

“Compliance Officers: On your mark, get set, go!” Six Short Months Until CMS’s TEAM Program Goes Live, Creating New Duties for Hospital Compliance Programs

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The Transforming Episode Accountability Model (“TEAM”) is a savings-driven alternative payment model that will go into effect January 1, 2026.ⁱ Something that sets this model apart from certain other CMS Innovation Center models is that this model is mandatory for identified participants. Based on geographic location, some 747 hospitals were selected in an effort to evaluate the effects of this episode-based payment approach.ⁱⁱ For hospitals selected as mandatory participantsⁱⁱⁱ and for hospitals that decided to participate in the model via an opt-in option prior to January 2025, there are a number of rules and requirements associated with TEAM. Compliance officers will play an instrumental role in facilitating effective and compliant implementation of this new CMS model. To prepare for implementation of TEAM, compliance officers should focus on five key areas: 1) sharing arrangements; 2) record keeping; 3) auditing; 4) monitoring; and 5) beneficiaries.

In particular, hospitals participating in TEAM will be responsible for coordinating care for Medicare beneficiaries who receive the following surgical procedures: lower extremity joint replacement, surgical hip femur fracture treatment, spinal fusion, coronary artery bypass graft, and major bowel procedure.^{iv} CMS believes that in holding a participant responsible for all the costs included in an episode of care for these procedures, hospitals will take steps toward care coordination; improve patient care transitions and reduce the risk of avoidable readmissions.^v To support this goal, CMS will provide participants with a target price that will be based on Medicare spending during an episode of care (surgery (including hospital inpatient stay or outpatient procedure) and items and services following the surgery (for example, skilled nursing facility stays or follow-up care)).^{vi} Specifically, the provided target price is calculated based on average baseline episode spending for the region in which the TEAM participant is located. 42 C.F.R. § 512.540 (b) (2024).

Collaboration in the TEAM Model

Since TEAM participants are responsible for the cost and quality of care for the first 30 days following the procedure, hospitals should consider how to best facilitate both cost effective care and quality care for patients during this 30-day period. Working with TEAM collaborators could be the answer. A “collaborator” can be any other provider that enters into a formal agreement with the TEAM hospital and that participates in the care episode.^{vii} The formal agreement between a TEAM participant and a TEAM collaborator should be in the form of a sharing arrangement. A sharing arrangement is a financial agreement between a TEAM participant and a TEAM collaborator for the sole purpose of making gainsharing

payments or alignment payments under TEAM. 42 C.F.R. § 512.505 (2024). Such an arrangement can facilitate a TEAM participant meeting the target price CMS sets for an episode of care.

Once a TEAM provider identifies a collaborator and is ready to enter into a sharing arrangement, establishing such an arrangement will trigger the compliance program requirement under the TEAM model. Accordingly, a TEAM participant compliance officer should understand and should be working on a plan to comply with the TEAM requirements outlined in Table 1.

Record Keeping

TEAM participants working with collaborators to facilitate post-acute care management are responsible for meeting certain record-keeping requirements. For example,

- A sharing arrangement must be documented contemporaneously with the establishment of the arrangement.
- Participants must post on their website, and update at least quarterly, an accurate list of all current TEAM collaborators, as well as written policies for selecting individuals and entities to become collaborators.
- Participants must maintain and require each collaborator to maintain documentation of payment or receipt of any gainsharing payment or alignment payment.
- Participants must keep records of:
 - A process for determining and verifying collaborators' eligibility to participate in Medicare;
 - A plan to track internal cost savings;
 - Information on the accounting systems used to track internal cost savings;
 - A description of current health information technology; and
 - A plan to track gainsharing repayments and alignment payments.

42 C.F.R. § 512.565 (2024).

Maintaining records and appropriate documentation is a crucial step when it comes to TEAM compliance because effective record keeping makes auditing and monitoring more efficient.

Auditing

TEAM participants and downstream participants must be prepared for CMS to audit participant compliance with TEAM. 42 C.F.R. § 512.586(a). The term “downstream participant” includes collaborators; however, the scope of the term is broader than solely TEAM collaborators. The statute defines “downstream participants” as “an individual or entity that has entered into a written agreement with a TEAM participant, TEAM collaborator, collaboration agent, or downstream collaboration agent under which the downstream participant engages in one or more TEAM activities.” 42 C.F.R. § 512.505 (2024). Thus, TEAM participants and the individuals and entities that fall under the scope of the downstream participant definition should all be ready for a CMS audit and to accomplish this goal should maintain the following records:

- Accurate TEAM reconciliation payment and repayment amounts;
- Participant's payment of amounts owed to CMS under TEAM;

- Quality measure information and quality of services;
- Utilization of items and services furnished under TEAM;
- Ability to bear risk of potential losses and to repay any losses to CMS;
- Patient safety; and
- Other program integrity issues.

42 CFR § 512.586(b).

Monitoring

Along with auditing and evaluating any documentation of TEAM participation, CMS may conduct monitoring activities. 42 C.F.R. § 512.590(b) (2024). The activities may include:

- Documentation requests;
- Audits of claims data, quality measures, medical records, etc.;
- Interviews with leadership and with members of staff;
- Interviews with beneficiaries and their caregivers;
- Site visits;
- Monitoring quality outcomes and clinical data; and
- Tracking patient complaints and appeals.

No less than 15 days prior to a site visit, CMS will provide participants with advance notice of its visit. It is the participant's responsibility to ensure that personnel with appropriate knowledge are available while the site visit is taking place. 42 CFR § 512.590(c).

One strategy to ensure effective documentation, record keeping, auditing, and monitoring is for a compliance officer to organize periodic “mock-surveys.” This will help hospitals to identify and address any gaps in implementation prior to a CMS site visit.

Compliance Regarding Beneficiaries

Compliance officers should be aware of certain TEAM requirements that must be met as part of care coordination and as part of communications with the beneficiary upon discharge. TEAM participants are required to:

- Provide a complete list of Home Health Aids (HHA), Skilled Nursing Facilities (SNF), Inpatient Rehabilitation Facilities (IRF), and Long-Term Care Hospitals (LTCH) that participate in the Medicare program and that serve the geographic area in which the patient resides. 42 CFR § 512.582(a)(3).
 - Specify the post-acute providers on the list with whom the TEAM participant has a sharing arrangement. *Id.*
- Provide written notification that includes:
 - 1) A detailed explanation of TEAM and how it might impact the beneficiary's care;
 - 2) Notification that the beneficiary has freedom to choose which provider or services the beneficiary receives;
 - 3) How the patient can access care records and claims data;

- 4) A statement that all existing Medicare beneficiary protections continue to be available to the TEAM beneficiary and
 - 5) A list of the contributors with whom the TEAM participant has a sharing arrangement.
- 42 CFR § 512.582(b)(iii).

- Ensure that TEAM collaborators also provide written notice to the applicable TEAM beneficiaries, including information on the quality and payment incentives under TEAM and the existence of the TEAM collaborator's sharing arrangement under TEAM. 42 CFR § 512.582(a)(2).

Conclusion

With adequate preparation and planning, compliance officers can successfully navigate TEAM compliance requirements. Hancock Daniel's Compliance Team is supporting TEAM hospitals and their collaborators (including long-term/post-acute care providers) with TEAM compliance. For questions regarding the TEAM program or additional information for compliance officers, please contact a member of the [Compliance Team](#).

Table 1: Requirements Preview

	Requirements
Sharing Arrangement	<ul style="list-style-type: none"> • In writing • Voluntary • Require TEAM collaborator to: <ul style="list-style-type: none"> ○ Comply with beneficiary notification, access to records, record retention, and participation in any CMS evaluation, monitoring, compliance and enforcement activities ○ Comply with Medicare enrollment requirements ○ Maintain a compliance program that includes oversight of the sharing arrangement • Pose no risk to beneficiaries • Give the Board or governing body responsibility of oversight of the arrangement • Document the specifics of the agreement so that they can be made available to CMS upon request • Specify: <ul style="list-style-type: none"> ○ the purpose and scope of the sharing arrangement, ○ the obligations of the parties, ○ the effective dates, and ○ financial or economic terms
Record Keeping	Participants should: <ul style="list-style-type: none"> • Keep a record of sharing arrangements • Post accurate list of TEAM collaborators on website • Maintain documentation of payment information • Track collaborator eligibility and compliance
Auditing	Participants and downstream participants should keep records of: <ul style="list-style-type: none"> • Payment • Repayment • Quality • Utilization • Patient safety • Program integrity
Monitoring	Activities that CMS may conduct include: <ul style="list-style-type: none"> • Requests for documents and for data

	<ul style="list-style-type: none"> • Audits • Interviews • Site visits • Review of patient complaints
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ⁱ “Transforming Episode Accountability Model (TEAM),” *Centers for Medicare & Medicaid Services*, accessed June 10, 2025, <https://www.cms.gov/priorities/innovation/innovation-models/team-model>.

ⁱⁱ “TEAM Model Frequently Asked Questions,” *Centers for Medicare & Medicaid Services*, accessed June 10, 2025, <https://www.cms.gov/team-model-frequently-asked-questions>.

ⁱⁱⁱ <https://www.cms.gov/team-model-participant-list>

^{iv} “Transforming Episode Accountability Model (TEAM).”

^v “Transforming Episode Accountability Model (TEAM).”

^{vi} “Transforming Episode Accountability Model (TEAM).”

^{vii} Stulick, Amy. “TEAM Model: Hospitals in the Driver’s Seat, Nursing Homes as ‘Collaborators’ in Latest Bundled Payment Initiative,” *Skilled Nursing News*, May 15, 2024, <https://skillednursingnews.com/2024/05/team-model-hospitals-in-the-drivers-seat-nursing-home-as-collaborators-in-latest-bundled-payment-initiative/>.