-gain/loss) • CQS adjustment percentage ≤10% for positive and negative reconciliation amounts

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Target Price Methodology

Regional Standardized Baseline Spending (3 years) = Benchmark Price

Benchmark Price ✕ Prospective Trend Factor ✕ Prospective Normalization Factor ✕ Discount Factor (1.5-2%) = Target Price

BY 1: 17%

BY 2: 33%

BY 3: 50%

Quality Measures

Quality Metrics

Starting: PY1

- All Episodes:
  1. Hybrid Hospital-Wide All-Cause Readmission Measure with Claims and Electronic Health Record Data (CMIT ID #356);
  2. CMS Patient Safety and Adverse Events Composite (CMS PSI 90) (CMIT ID #135)
- LEJR:
  3. Hospital-Level THA/TKA PRO-PM (CMIT ID #1618)

Starting: PY2

1. Hospital Harm - Falls with Injury (MUC2023-048)
2. Thirty day Risk-Standardized Death Rate among Surgical Inpatients with Complications (Failure-to-Rescue) (MUC2023-049)
3. Hospital Harm - Postoperative Respiratory Failure (MUC2023-050)

Additional Model Aspects

Health Equity

- Binary Social Risk Adjustment
- Voluntary Health Equity Plan
- Voluntary Demographic & HRSN Data

Waivers

- Telehealth
- 3-Day SNF
- Post-Discharge Home Visit
- In-Kind Items & Services

Decarbonization

- Anesthetic Gas
- Hospital Emissions
- Transportation Metrics

Methodological Considerations

What works well?

1. Model is very similar to the CJR extension

2. Hospitals have 1+ years to prepare

3. No downside risk in Performance Year 1

4. Single reconciliation simplicity

5. Risk adjustment for provider, beneficiary & social factors

What can be problematic?

Participants

Target Prices
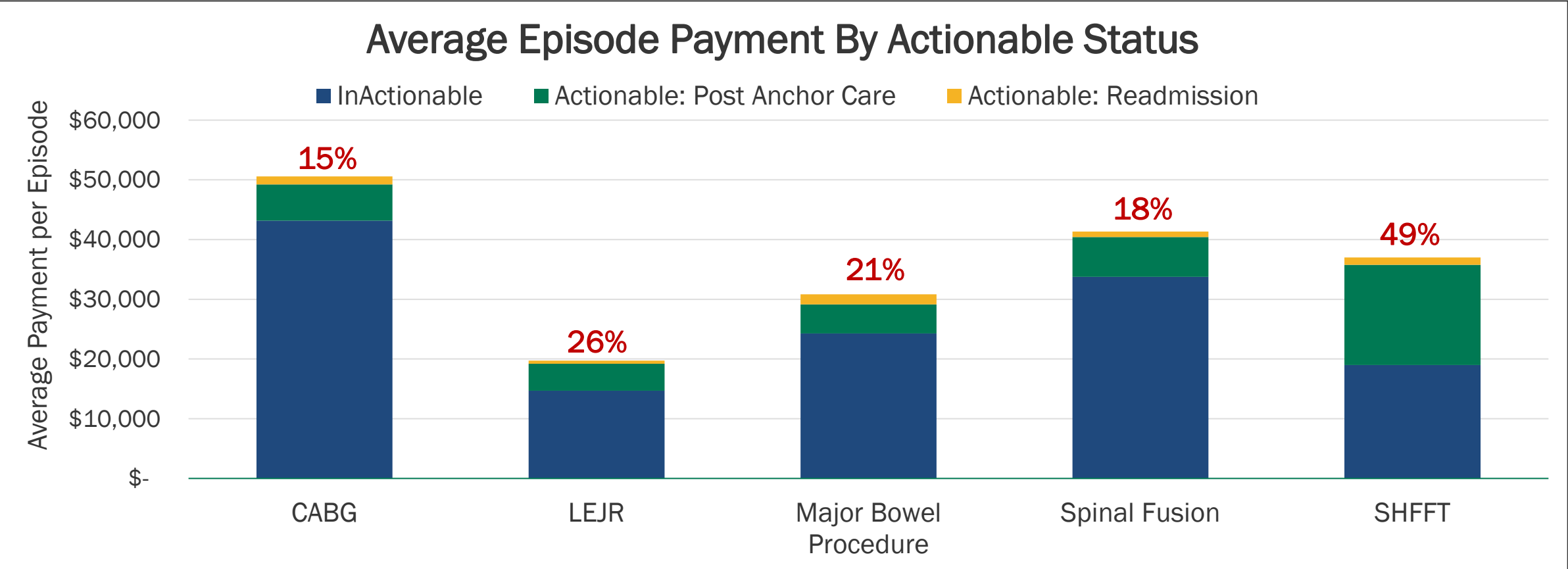
Actionable Expenditures

Quality Strategy

Participants

- **Low volume thresholds not finalized**
  - More TEAM rulemaking anticipated
- **Rural status confusion**
- **Voluntary-opt in is risky**
  - Current CJR and BPCIA hospitals
  - Decision due in January 2025
  - Strict commitment

Target Prices

- ## Risk adjustment methodology not all final
  - ### Lookback periods for HCCs under further evaluation
  - ### More TEAM rulemaking anticipated
- ## Adjustment factors (multipliers) unknown
  - ### Likely until 2025 Q4
- ## Target price simulations will be incomplete
- ## Caution regarding normalization factor

Actionable Expenditures

Average Episode Payment By Actionable Status

Legend:
- ■ InActionable
- ■ Actionable: Post Anchor Care
- ■ Actionable: Readmission

Y-axis: Average Payment per Episode
- $60,000
- $50,000
- $40,000
- $30,000
- $20,000
- $10,000
- $-

Categories and percentages:
- CABG: 15%
- LEJR: 26%
- Major Bowel Procedure: 21%
- Spinal Fusion: 18%
- SHFFT: 49%

Percentages indicate proportion of Medicare episode spend that is "actionable"
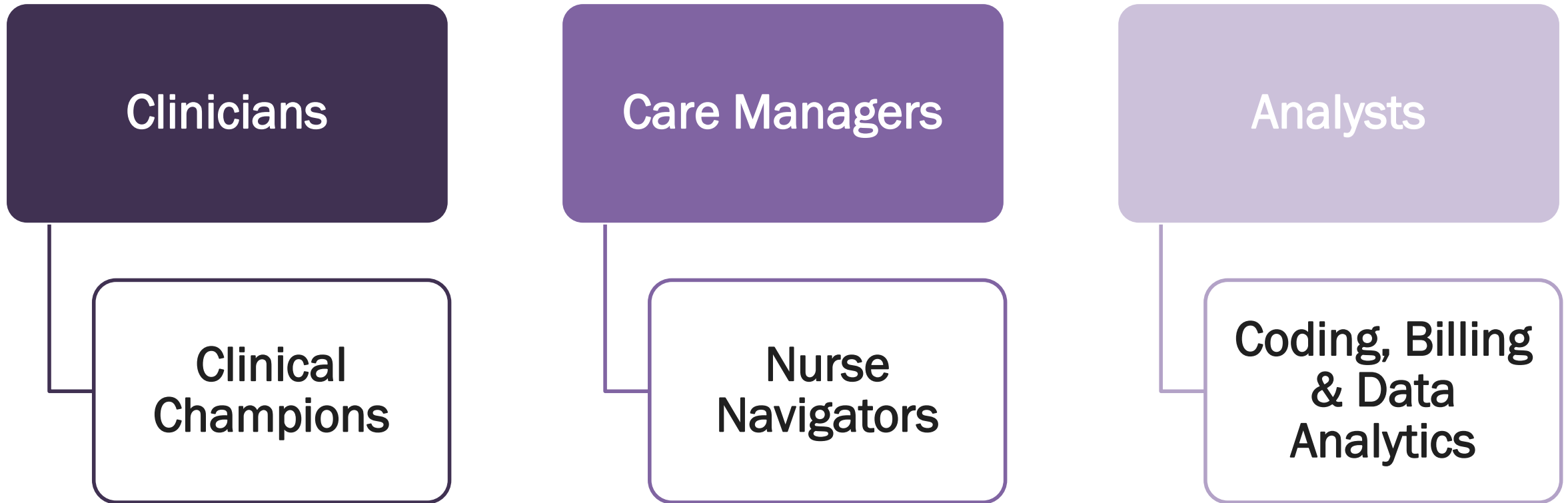
Quality Strategy

- **Measure selection**
  - Potential for duplicative penalties
  - Other measures can be more informative
- **Some non-specific to TEAM episodes**
- **Patient-reported outcome reporting technical burden**

Challenges & Preparation Strategy

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What are the top 5 challenges?

Personnel

Operations

Technology

Analytics

Advocacy

Build Your Team

Clinicians

Clinical Champions

Care Managers

Nurse Navigators

Analysts

Coding, Billing & Data Analytics

Establish Workflows

- Service Line & Organizational Resources

- Model-Specific Trainings

- Identifying High-Risk Patients

- Care Managers/Nurse Navigators for Follow Up & Care Transitions

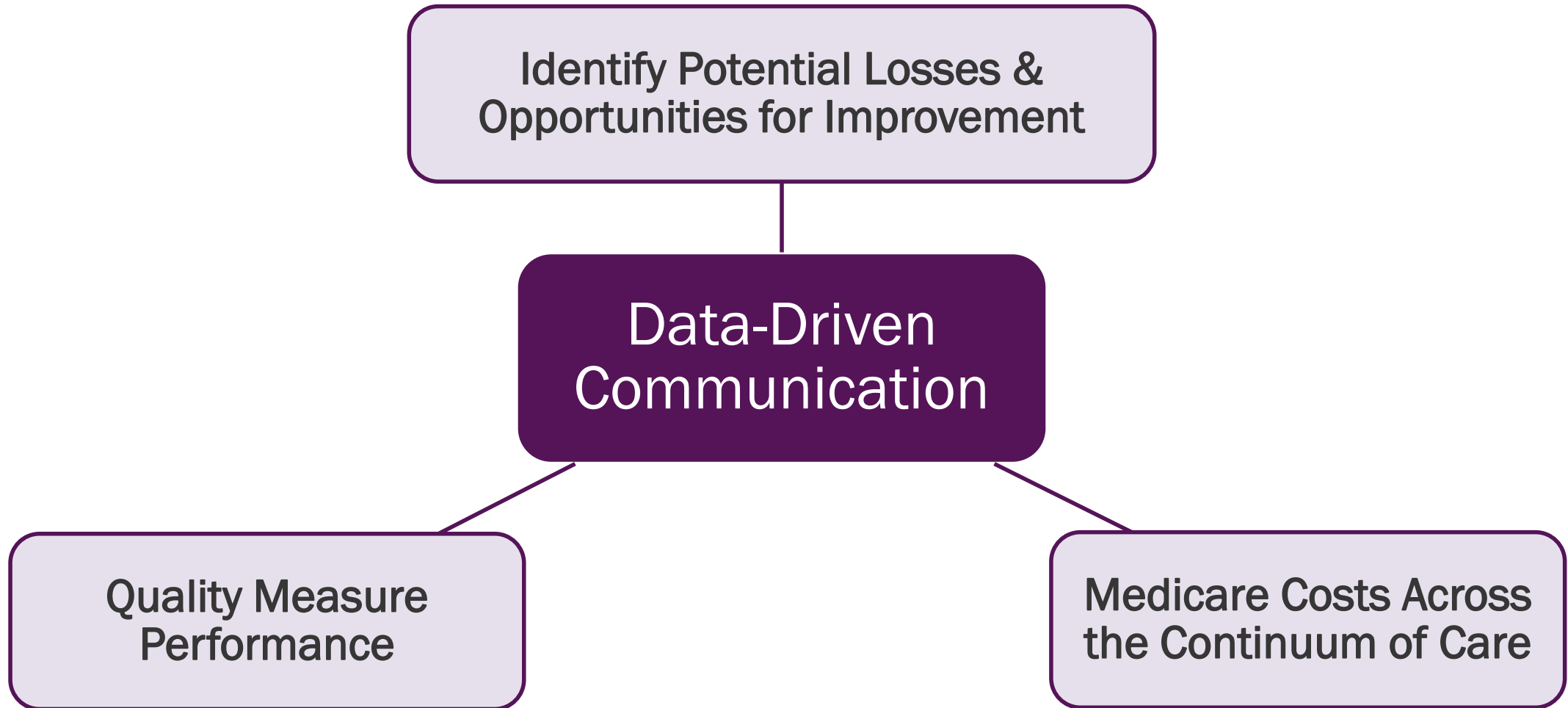- Establishing a PAC Network

Analysis Resources

Understand Internal Resources

- Internal capabilities vs. outsourcing
- Evaluating historic performance
- Opportunity analyses

Partnerships

- Data consultants
  - Program-specific knowledge & bandwidth

Prepare for Reconciliation

Identify Potential Losses & Opportunities for Improvement

Data-Driven Communication

Quality Measure Performance

Medicare Costs Across the Continuum of Care

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Ongoing Advocacy

Formal Comments

TEAM:
- Include hospital-level risk adjustments
- Voluntary participation from hospitals not selected for mandatory participation
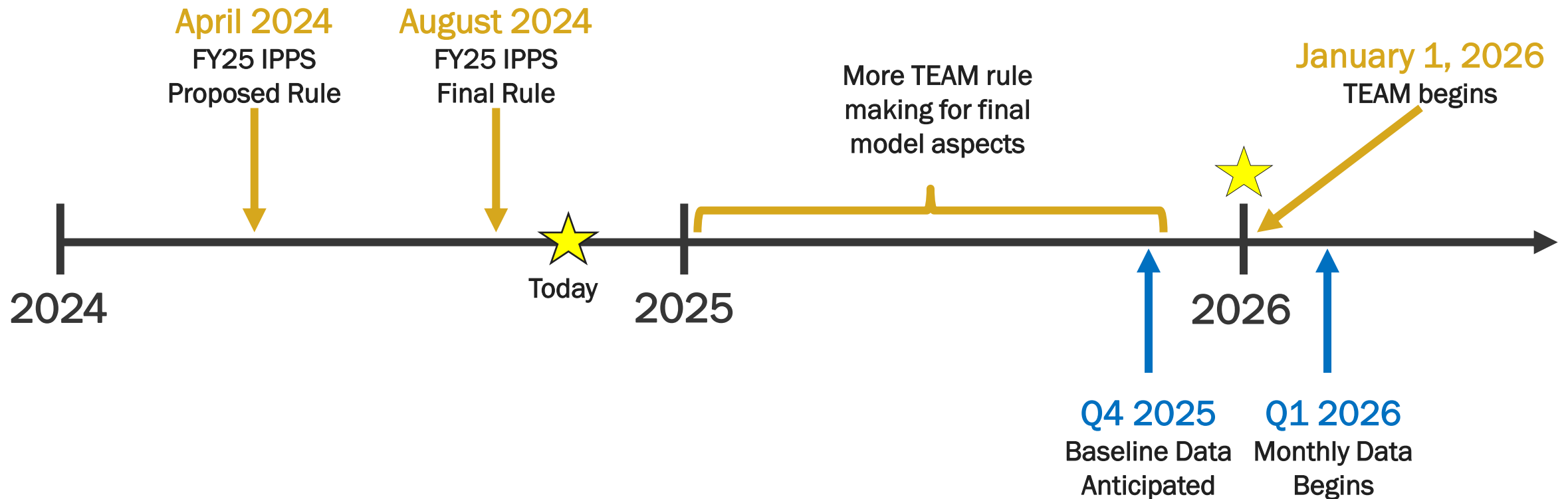
Informal Comments

- Previous Examples:
  - **Multiple Models:** Expand Extreme & Uncontrollable Circumstances policy during the pandemic
  - **BPCI Advanced:** Extended lookback period for HCC collection

Meetings with CMS Model Teams

- Previous Examples:
  - **Primary Care First:** Resolved issue with arbitrary division of PCF practices
  - **Oncology Care Model:** Incorporate clinical staging and progression data into the risk adjustment methodology

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TEAM Data Timeline

April 2024
FY25 IPPS Proposed Rule

August 2024
FY25 IPPS Final Rule

More TEAM rule making for final model aspects

January 1, 2026
TEAM begins

Today

2024

2025

2026

Q4 2025
Baseline Data Anticipated

Q1 2026
Monthly Data Begins

TEAM Services

1. ## TEAM Shadow Bundle Opportunity Analysis

   - Data source: Medicare SAF LDS files, DataGen generated episodes according to TEAM specifications

   - Licensing now, updated quarterly

   Available Now!

2. ## TEAM Performance Data Monitoring & Reconciliation Validation

   - Data source: Medicare episode, claim, and target files for TEAM participants

   - Baseline anticipated 2025 Q4, updated monthly

   Available 2025 Q4

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Benefits of Shadow Bundles

- ✓ Assess utilization and performance within procedure or disease-specific bundles

- ✓ Manage episodes within the population prior to the launch of TEAM

- ✓ Enhance provider data transparency

- ✓ Useful for promoting engagement

Collaborative Opportunity

- Learning events

- Peer collaboration

- Analysis platform with advanced user capabilities

- Benchmarking reports

- 1:1 data review and consultation

Questions & Answers

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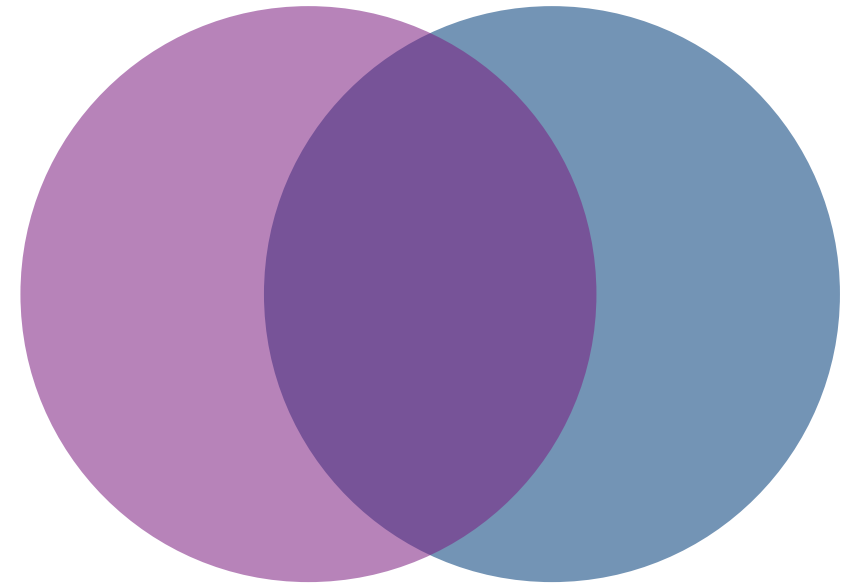
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Thank you.

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