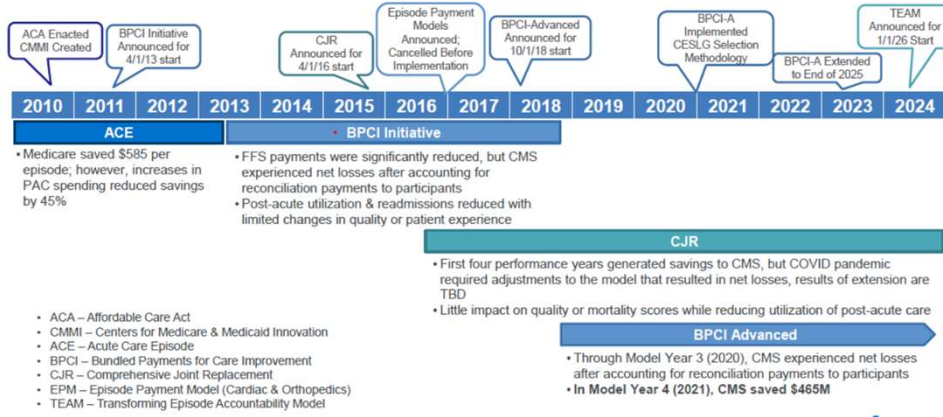


Testing for Nearly a Decade

History of Select CMMI Episode of Care Models



11

© 2024 Forvis Mazars, LLP. All rights reserved.



3

TEAM

Transforming Episode Accountability Model

HEALTHWORKS
KANSAS HOSPITAL ASSOCIATION

4

Model Selection

- 188 CBSAs selected to participate
- More than 700 hospitals
- Approximately 200,000 cases per year
- \$481 M in expected savings
- Five hospitals in Kansas
 - Lawrence Memorial Hospital
 - HaysMed
 - Hutchinson Regional Medical Center
 - Summit Surgical (Hutchinson)
 - The University of Kansas Health System Great Bend Campus

5

Facts at a Glance

TEAM Overview



Five-year mandatory bundled payment model

- Duration: 1/1/2026-12/31/2030
- Selection based on geographic regions
- Medicare FFS Population Only



Focus on surgical care

- Five inpatient/outpatient surgical episode groups selected
- Site-neutral target prices for spinal fusion and LEJR



30-day episodes

- Participants responsible for total cost of care for the inpatient stay/outpatient procedure plus 30 days post-discharge
- Revenue cycle is not disrupted



Glide path to risk

- Upside only in year one
- 5% - 20% downside risk in subsequent years based on hospital type
- Gains/losses will be tied to quality performance



Relationship to other APMs

- Medicare ACO beneficiaries can trigger TEAM episodes
- No Recoupment between models



Key Model Requirements

- Notify beneficiaries of participation in TEAM
- Provide referral to primary care before discharge

6

Episode Groups

Episode Category	Billing Codes
Lower Extremity Joint Replacement (Inpatient & Outpatient)	MS-DRG 469, 470, 521, 522 HCPCS 27447, 27130, 27702
Surgical Hip & Femur Fracture Treatment (Inpatient)	MS-DRG 480, 481, 482
Coronary Artery Bypass Graft ("CABG") Surgery (Inpatient)	MS-DRG 231, 232, 233, 234, 235, 236
Spinal Fusion (Inpatient & Outpatient)	MS-DRG 402, 426, 427, 428, 429, 430, 447, 448, 450, 451, 471, 472, 473 HCPCS 22551, 22554, 22612, 22630, 22633
Major Bowel Procedure (Inpatient)	MS-DRG 329, 330, 331

7

Episodes of Care

What Is Included in an Episode of Care?

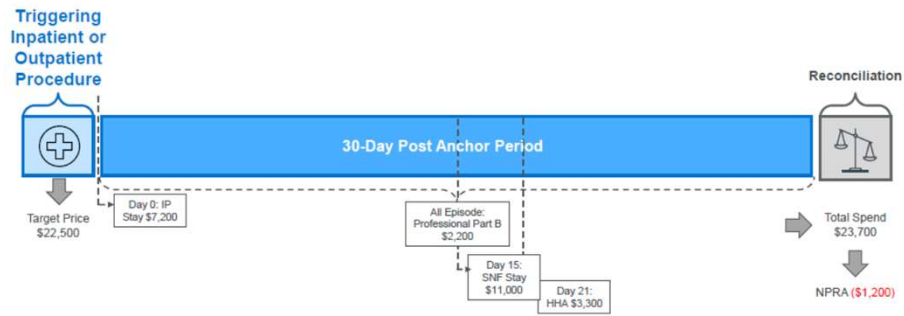
- Total-cost-of-care for episodes during the initial hospitalization (or procedure for OP episodes)
- Almost all expenditures are included; there are some pre-determined exclusions
- Patients may receive services anywhere & all sites of care are included
- Services are prorated if they straddle episode end dates
- Revenue cycle is not disrupted



8

Team Episode

Payments flow as usual - reconciliation annually



- Reconciliation: Target Price – Spend = NPRA (Net Payment Reconciliation Amount)
- \$22,500 - \$23,700 = **(\$1,200)**; therefore, for this specific Episode, Participant owes **(\$1,200)**

9

Key Details

- Only Medicare FFS patients
- Limited set of conditions
- 2026 IPPS Rule eliminates 3-day stay for skilled care for TEAM episodes
- Quality measures linked to financial payments

10

CAH Strategies


- Examine on an annual basis how many patients/swing bed days could be impacted for your hospital
- Look for alternative ways to capture the lost revenue - i.e. - other types of SB patients, outpatient services
- Be a willing partner to manage the length of a swing bed stay
- Have quality data to show your outcomes
- Assist with patient and provider education - help set expectations

11

Discussion



12



Contact Information

Jennifer Findley
jfindley@kha-net.org (785) 233-7436

HEALTHWORKS
KANSAS HOSPITAL ASSOCIATION