

TEAM Model Proposed Rule Executive Summary

On April 10, 2024, the Centers for Medicare and Medicaid Services (CMS) released a proposed implementation and testing of the Transforming Episode Accountability Model (TEAM). This mandatory model would begin on January 1, 2026, and end on December 31, 2030. TEAM is considered the successor to BPCI-A and CJR, with episode-based pricing linked to quality measure performance for five surgical episode categories, three of which are orthopedic. This model is being released following CMS' Innovation Center's (CMMI) review of [comments submitted](#) in response to the July 2023 Request for Information on Episode-Based Payment Models. ***AAOS strongly opposes any mandatory model and will be working to make the necessary changes prior to the model implementation date.***

Model Overview

Acute care hospitals ("TEAM participants") will continue to bill Medicare using the fee-for-service system and will receive a reconciliation payment from CMS depending on their risk-adjusted, composite quality score, and if their performance year spending is less than their reconciliation target price.

Participation Tracks

There will be three tracks in TEAM, each with different financial risk and quality performance adjustments.

- **Track 1:** available only in PY1 for all TEAM participants and would have only upside financial risk with quality adjustment applied to positive reconciliation amounts.
- **Track 2:** available in PYs 2-5 to a limited set of TEAM participants, including safety net hospitals.
- **Track 3:** available in PYs 1-5 for all TEAM participants and would have two-sided financial risk with quality adjustment to reconciliation amounts.

Proposed Orthopedic Episodes

- **Lower Extremity Joint Replacement:** hip, knee, and ankle replacements performed in either the hospital inpatient or outpatient setting.
- **Surgical Hip and Femur Fracture Treatment:** hip fixation procedure in the presence of a hip fracture.
- **Spinal Fusion:** certain spinal fusion procedures in either the inpatient or outpatient setting.

All episodes will begin with an admission to an acute care hospital stay (anchor hospitalization) or an outpatient procedure at a hospital outpatient department (anchor procedure), and end 30 days following hospital discharge or anchor procedure. All items and services paid under Medicare Part A and Part B during the performance period would be included in the episodes, including physicians' services.

Beneficiary Inclusion Criteria

Beneficiaries eligible for the TEAM must meet all the below criteria at the time of admission:

- Enrolled in Medicare Part A and Part B.
- Not eligible for Medicare on the basis of end-stage renal disease.
- **Not enrolled in any managed care plan (for example, Medicare Advantage, Health Care Prepayment Plans, cost-based health maintenance organizations).**
- Not covered under a United Mine Workers of America health plan, which provides health care benefits for retired mine workers.
- Have Medicare as their primary payer.

Quality Measures and Reporting

Measures used to determine hospital quality of care and eligibility for TEAM reconciliation payment will be reported through the Hospital IQR program:

- **For all TEAM episodes:** Hybrid Hospital-Wide All-Cause Readmission Measure with Claims and Electronic Health Record Data (CMIT ID #356)
- **For all TEAM episodes:** CMS Patient Safety and Adverse Events Composite (CMS PSI 90) (CMIT ID #135)
- **For LEJR episodes:** Hospital-Level Total Hip and/or Total Knee Arthroplasty (THA/TKA) Patient-Reported Outcome-Based Performance Measure (PRO-PM) (CMIT ID #1618)

Financial Arrangements

TEAM participants may identify key providers (such as physicians) and suppliers caring for beneficiaries in the surrounding communities, and could establish partnerships to promote accountability for the quality, cost, and overall care for beneficiaries, including managing and coordinating care; encouraging investment in infrastructure, enabling technologies, and redesigning care processes for high quality and efficient service delivery.

Decarbonization and Resilience Initiative

CMS also proposes a voluntary a “Decarbonization and Resilience Initiative within TEAM to assist hospitals in addressing the threats to the nation's health and its health care system presented by climate change and the effects of hospital carbon emissions on health outcomes, health care costs and quality of care.”

Read the full AAOS summary [here](#).

Access the proposed rule text [here](#).