

Mandatory CMS TEAM: Using Simulated Episodes of Care to Evaluate Risk & Opportunity

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Educational Webinar Series

 **Data Gen**[®]
Insights for Healthcare

Learning Objectives

After today's webinar, you'll understand:

- The value of “simulated episodes of care” for hospitals preparing for the TEAM;
- How hospitals across the country are currently positioned for TEAM using real data;
- How episode cost drivers vary across different U.S. regions; and
- Impactful analyses to drive value-based care transformation.

About DataGen®

“Analytics as a Service” for Insights for Healthcare®

Over 120 customers throughout the United States

Applications and Consulting

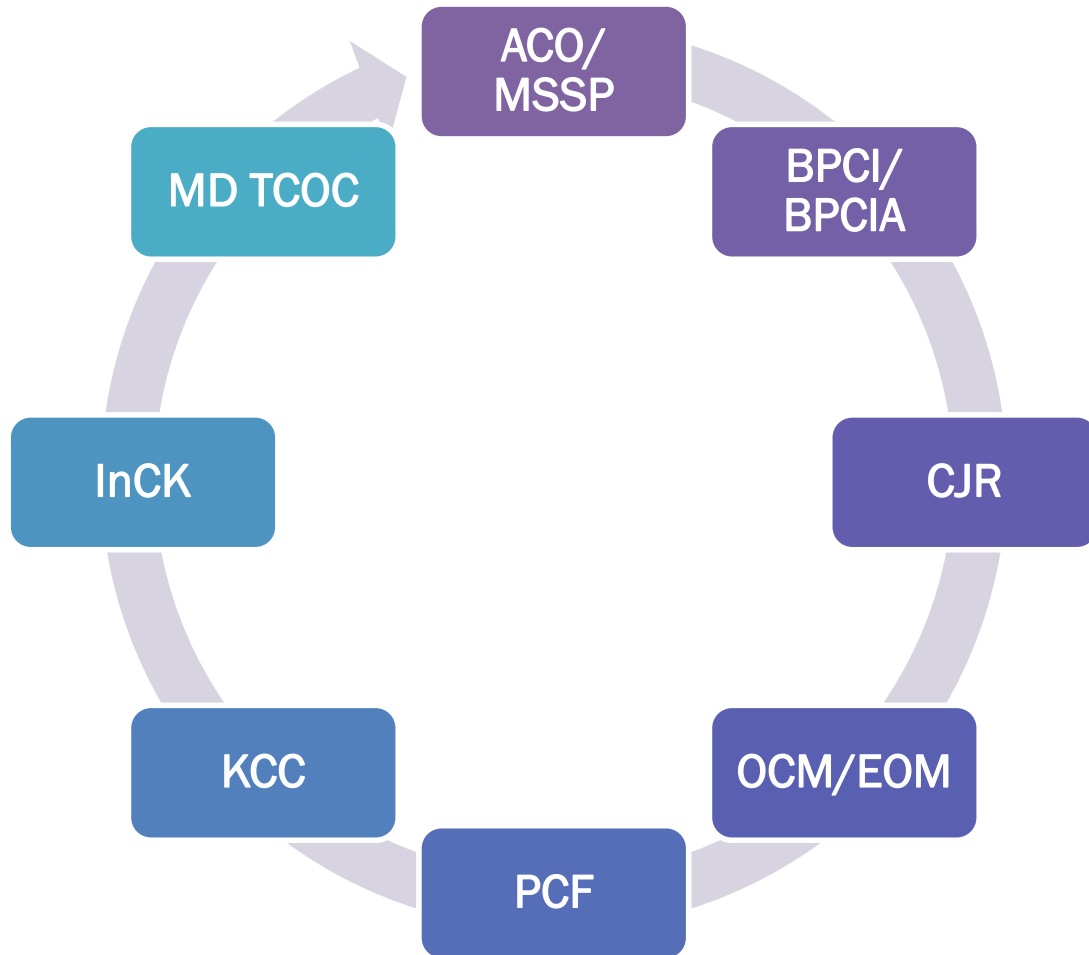
- Community Health Needs Assessments
- Legislative and Litigation Trackers
- Culture of Safety Surveys
- Patient Centered Medical Home – NCQA-recognition facilitator

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



Medicare APM Analytics



The Transforming Episode Accountability Model (TEAM) is DataGen's newest Medicare alternative payment model to support.

DataGen Approach

Medicare Policy Expertise

Our team models and interprets Medicare payment policy changes impacting healthcare providers over time.



User Friendly Platforms

Transparent, self-service platforms designed for a multidisciplinary user base. Minimal on-site software required.



Direct Access to Support

Have a question? Skip the help desk ticketing system and contact the data analytics and development team directly.



Reconciliation Review

Review of CMS claims-based performance data to assure accuracy to extent feasible based on CMS specifications.



Continuous Learning

Stay informed of model specifications and methodological changes through DataGen webinars and shared learning from users.



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 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

Strategies to Prepare

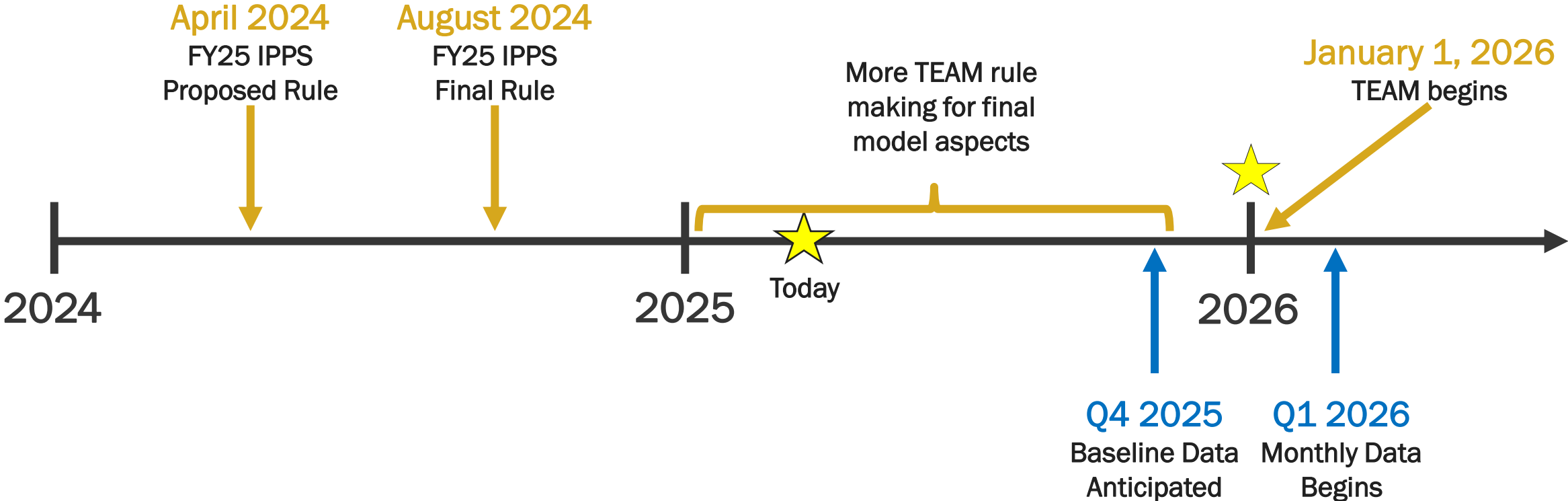
- Identify a clinical champion
- Assemble a governance committee
- Establish workflows
- Set-up technical infrastructure
- Conduct data analysis
- Performance feedback/communication
- Ongoing model advocacy

Strategies to Prepare

- Identify a clinical champion
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- ★ • **Conduct data analysis**
- Performance feedback/communication
- Ongoing model advocacy

Preparing for TEAM with Data

TEAM Data Timeline



Benefits of Simulated Episodes of Care

- ✓ 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

Polling Question

- **What type of data are you primarily using to assess the new CMS TEAM model? (Choose one)**
 - Not yet analyzing data for TEAM
 - Sources internal to my hospital or system
 - Data provided by CMS for other models (i.e., MSSP, CJR)
 - Information derived from Medicare claims data
 - Other sources of data

Many Sources to Consider

Internal
information

Health
information
exchanges

Claims
clearinghouses

CMS files from
other models

Medicare RIF or
LDS files

DataGen TEAM Analysis



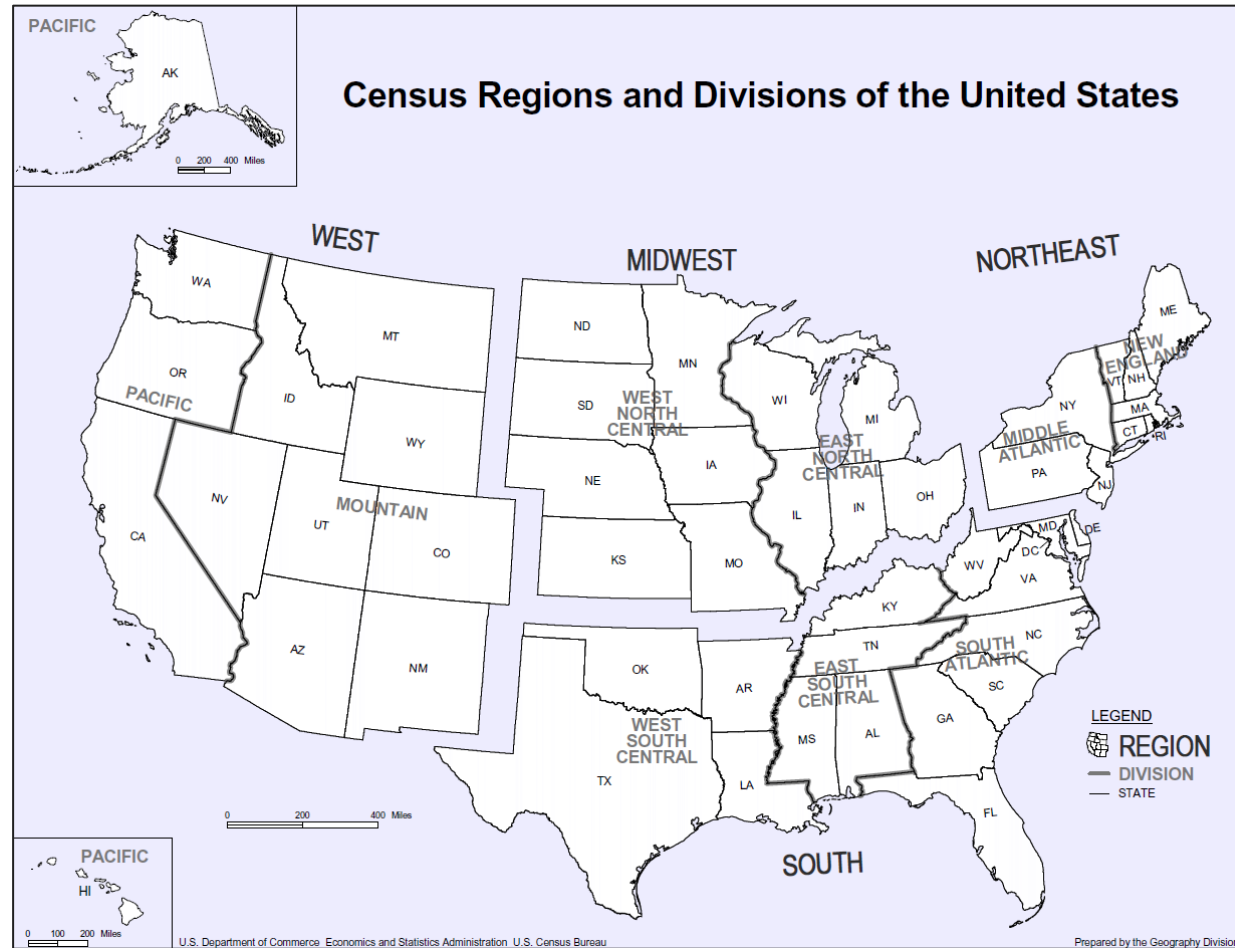
DataGen Methodology

- **Data Source:**
 - Medicare Standard Analytic File Limited Data Sets.
- **Episodes:**
 - All episodes, utilization, and payment information represented in this presentation are derived from DataGen's simulated TEAM episodes of care.
 - When the episodes displayed are limited to mandatory TEAM hospitals, a note will be present.
- **Time Period:**
 - This presentation includes results for all possible episodes initiated during calendar year 2023.

Methodology

- **Payments:**
 - Episode payments are standardized and/or neutralized by claim setting, prorated, and winsorized at the 99th percentile when compared to a goal.
- **DataGen's TEAM "Goal":**
 - Pseudo/proxy TEAM target price.
 - Calculated as the regional standardized baseline episode spending, with adjustment for provider bed-size category, and application of the CMS discount factor.
 - Region represents U.S. Census Divisions (9)
- **The information displayed in this presentation follows CMS' Cell Size Suppression Policy, therefore, data points represented by counts <11 have been suppressed.**

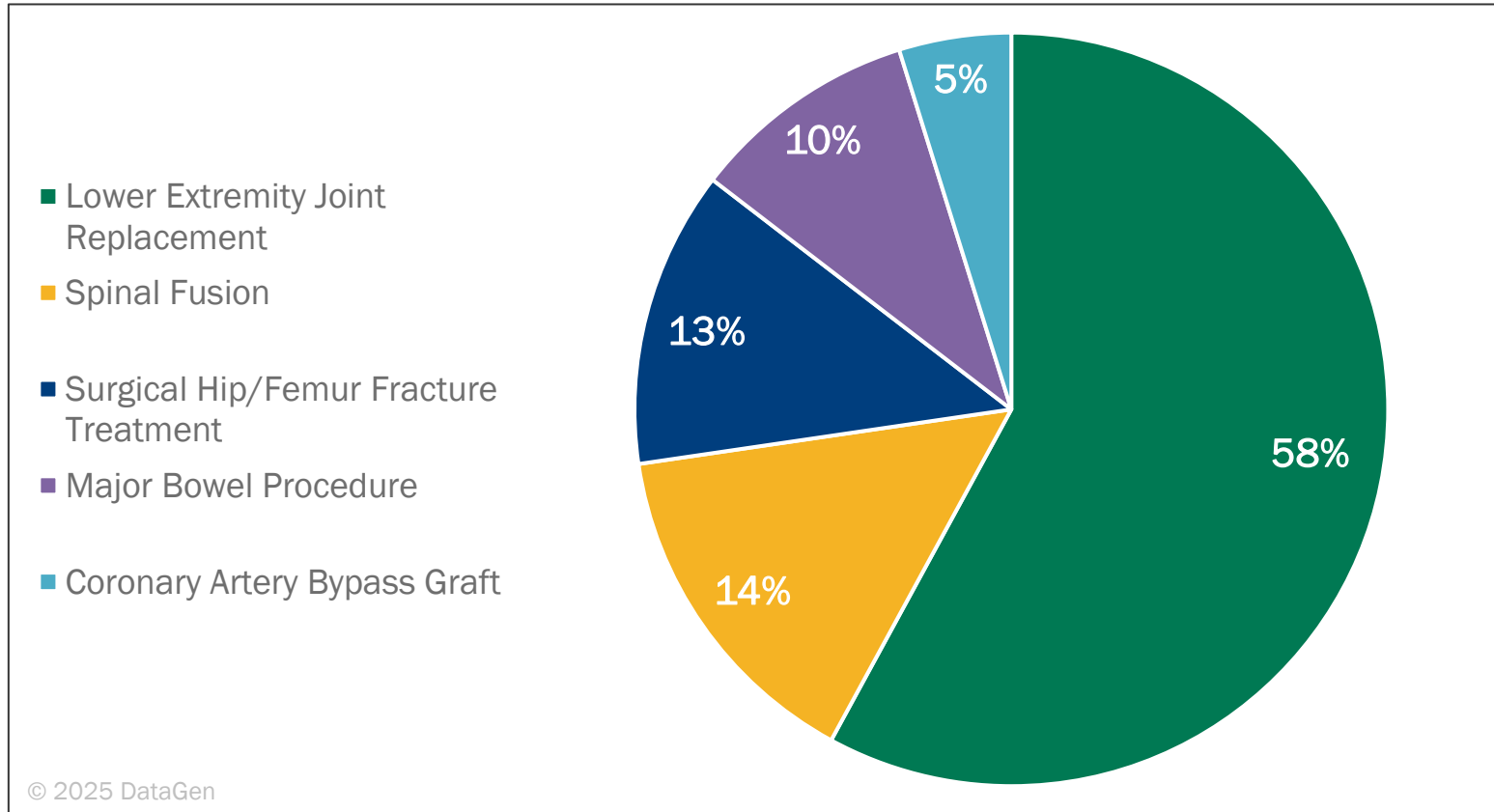
U.S. Census Regions & Divisions



U.S. Census Bureau

https://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf

Episode Category Distribution



LEJR IQR: 45% - 75%

Spinal Fusion IQR: 10% - 25%

SHFFT IQR: 10% - 25%

IQR = interquartile range

Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

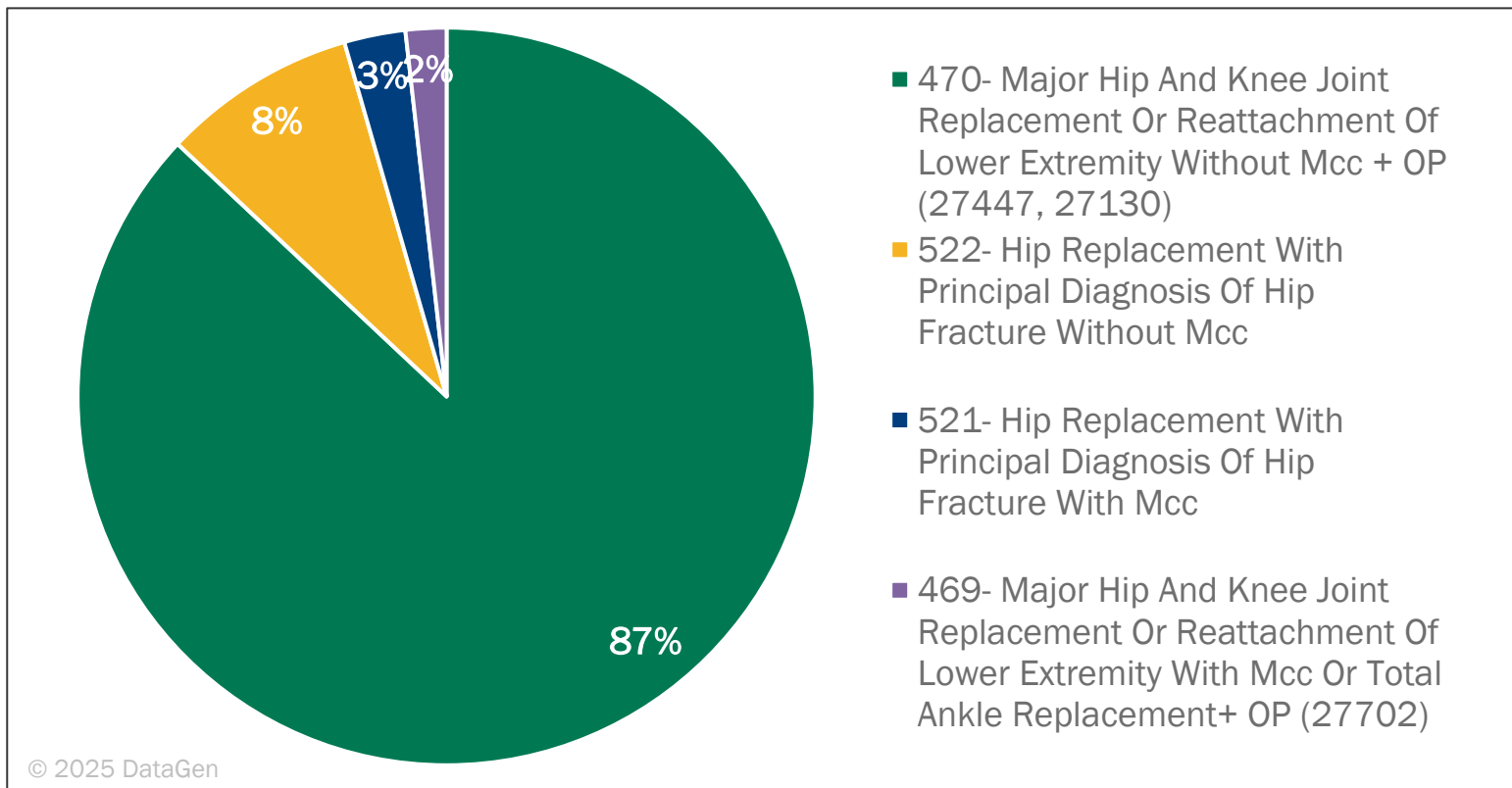
Procedures Included

Lower Extremity Joint Replacement

Target Code	Trigger Code	Description
469	DRG - 469	Major Hip and Knee Joint Replacement or Reattachment of Lower Extremity with MCC or Total Ankle Replacement
469	HCPCS - 27702	Total Ankle Arthroplasty
470	DRG - 470	Major Hip and Knee Joint Replacement or Reattachment of Lower Extremity without MCC
470	HCPCS - 27130	Total Hip Arthroplasty
470	HCPCS - 27447	Total Knee Arthroplasty
521	DRG-521	Hip Replacement with Principal Diagnosis of Hip Fracture with MCC
522	DRG-522	Hip Replacement with Principal Diagnosis of Hip Fracture without MCC

Episode Target Code Distribution

Lower Extremity Joint Replacement



87% of 2023 LEJR episodes are hip and knee procedures (27447, 27130, or 470)

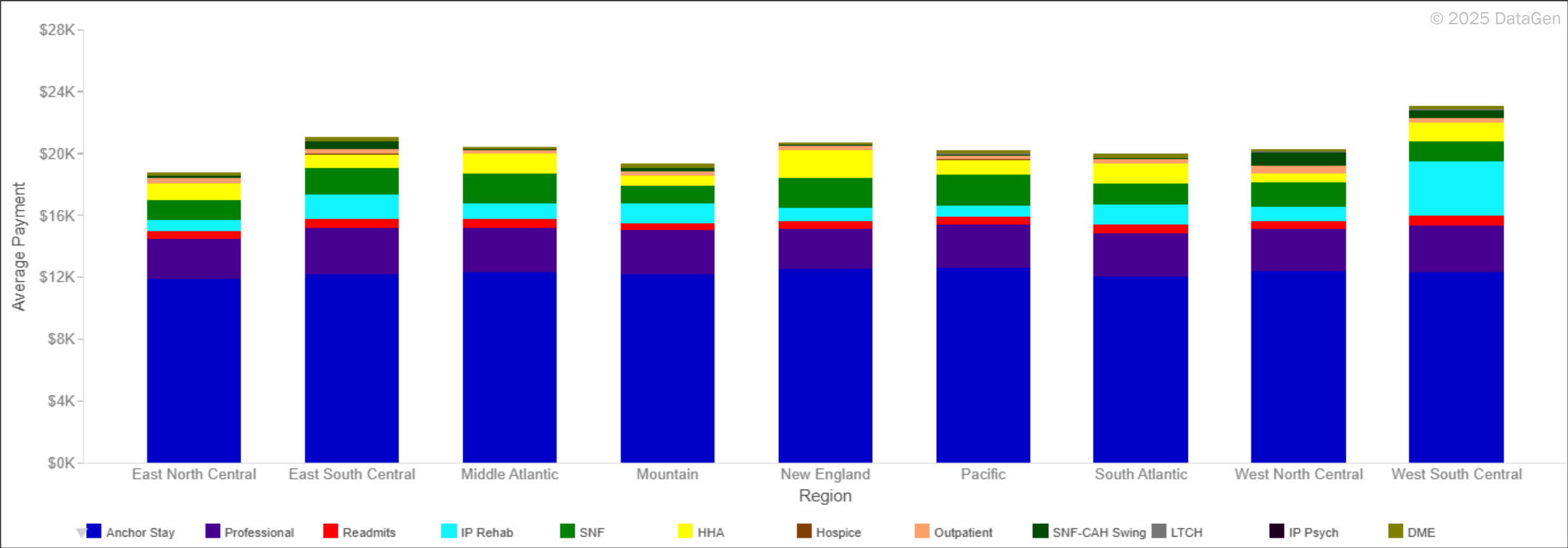
79% of 470 target codes are outpatient (27447, 27130)

50% of all TEAM episode are the 470 procedures

Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

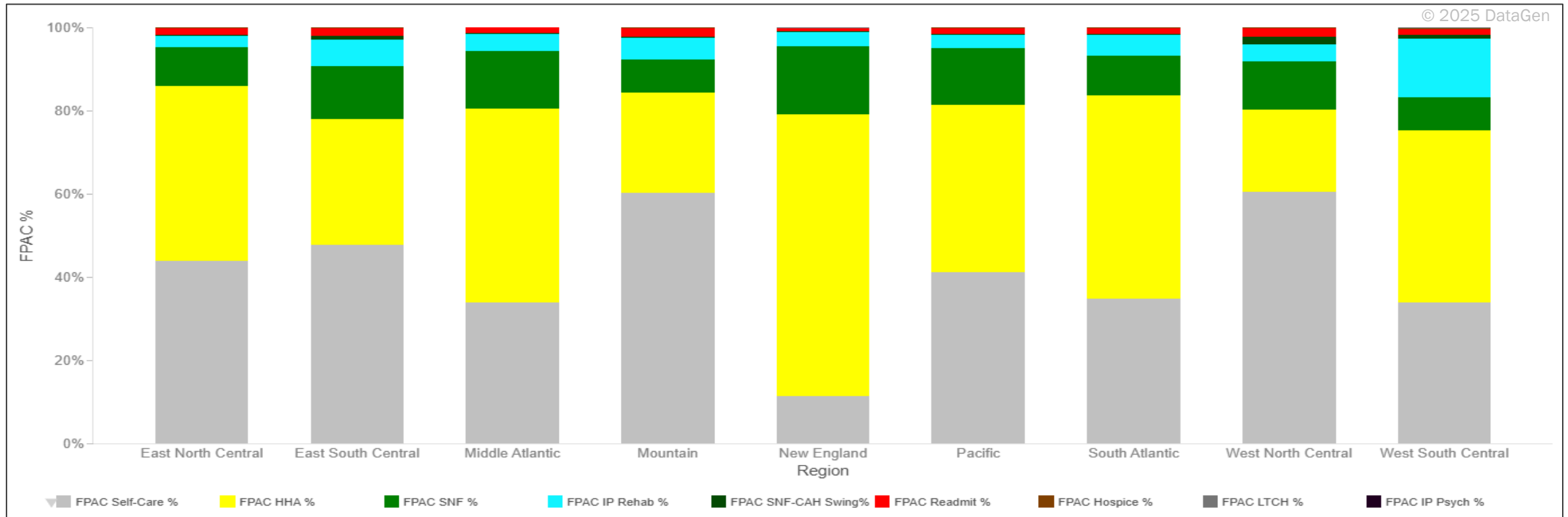
Average Episode Payment by Region

Lower Extremity Joint Replacement



FPAC Utilization by Region

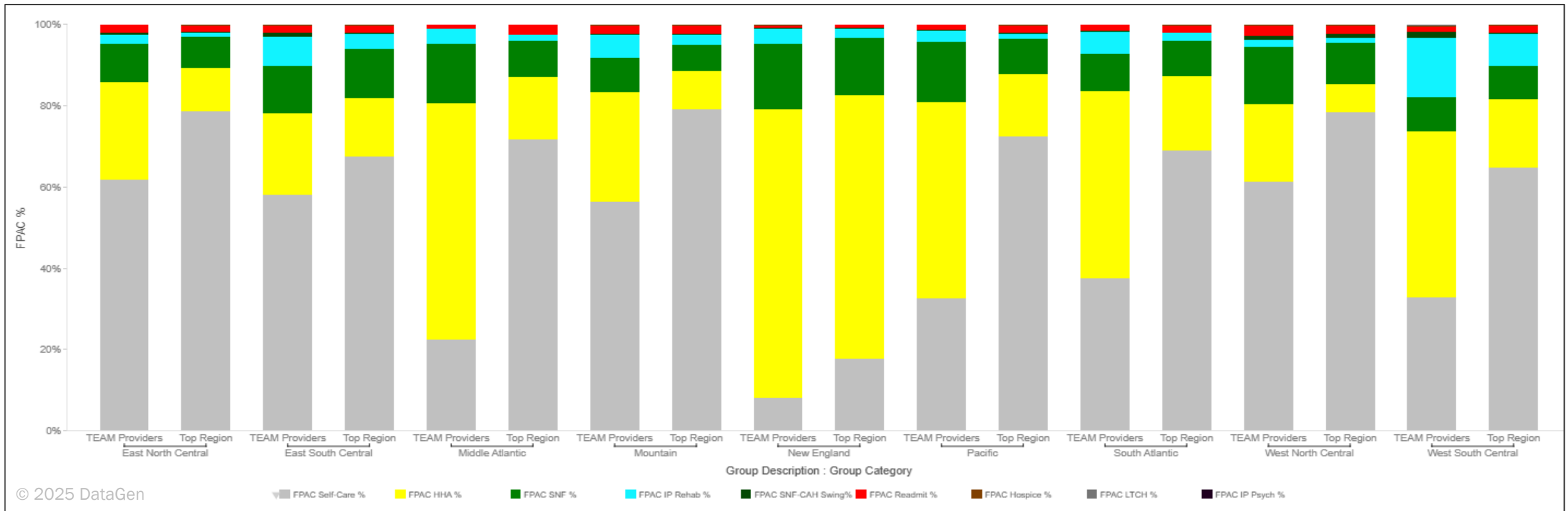
Lower Extremity Joint Replacement



FPAC = first post-acute care setting

FPAC TEAM Hospitals vs Top Region by Region

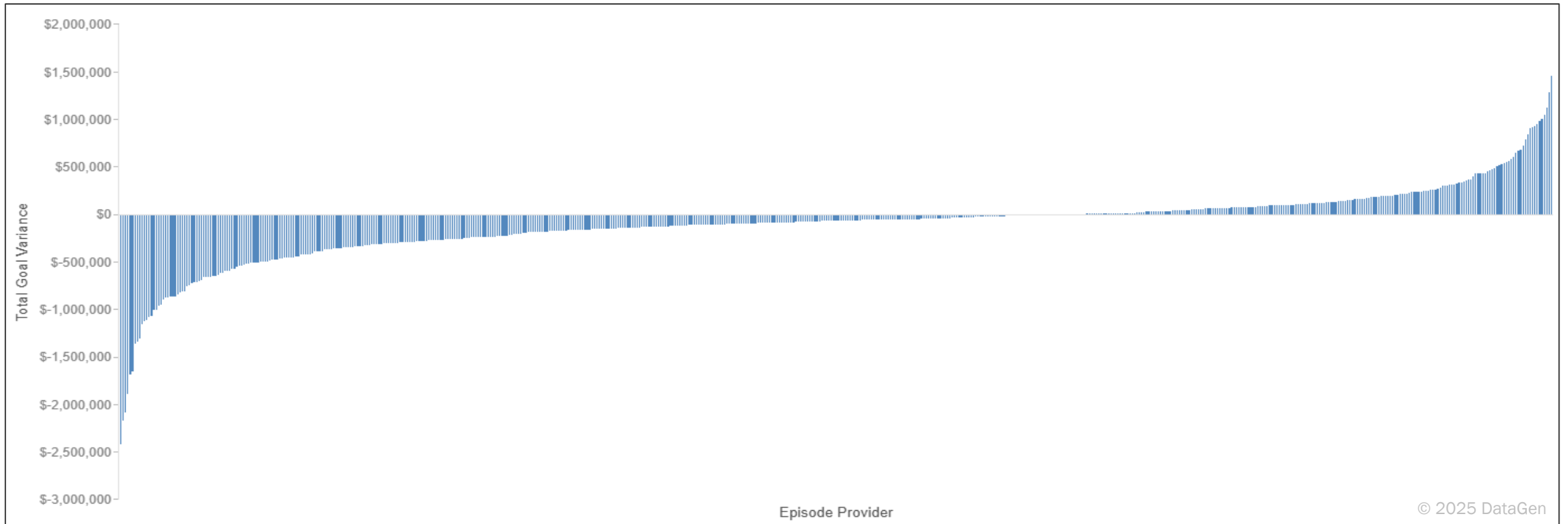
Lower Extremity Joint Replacement



FPAC = first post-acute care setting

Total Goal Variance by TEAM Hospital

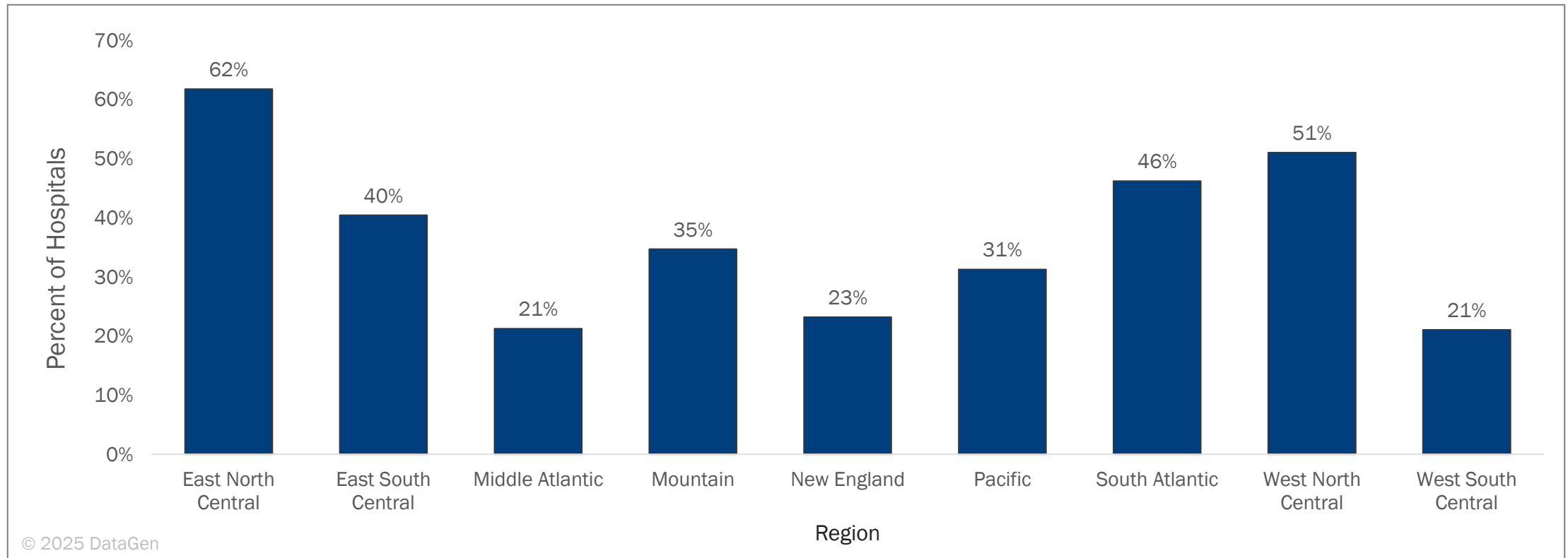
Lower Extremity Joint Replacement



Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

Percent Positive Total Goal Variance

Lower Extremity Joint Replacement



Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

Procedures Included

Spinal Fusion

Target Code	Trigger Code	Description
402	DRG - 402	Single Level Combined Anterior and Posterior Spinal Fusion Except Cervical
402	HCPCS - 22633	Lumbar Spine Fusion Combined
426	DRG - 426	Multiple Level Combined Anterior and Posterior Spinal Fusion Except Cervical with MCC or Custom-Made Anatomically Designed Interbody Fusion Device
427	DRG - 427	Multiple Level Combined Anterior and Posterior Spinal Fusion Except Cervical with Cc
428	DRG - 428	Multiple Level Combined Anterior and Posterior Spinal Fusion Except Cervical without CC/MCC
429	DRG - 429	Combined Anterior and Posterior Cervical Spinal Fusion with MCC
430	DRG - 430	Combined Anterior and Posterior Cervical Spinal Fusion without MCC
447	DRG - 447	Multiple Level Spinal Fusion Except Cervical with MCC or Custom-Made Anatomically Designed Interbody Fusion Device
448	DRG - 448	Multiple Level Spinal Fusion Except Cervical without MCC

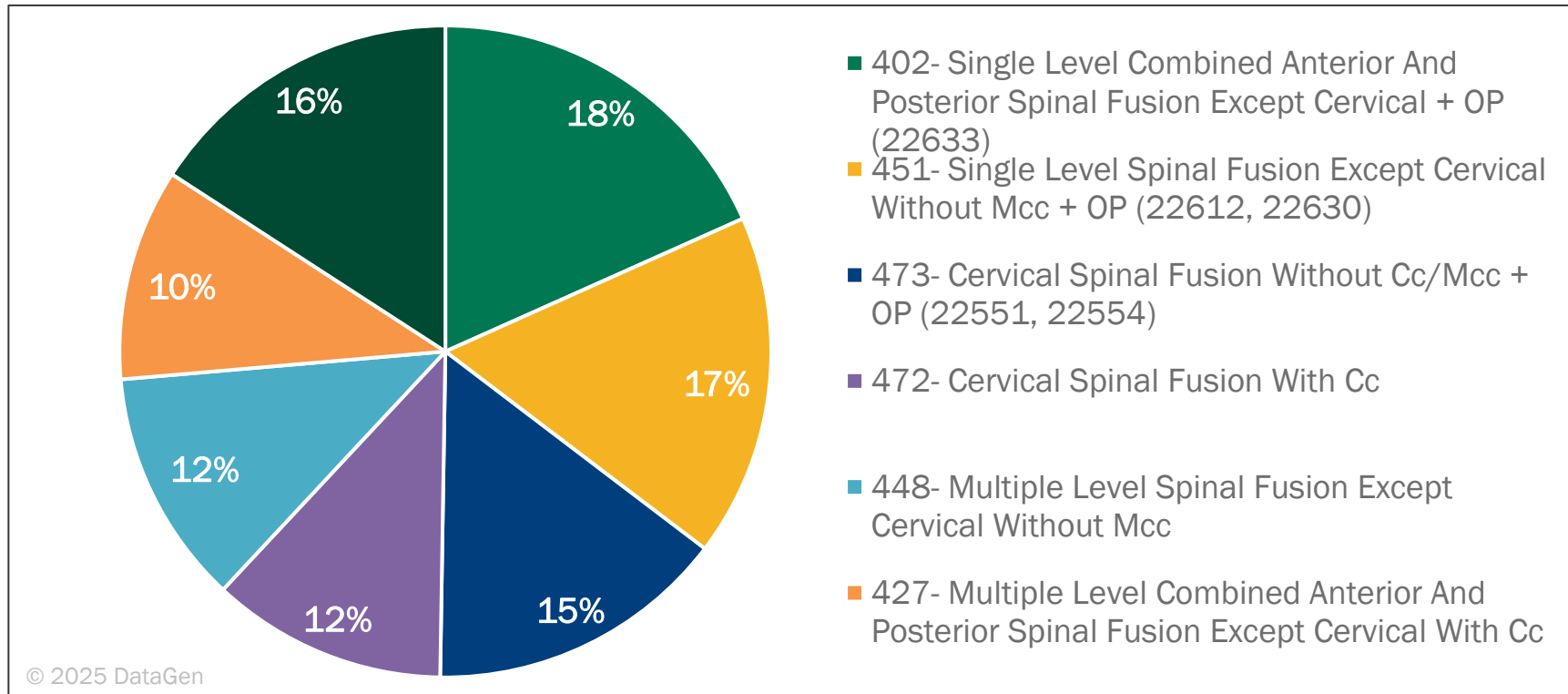
Procedures Included

Spinal Fusion

Target Code	Trigger Code	Description
450	DRG - 450	Single Level Spinal Fusion Except Cervical with MCC or Custom-Made Anatomically Designed Interbody Fusion Device
451	DRG - 451	Single Level Spinal Fusion Except Cervical without MCC
451	HCPCS - 22612	Lumbar Spine Fusion
451	HCPCS - 22630	Lumbar Spine Fusion
471	DRG - 471	Cervical Spinal Fusion with MCC
472	DRG - 472	Cervical Spinal Fusion with CC
473	DRG - 473	Cervical Spinal Fusion without CC/MCC
473	HCPCS - 22551	Neck Spine Fuse and Remove Below c2
473	HCPCS - 22554	Neck Spine Fusion

Episode Target Code Distribution

Spinal Fusion



402: 25% outpatient

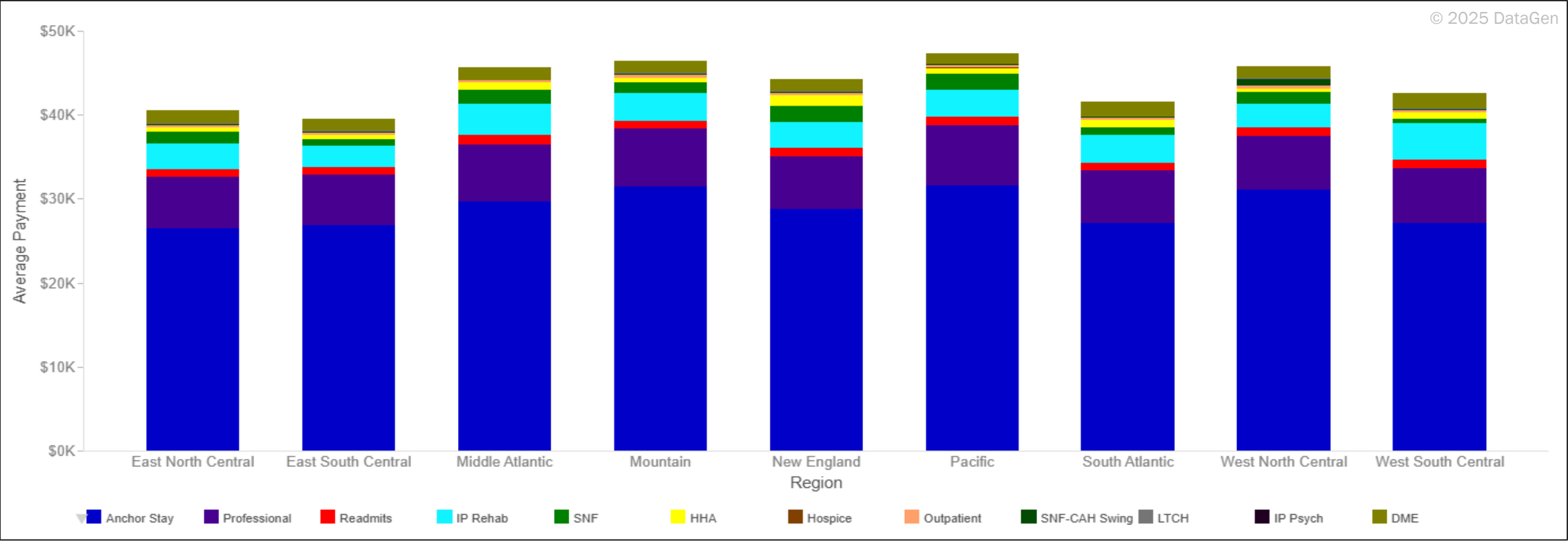
451: 35% outpatient

473: 65% outpatient

Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

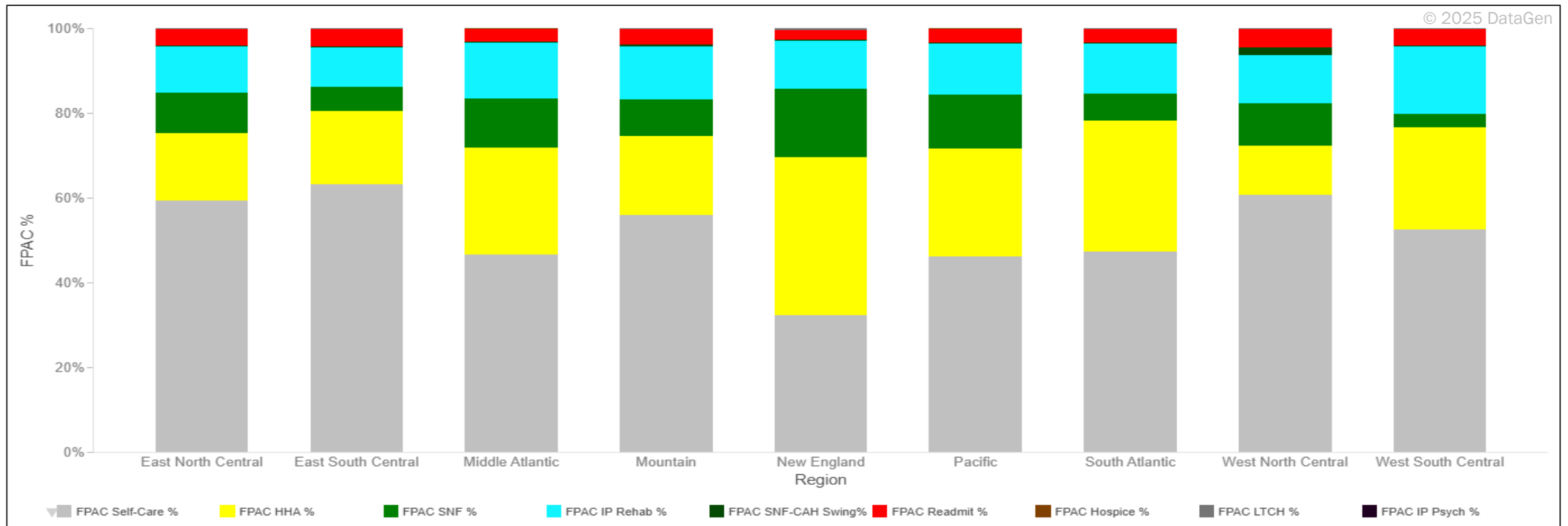
Average Episode Payment by Region

Spinal Fusion



FPAC Utilization by Region

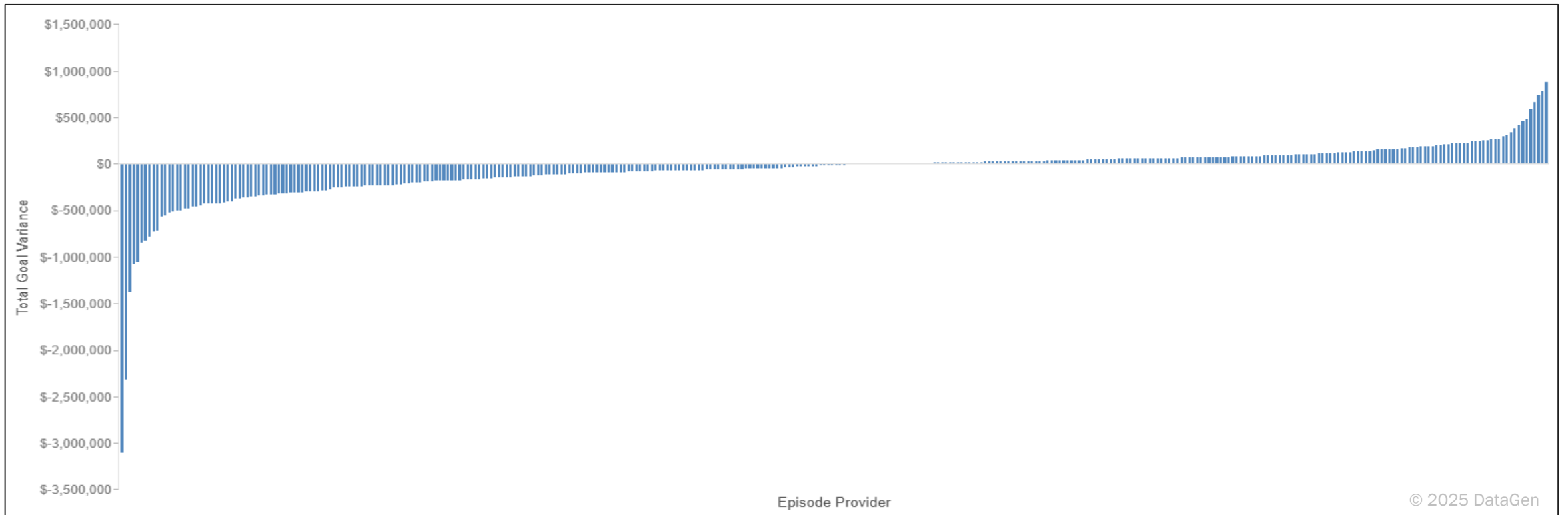
Spinal Fusion



FPAC = first post-acute care setting

Total Goal Variance by TEAM Hospital

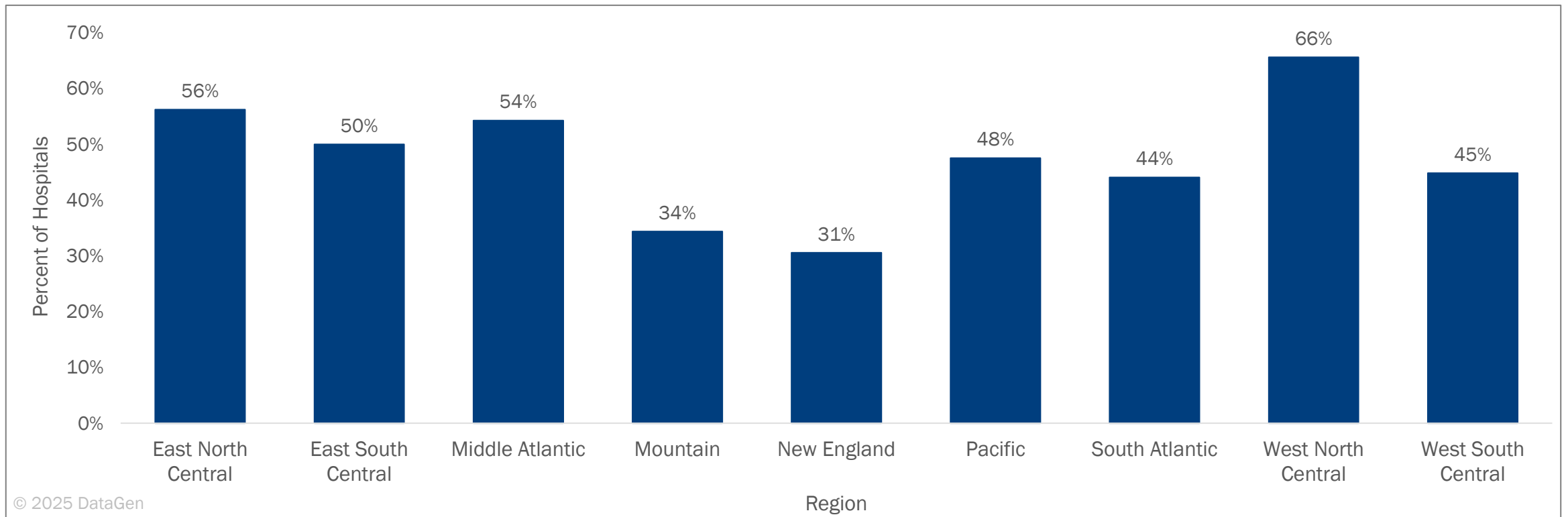
Spinal Fusion



Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

Percent Positive Total Goal Variance

Spinal Fusion



Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

Mapped DRG Distribution

Spinal Fusion

453 - Combined Anterior and Posterior Spinal Fusion with MCC

426 - Multiple Level Combined Anterior and Posterior Spinal Fusion Except Cervical with MCC or Custom-Made Anatomically Designed Interbody Fusion Device	68%
402 - Single Level Combined Anterior and Posterior Spinal Fusion Except Cervical	19%
429 - Combined Anterior and Posterior Cervical Spinal Fusion with MCC	12%

454 - Combined Anterior and Posterior Spinal Fusion with CC

427 - Multiple Level Combined Anterior and Posterior Spinal Fusion Except Cervical with CC	61%
402 - Single Level Combined Anterior and Posterior Spinal Fusion Except Cervical	31%
Other	8%

455 - Combined Anterior and Posterior Spinal Fusion without CC/MCC

402 - Single Level Combined Anterior and Posterior Spinal Fusion Except Cervical	51%
428 - Multiple Level Combined Anterior and Posterior Spinal Fusion Except Cervical Without CC/MCC	47%
Other	2%

Note: The data displayed is for all IPPS hospitals in the US for calendar year 2023.

Orthopedic Surgery vs. Neurosurgery

Spinal Fusion

- Overall ~50/50 split
- 402 - Single Level Combined Anterior And Posterior Spinal Fusion Except Cervical + OP 22633
 - Orthopedic Surgery ~60%
- Cervical Spinal Fusion (DRG 471-473 + OP 22551, 22554)
 - Neurosurgery ~66%

Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only for 2023.

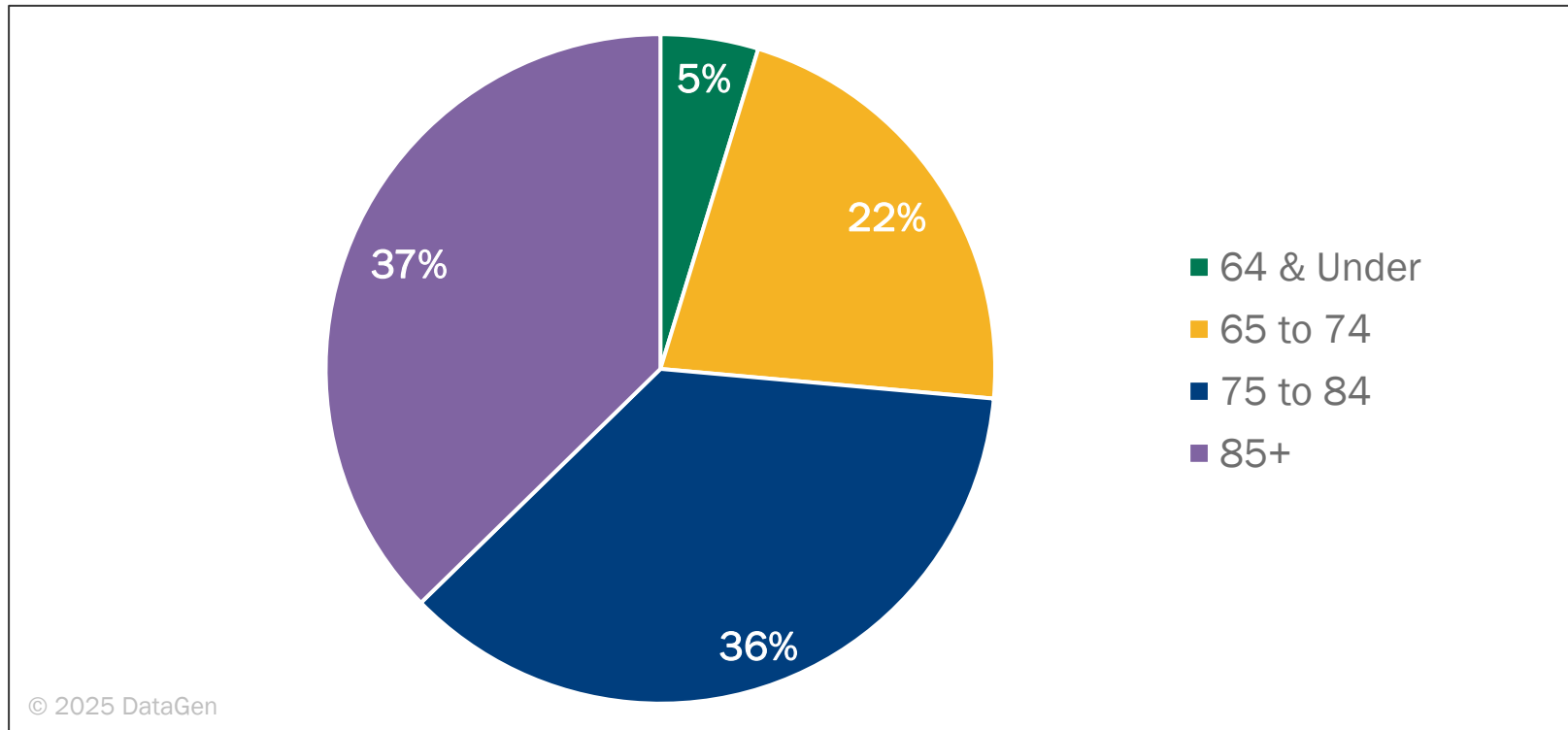
Procedures Included

Surgical Hip Fracture Femur Treatment

Code	Description
DRG - 480	Hip and Femur Procedures except Major Joint with MCC
DRG - 481	Hip and Femur Procedures except Major Joint with CC
DRG - 482	Hip and Femur Procedures except Major Joint without CC/MCC

Episode Distribution by Beneficiary Age

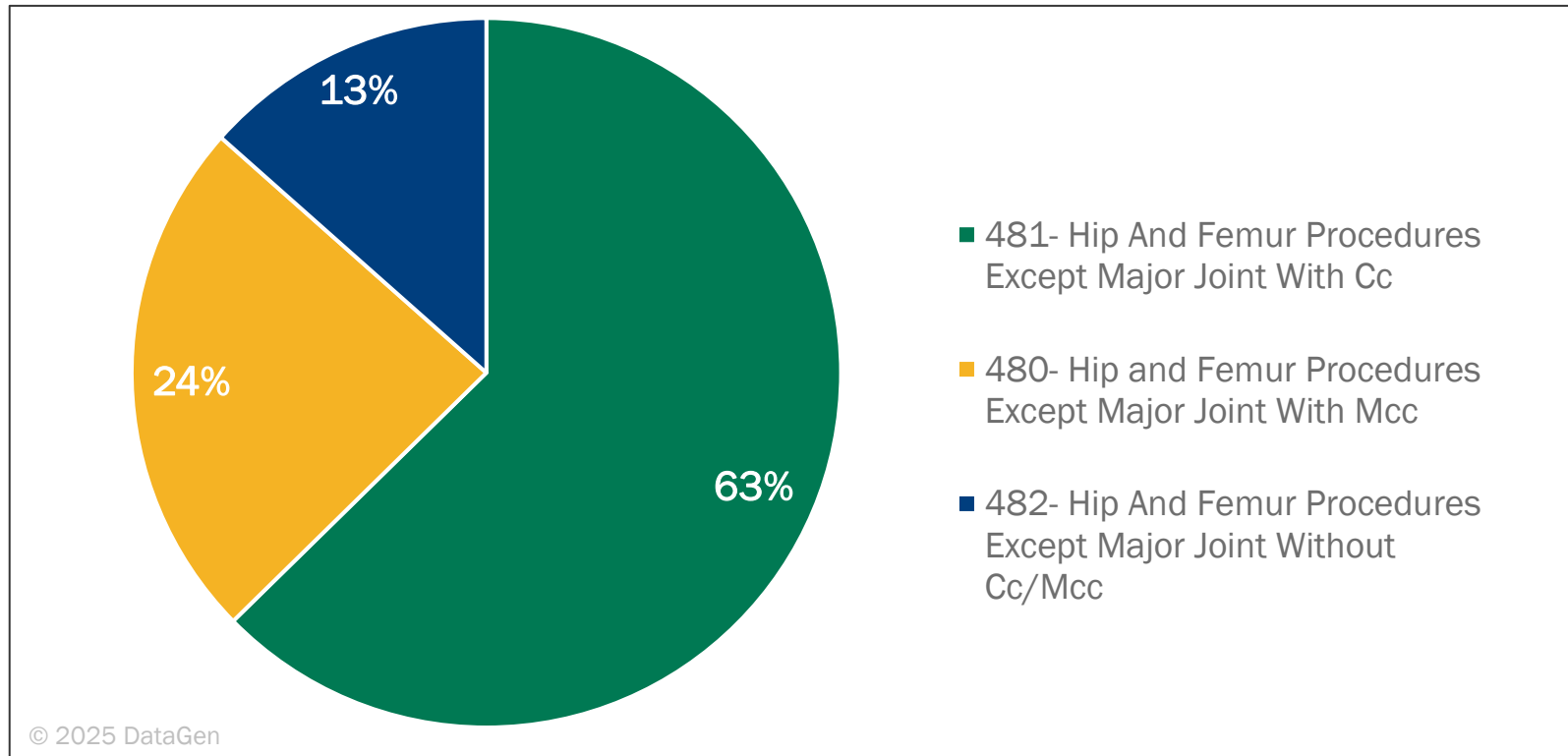
Surgical Hip Fracture Femur Treatment



Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

Episode Target Code Distribution

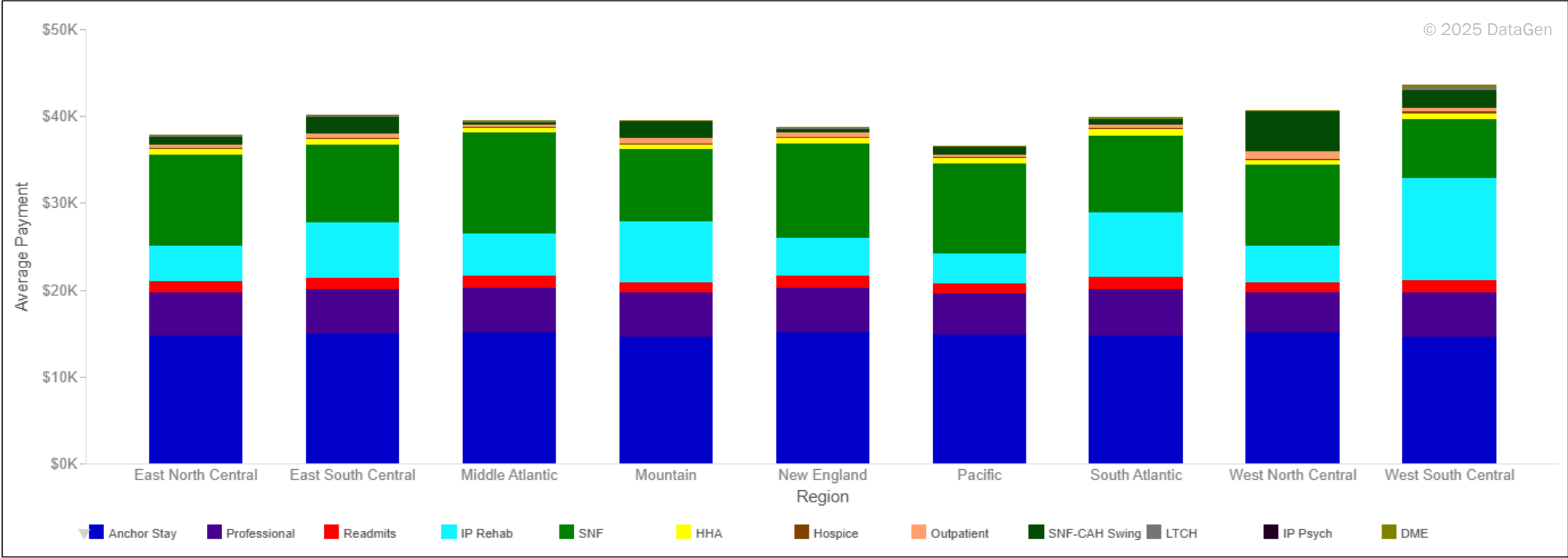
Surgical Hip Fracture Femur Treatment



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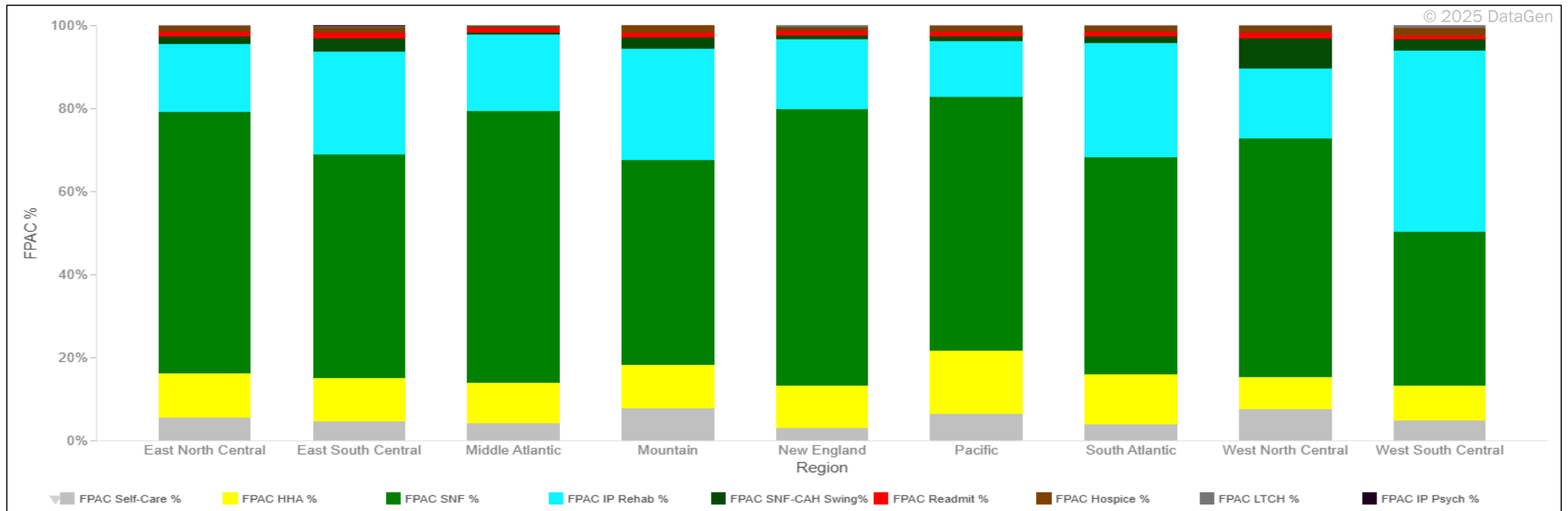
Average Episode Payment by Region

Surgical Hip Fracture Femur Treatment



FPAC Utilization by Region

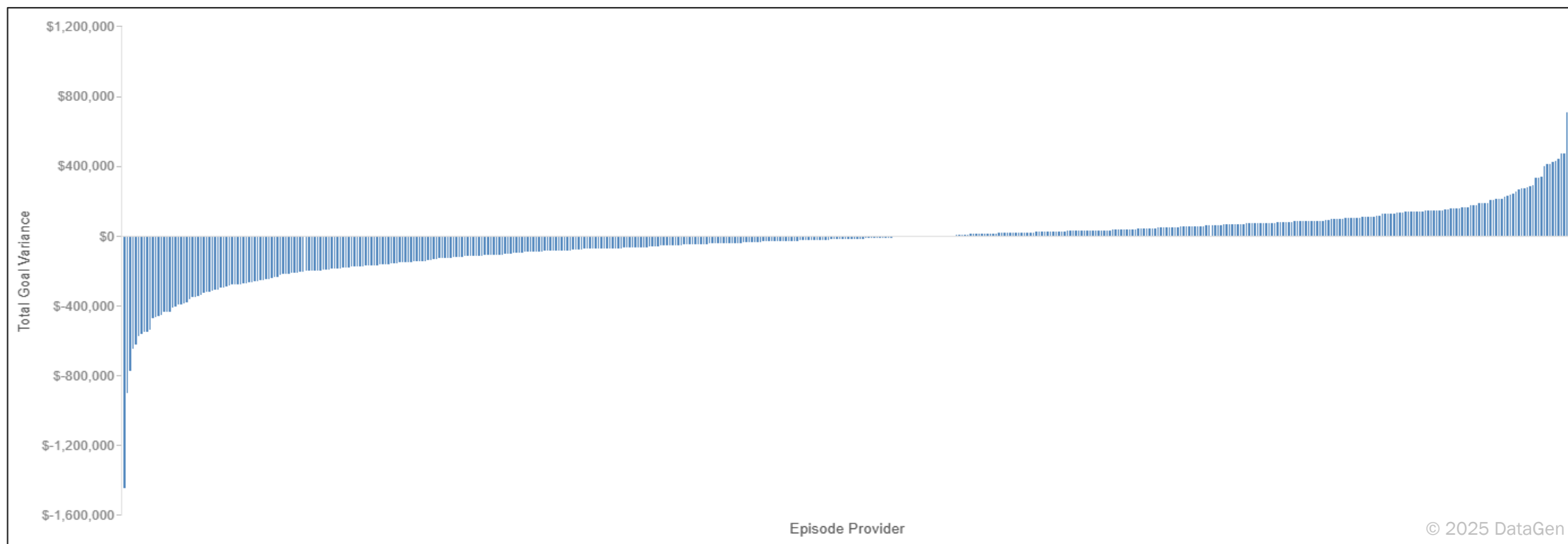
Surgical Hip Fracture Femur Treatment



FPAC = first post-acute care setting

Total Goal Variance by TEAM Hospital

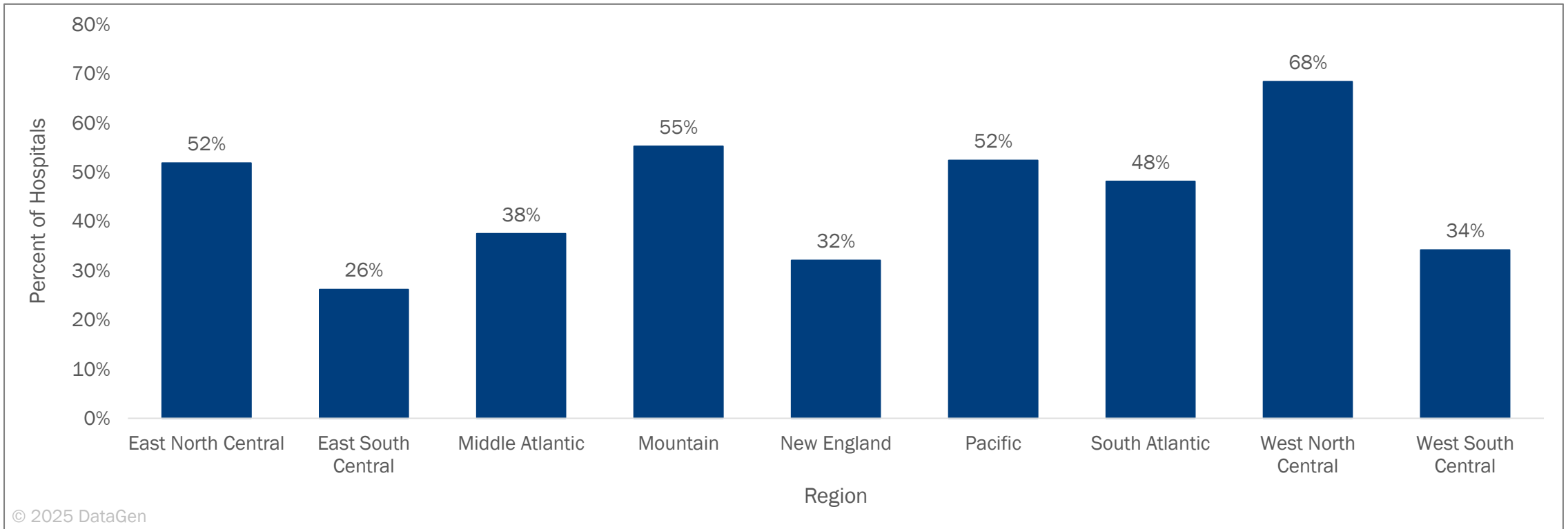
Surgical Hip Fracture Femur Treatment



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Percent Positive Total Goal Variance

Surgical Hip Fracture Femur Treatment



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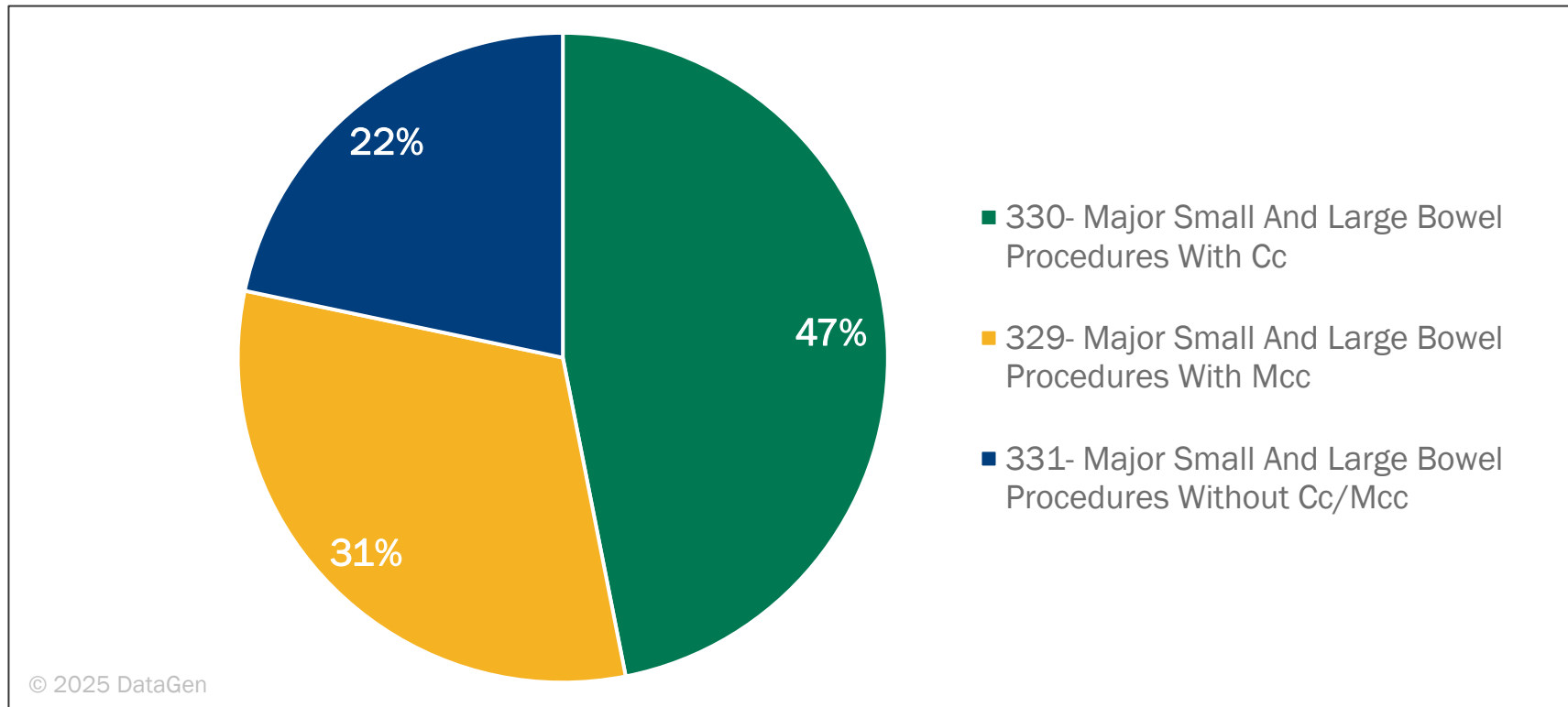
Procedures Included

Major Bowel Procedure

Code	Description
DRG - 329	Major Small and Large Bowel Procedures with MCC
DRG - 330	Major Small and Large Bowel Procedures with CC
DRG - 331	Major Small and Large Bowel Procedures without CC/MCC

Episode Target Code Distribution

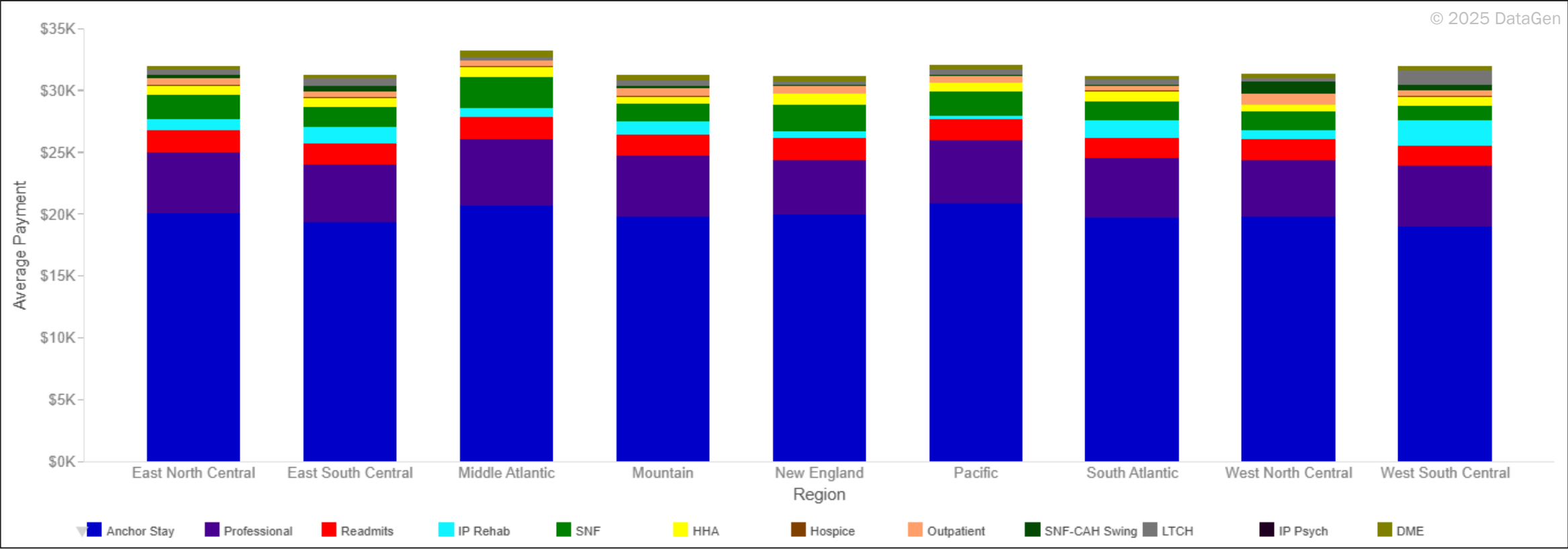
Major Bowel Procedure



Note: The data displayed is limited to episodes initiated at mandatory TEAM hospitals only.

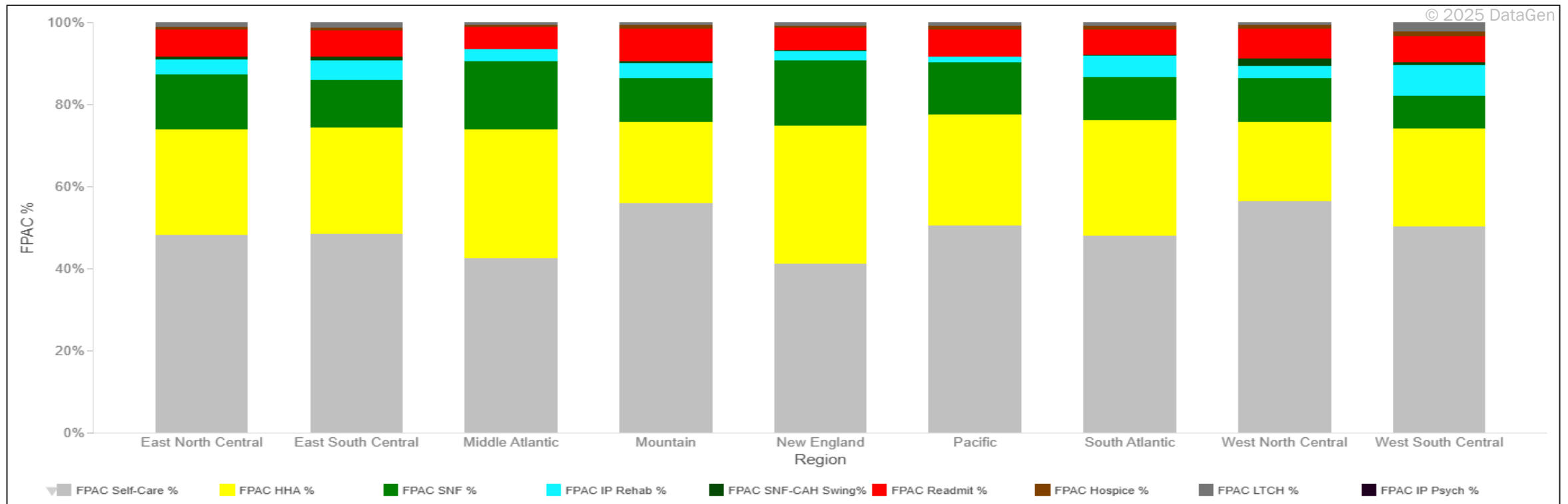
Average Episode Payment by Region

Major Bowel Procedure



FPAC Utilization by Region

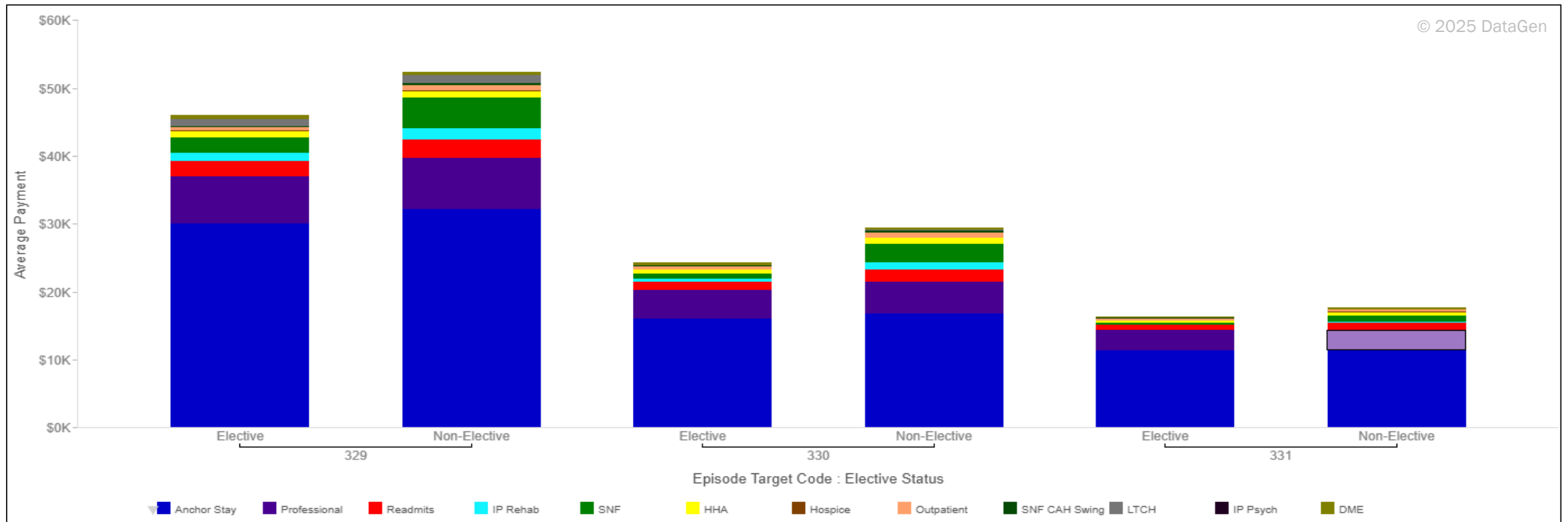
Major Bowel Procedure



FPAC = first post-acute care setting

Elective vs Non-Elective by MS-DRG

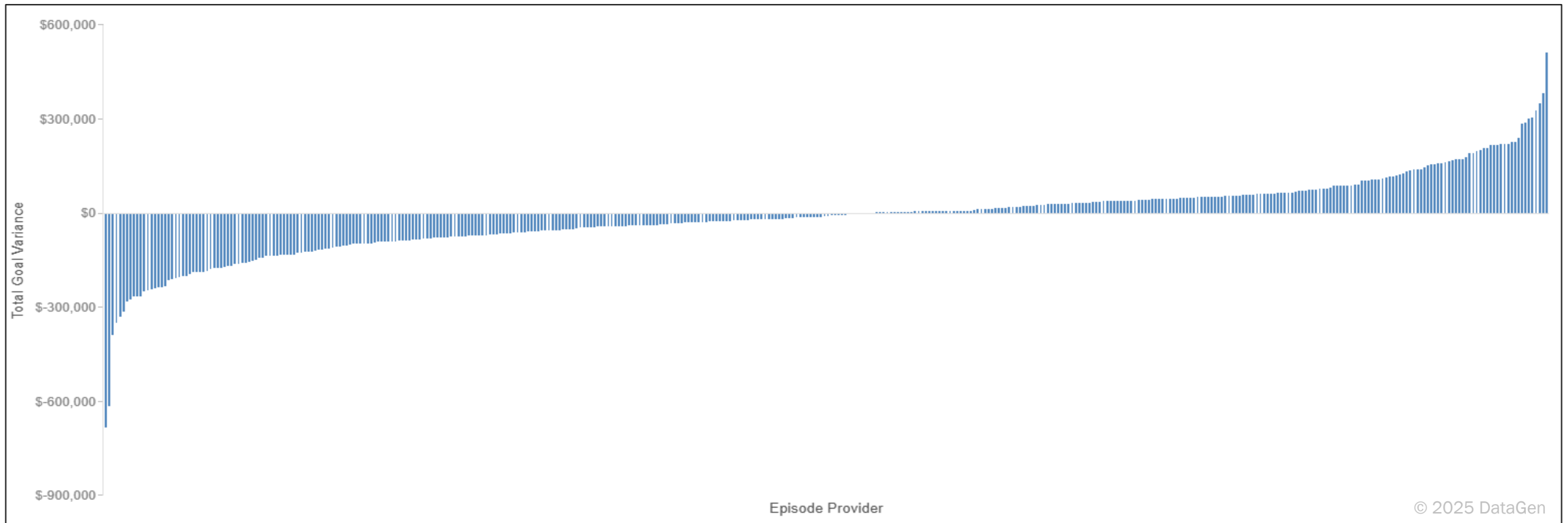
Major Bowel Procedure



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Total Goal Variance by TEAM Hospital

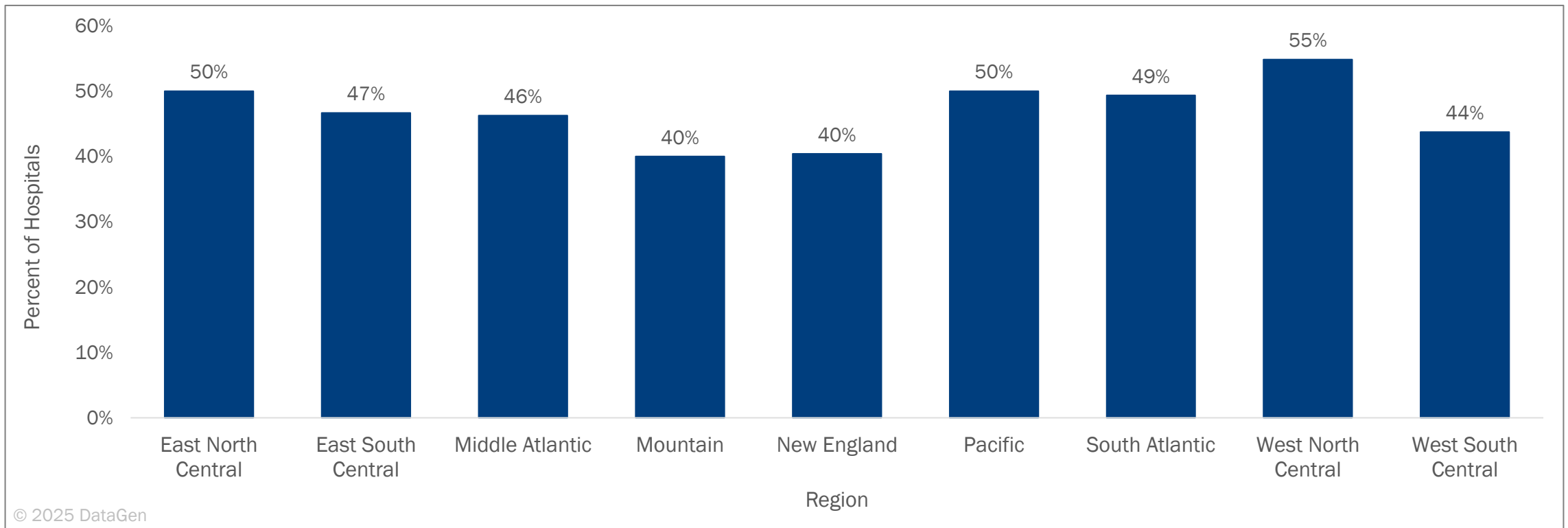
Major Bowel Procedure



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Percent Positive Total Goal Variance

Major Bowel Procedure



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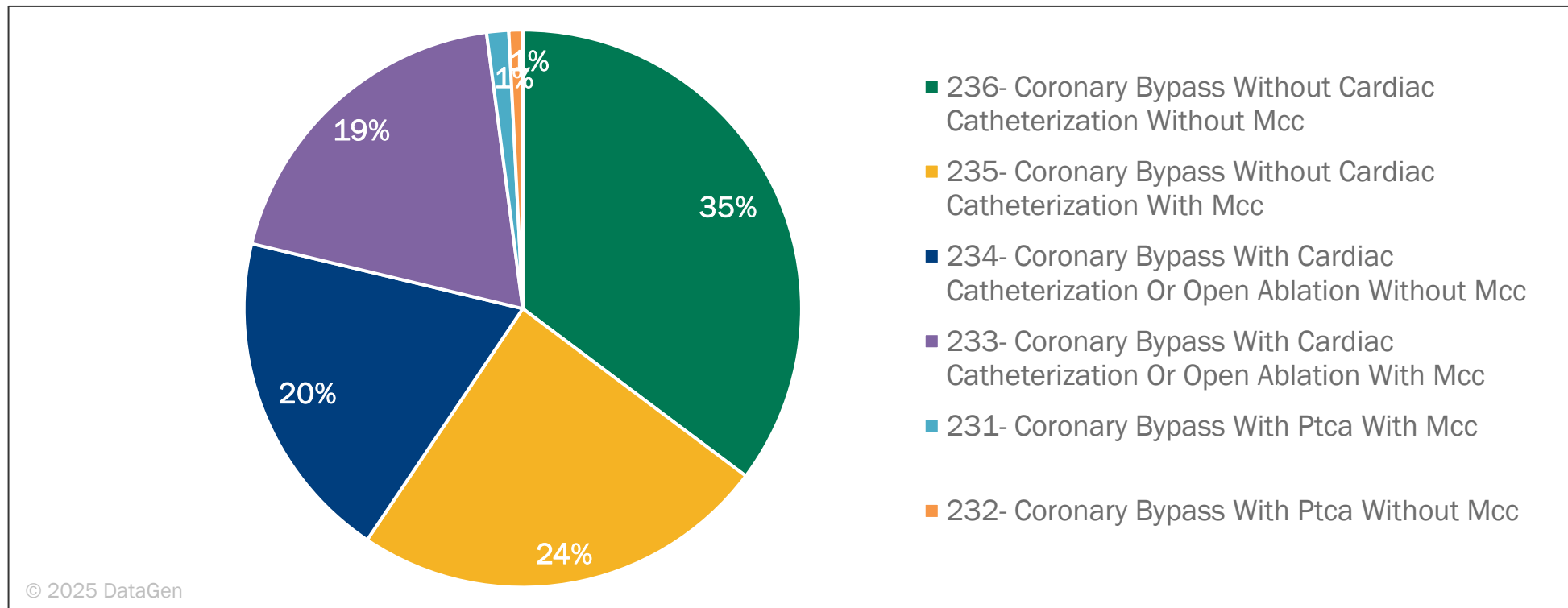
Procedures Included

Coronary Artery Bypass Graft Procedure

Code	Description
DRG - 231	Coronary Bypass with PTCA with MCC
DRG - 232	Coronary Bypass with PTCA without MCC
DRG - 233	Coronary Bypass with Cardiac Catheterization or Open Ablation with MCC
DRG - 234	Coronary Bypass with Cardiac Catheterization or Open Ablation without MCC
DRG - 235	Coronary Bypass without Cardiac Catheterization with MCC
DRG - 236	Coronary Bypass without Cardiac Catheterization without MCC

Episode Target Code Distribution

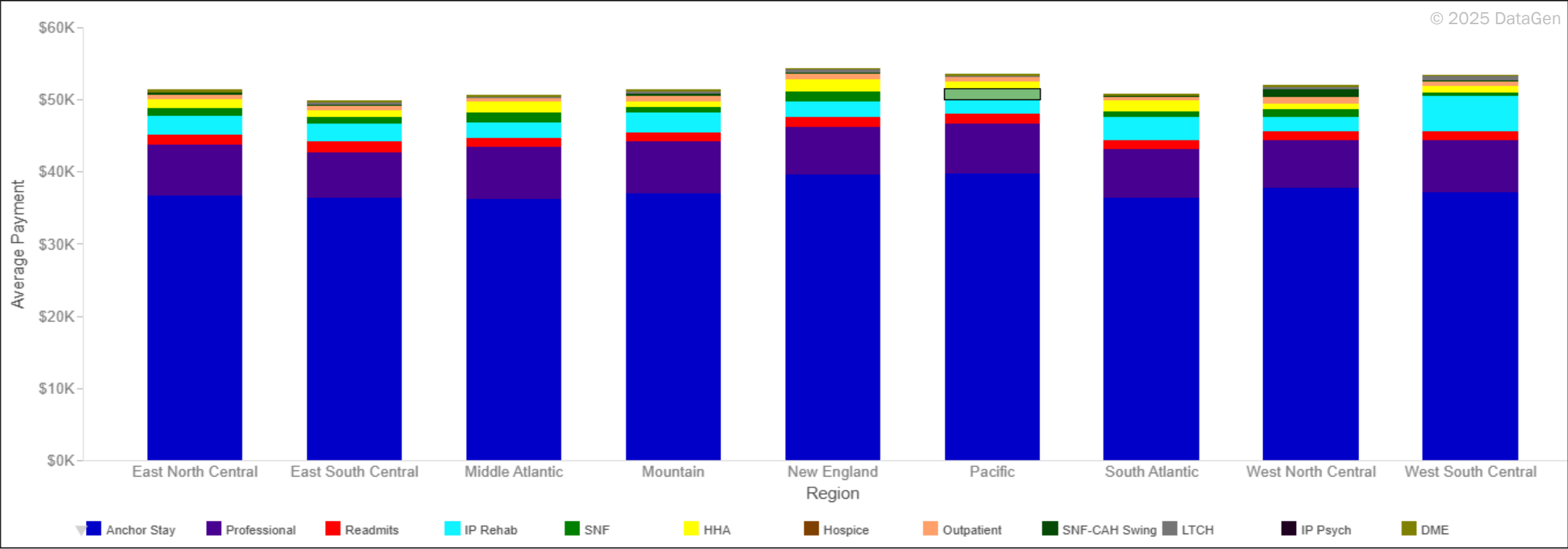
Coronary Artery Bypass Graft Procedure



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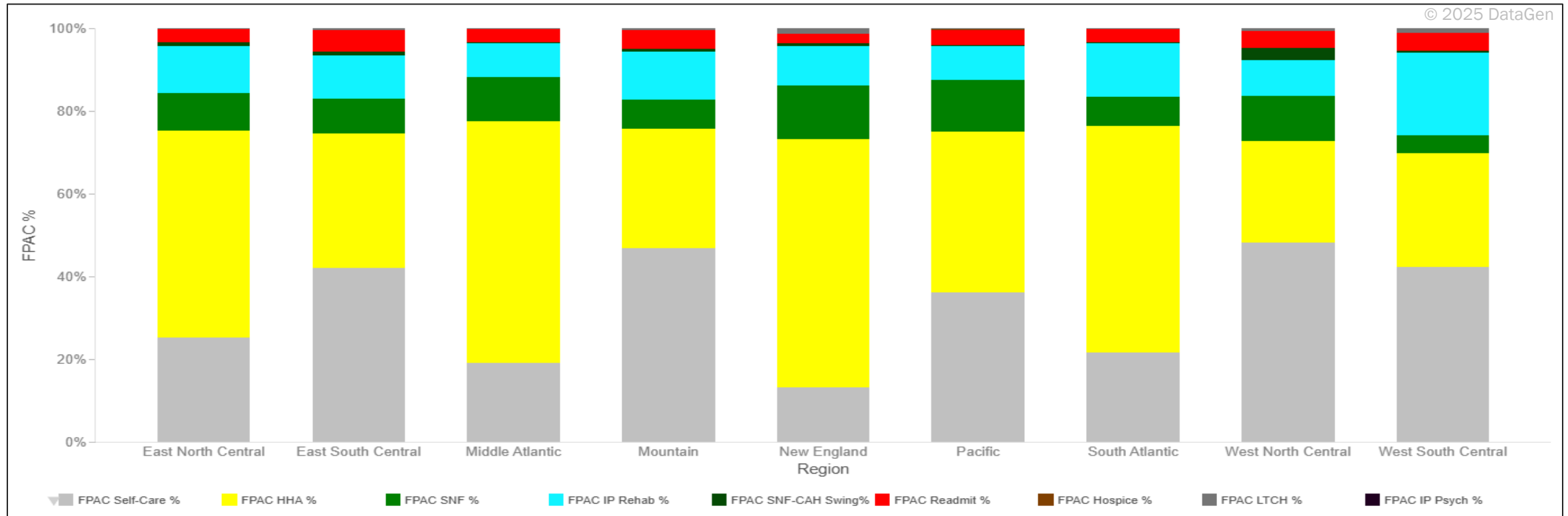
Average Episode Payment by Region

Coronary Artery Bypass Graft Procedure



FPAC Utilization by Region

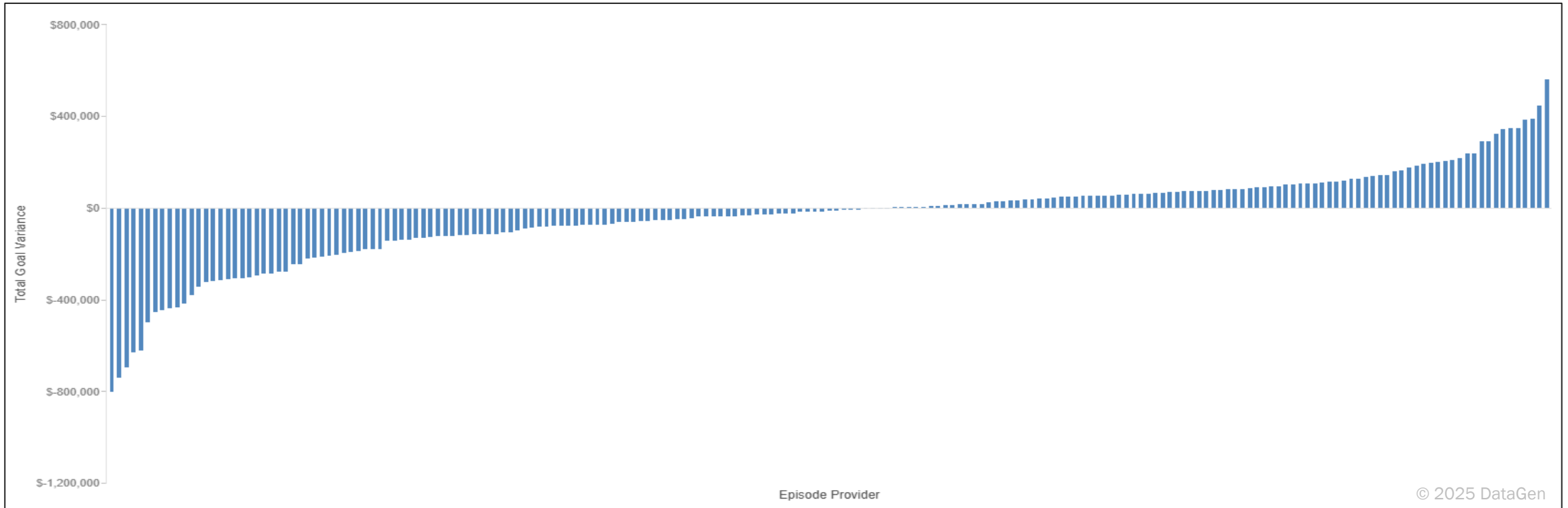
Coronary Artery Bypass Graft Procedure



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Total Goal Variance by TEAM Hospital

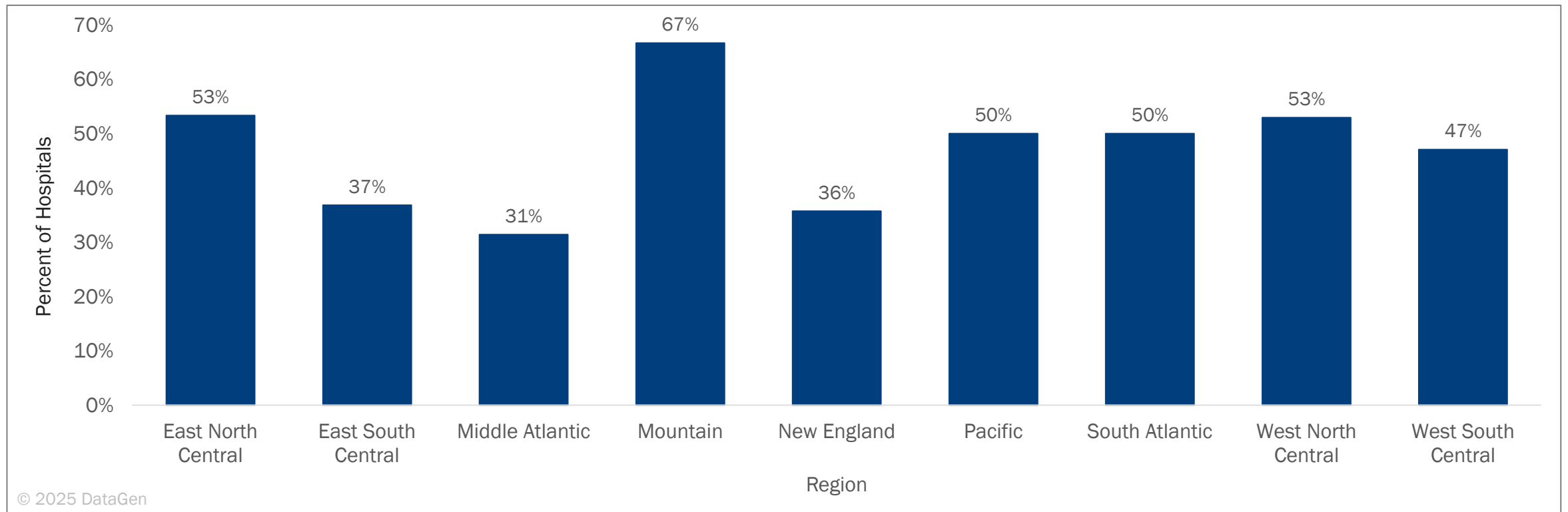
Coronary Artery Bypass Graft Procedure



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Percent Positive Total Goal Variance

Coronary Artery Bypass Graft Procedure



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What's Next for TEAM?



Considerations

- 1. Safety-net status calculation ambiguity**
- 2. Low-volume thresholds not set**
- 3. Target price methodology to be finalized**
- 4. FY 2026 IPPS Proposed Rule anticipated**
- 5. RFK Jr. policy to limit the public's role in rulemaking**
- 6. Importance of CJR's PY6 evaluation**

DataGen TEAM Services

1. TEAM Opportunity Analysis

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

Available
Now!

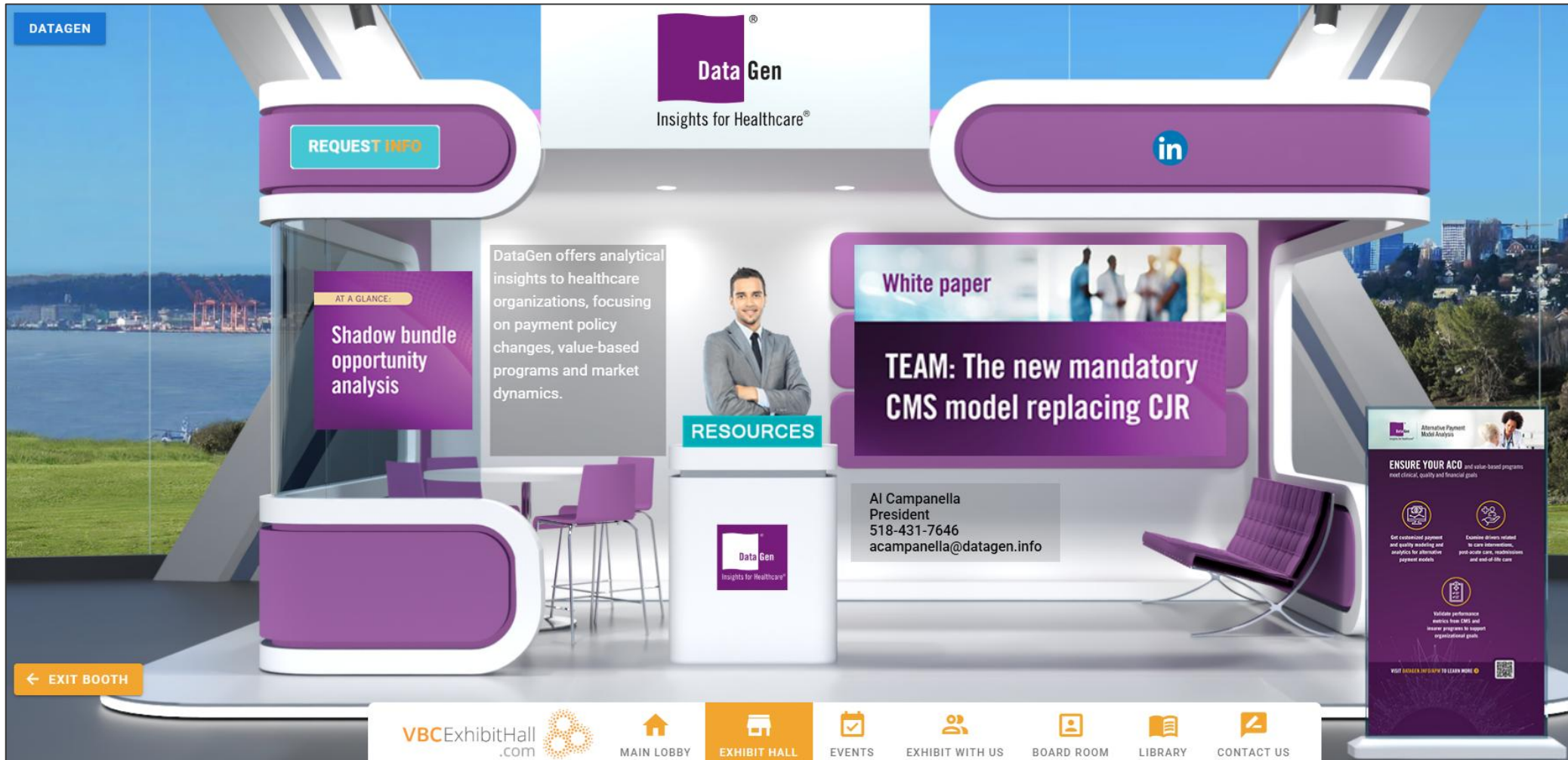
2. TEAM Performance Monitoring

- Data source: Medicare episode, claim, and target files for TEAM participants
- Includes reconciliation validation, 1:1 data review, access to DataGen user group webinars for shared learning
- Updated monthly once TEAM is live

Available
2025 Q4

Questions & Answers

Stop by our VBCExhibitHall.com Virtual Booth



VISIT BOOTH

Thank you.

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