



PREPARING FOR CMS'S TRANSFORMING EPISODE ACCOUNTABILITY MODEL

What Hospitals Need to Know



WHAT IS CMS TEAM?

The Centers for Medicare & Medicaid Services (CMS) has announced the mandatory **Transforming Episode Accountability Model (TEAM)**, which will begin on **January 1, 2026**. This new episode-based payment model requires 735 acute care hospitals in designated Core-Based Statistical Areas to participate for five years.

TEAM builds on lessons from prior bundled payment models, including BPCI Advanced and Comprehensive Care for Joint Replacement. Under TEAM, hospitals will be held financially and clinically accountable for both the procedure itself and the **30 days of care following discharge**.

Hospitals will receive a **target price for each episode of care**. Expenditures above the target can result in penalties, while savings generated through care coordination and quality outcomes may be rewarded. For hospitals, particularly those without prior bundled payment experience, TEAM represents a significant shift in both financial and clinical accountability.

SURGICAL CATEGORIES



Lower Extremity
Joint Replacement



Surgical Hip Femur
Fracture Treatment



Spinal Fusion



Coronary Artery
Bypass Graft (CABG)



Major Bowel
Procedure

WHY TEAM MATTERS FOR HOSPITALS

Unlike voluntary models, TEAM is mandatory for the assigned organizations. Hospitals must be prepared to manage not only surgical encounters but also the downstream care that follows, including skilled nursing stays, home health, and physician follow-ups.

The implications are clear:

- Poor care coordination will drive financial losses for the hospital.
- Preventable complications and readmissions will erode reconciliation payments.
- Hospitals that delay preparation will risk operational disruption and financial penalties.



TURNING TEAM INTO AN OPPORTUNITY

Although TEAM introduces new risks, it also creates the opportunity for hospitals to transform care delivery and financial performance. Hospitals that take a proactive approach can position TEAM as a financial opportunity rather than a liability. By meeting quality benchmarks and reducing unnecessary costs, hospitals can earn incentives from CMS while improving patient outcomes and satisfaction. Coordinated care and smoother transitions not only lower the risk of complications and readmissions but also strengthen a hospital's reputation in the community.

TEAM also fosters stronger relationships with surgeons, post-acute facilities, and primary care providers, which can lead to more effective partnerships and long-term collaboration. Hospitals that adapt early gain a competitive advantage by demonstrating leadership in value-based care, which may also open the door to favorable arrangements with commercial payers. In addition, lessons learned from TEAM can help hospitals build sustainable cost management practices that continue to deliver value well beyond the five-year mandate.

5 STRATEGIES TO PREPARE FOR TEAM MATTERS FOR HOSPITALS



Build Multidisciplinary Care Teams

Success under TEAM requires collaboration across departments. Engage surgeons, case managers, finance leaders, and post-acute providers early to establish shared accountability for episode outcomes.



Analyze Historical Data

Hospitals need a clear baseline of current episode costs, complication rates, and discharge patterns. Identifying high-cost drivers such as implant variation or SNF overutilization creates a roadmap for improvement.



Strengthen Post-Acute Care Networks

Develop preferred networks with skilled nursing facilities, home health agencies, and primary care providers. Standardized care pathways and clear follow-up protocols reduce variability and readmission risk.



Optimize Supply Chain & Resource Utilization

Surgeon engagement in implant and device standardization can yield substantial savings. Peer comparison reports and collaborative purchasing arrangements can align clinical decisions with cost-conscious practices.



Educate and Engage Physicians

Physicians must understand how their clinical decisions impact both patient outcomes and financial performance. Transparent communication, aligned incentives, and ongoing education are critical for buy-in.

References

1. Centers for Medicare & Medicaid Services. (2025, July 31). Transforming Episode Accountability Model (TEAM). CMS. Retrieved from <https://www.cms.gov/priorities/innovation/innovation-models/team-model-CMS>
2. Medbridge. (2025, March 27). TEAM Model from CMS: A strategic shift toward surgical episode accountability. Medbridge Blog. Retrieved from <https://www.medbridge.com/blog/team-model-from-cms-a-strategic-shift-toward-surgical-episode-accountability> Medbridge
3. American College of Surgeons. (n.d.). Preparing for TEAM: Transforming Episode Accountability Model. ACS. Retrieved from <https://www.facs.org/advocacy/team/> ACS
4. Shashikumar, S. A., & Zheng, J. (2025). Characteristics of Hospitals Participating in the Transforming Episode Accountability Model. JAMA Health Forum. Retrieved from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC12254884/> PMC

YOUR PARTNER FOR TEAM READINESS

UASI helps hospitals transform compliance into opportunity. Our TEAM Advisory Services deliver the tools, data, and strategies needed to reduce financial risk and drive performance. From financial modeling to stakeholder engagement, we ensure TEAM becomes more than a mandate; it's a pathway to better outcomes and sustainable success.

Let's Connect!

 info@uasisolutions.com

 www.uasisolutions.com

