

# Quality Measures in the Transforming Episode Accountability Model (TEAM)



## TEAM Quality Goals



**Enhance patient care** by incentivizing partnerships with high-quality providers and improved care coordination.



**Promote value-based care** by including and providing additional support for hospital types that have been less likely to participate in value-based care initiatives.



**Align with existing requirements** by leveraging measures and measure reporting from existing CMS hospital quality programs to reduce hospitals' reporting burden.

## Use of TEAM Quality Measures



The Centers for Medicare & Medicaid Services (CMS) uses **selected quality measures** related to care coordination, patient safety, and patient-reported outcomes to monitor and incentivize improvements in beneficiary quality of care at hospitals participating in TEAM.



Measure score percentiles will be determined based on a national set of measure scores from hospitals eligible for TEAM, not just TEAM participants. The scores from the quality measures will be used to calculate the composite quality score (CQS) after each performance year (PY).<sup>1</sup>



The CQS will be used to adjust the TEAM-participating hospitals' reconciliation amounts based on **quality performance**.

- A negative reconciliation amount is the money a hospital owes to CMS at the end of the PY before the CQS adjustment and other adjustments, including the stop-gain/stop-loss limits and the post-episode spending adjustment.
  - o **A higher CQS** means the hospital owes less of the negative reconciliation amount (i.e., the hospital owes less money to CMS).
- A positive reconciliation amount is the money a hospital earned from CMS at the end of the PY before the CQS adjustment and other adjustments, including the stop-gain/stop-loss limits and the post-episode spending adjustment.
  - o **A higher CQS** means the hospital will receive more of the positive reconciliation amount (i.e., the hospital receives more money from CMS).<sup>2,3</sup>
- Refer to Figures 1-3 below for examples of how the quality-adjusted reconciliation amount would vary by participation track for a -\$10,000 negative reconciliation and a \$10,000 positive reconciliation modified by a CQS of 100 and 0.

<sup>1</sup> A separate Quality Scoring fact sheet will provide information about the CQS methodology.

<sup>2</sup> A positive reconciliation demonstrates the difference between actual episode spending and the reconciliation target price where the actual episode spending is less than the reconciliation target price. A negative reconciliation demonstrates the difference between actual episode spending and the reconciliation target price where the actual episode spending is more than the reconciliation target price.

<sup>3</sup> The percentage of dollars available for CQS adjustment of negative reconciliation amounts varies by track. The Participation Tracks fact sheet also provides information about the CQS adjustment for each participation track.

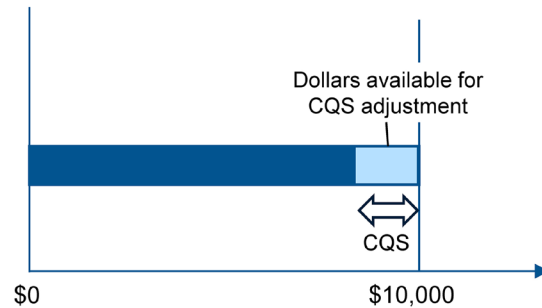
# Examples of CQS-Adjusted Reconciliation Amounts by Participant Track

**Figure 1. Track 1 Participants: CQS-Adjusted Reconciliation Amounts**

## Negative Reconciliation

Not applicable because Track 1 has no downside risk. Regardless of their CQS, Track 1 participants will not owe any money to CMS.

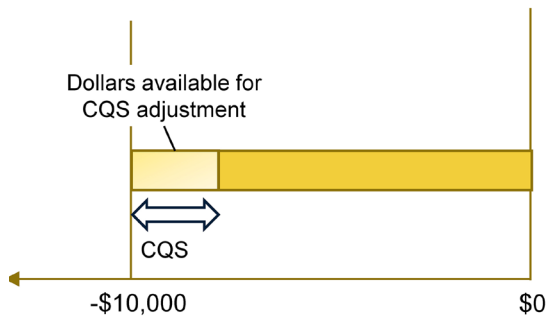
## Positive Reconciliation



Positive reconciliation amount: \$10,000  
 Quality-adj. recon. amount if CQS=100: \$10,000  
 Quality-adj. recon. amount if CQS=0: \$9,000

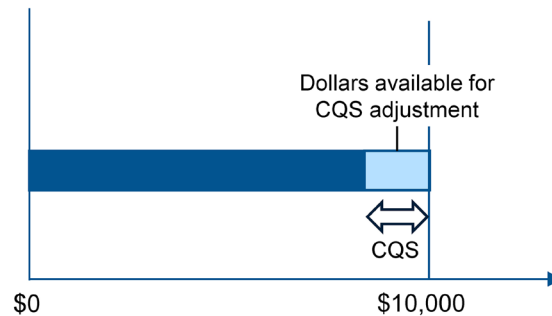
**Figure 2. Track 2 Participants: CQS-Adjusted Reconciliation Amounts**

## Negative Reconciliation



Negative reconciliation amount: -\$10,000  
 Quality-adj. recon. amount if CQS=100: -\$8,500  
 Quality-adj. recon. amount if CQS=0: -\$10,000

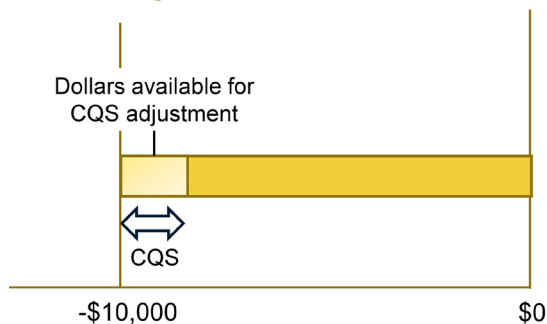
## Positive Reconciliation



Positive reconciliation amount: \$10,000  
 Quality-adj. recon. amount if CQS=100: \$10,000  
 Quality-adj. recon. amount if CQS=0: \$9,000

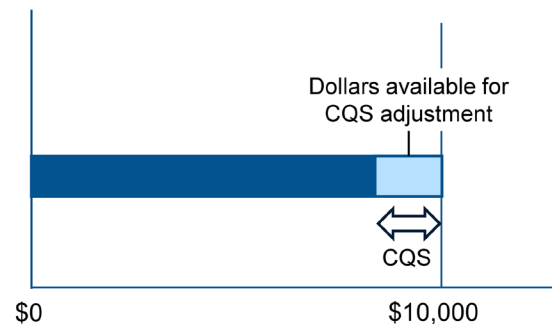
**Figure 3. Track 3 Participants: CQS-Adjusted Reconciliation Amounts**

## Negative Reconciliation



Negative reconciliation amount: -\$10,000  
 Quality-adj. recon. amount if CQS=100: -\$9,000  
 Quality-adj. recon. amount if CQS=0: -\$10,000

## Positive Reconciliation



Positive reconciliation amount: \$10,000  
 Quality-adj. recon. amount if CQS=100: \$10,000  
 Quality-adj. recon. amount if CQS=0: \$9,000

## Performance Year 1 (2026) Measures

CMIT ID	Measure name <sup>a</sup>	Quality reporting program <sup>b</sup>	Performance periods	Applicable episode categories <sup>c,d</sup>
356	<a href="#"><u>Hospital-Wide All-Cause Readmission Measure with Claims Data Only (HWR)</u></a>	IQR	July 1, 2024– June 30, 2025	All inpatient episodes
135	<a href="#"><u>CMS Patient Safety and Adverse Events Composite (CMS PSI 90)</u></a>	HAC	July 1, 2023– June 30, 2025	All inpatient episodes
1618	<a href="#"><u>Hospital-Level Total Hip and/or Total Knee Arthroplasty Patient-Reported Outcome-Based Performance Measure (THA/TKA PRO-PM)</u></a>	IQR	July 1, 2024– June 30, 2025	Inpatient LEJR <sup>e</sup> episodes

<sup>a</sup> Measure specifications are linked to the measure name. Quality measures may be subject to change, and any changes would occur with notice and comment rulemaking.

<sup>b</sup> IQR = Hospital Inpatient Quality Reporting Program; HAC = Hospital-Acquired Condition Reduction Program.

<sup>c</sup> When calculating the CQS, quality measures are weighted based on the volume of applicable TEAM-eligible episodes at each hospital. For an example of how quality measures are weighted for the CQS based on the volume of applicable episodes, please see Tables X.A.-11 and X.A.-12 of the FY 2025 IPPS final rule: <https://www.federalregister.gov/d/2024-17021/p-6685>.

<sup>d</sup> All measures are using inpatient episodes only as the Hospital IQR and HAC Reduction Programs only report on inpatient episodes.

<sup>e</sup> LEJR = lower extremity joint replacement.

## Performance Year 2 (2027) Measures

CMIT ID	Measure name <sup>a</sup>	Quality reporting program <sup>b</sup>	Performance periods	Applicable episode categories <sup>c,d</sup>
356	<a href="#"><u>Hybrid Hospital-Wide All-Cause Readmission Measure with Claims and Electronic Health Record Data (HWR)</u></a>	IQR	July 1, 2025– June 30, 2026	All inpatient episodes
1618	<a href="#"><u>Hospital-Level Total Hip and/or Total Knee Arthroplasty Patient-Reported Outcome-Based Performance Measure (THA/TKA PRO-PM)</u></a>	IQR	July 1, 2025– June 30, 2026	Inpatient LEJR <sup>e</sup> episodes
134	<a href="#"><u>Thirty-day Risk-Standardized Death Rate among Surgical Inpatients with Complications (Failure-to-Rescue)</u></a>	IQR	TBD <sup>f</sup>	All inpatient episodes
1518	<a href="#"><u>Hospital Harm – Falls with Injury (Falls with Injury)</u></a>	IQR	TBD <sup>f</sup>	All inpatient episodes
1788	<a href="#"><u>Hospital Harm – Postoperative Respiratory Failure</u></a>	IQR	TBD <sup>f</sup>	All inpatient episodes

<sup>a</sup> Measure specifications are linked to the measure name. Quality measures may be subject to change, and any changes would occur with notice and comment rulemaking.

<sup>b</sup> IQR = Hospital Inpatient Quality Reporting Program.

<sup>c</sup> When calculating the CQS, quality measures are weighted based on the volume of applicable TEAM-eligible episodes at each hospital. For an example of how quality measures are weighted for the CQS based on the volume of applicable episodes, please see Tables X.A.-11 and X.A.-12 of the FY 2025 IPPS final rule: <https://www.federalregister.gov/d/2024-17021/p-6685>.

<sup>d</sup> All measures are using inpatient episodes only as the Hospital IQR only report on inpatient episodes.

<sup>e</sup> LEJR = lower extremity joint replacement.

<sup>f</sup> The performance periods for these measures will be finalized via future notice and comment rulemaking.

## Performance Year 3 (2028) Measures

CMIT ID	Measure name <sup>a</sup>	Quality reporting program <sup>b</sup>	Performance periods	Applicable episode categories <sup>c</sup>
356	<a href="#">Hybrid Hospital-Wide All-Cause Readmission Measure with Claims and Electronic Health Record Data (HWR)</a>	IQR	July 1, 2026–June 30, 2027	All inpatient episodes
1618	<a href="#">Hospital-Level Total Hip and/or Total Knee Arthroplasty Patient-Reported Outcome-Based Performance Measure (THA/TKA PRO-PM)</a>	IQR	July 1, 2026–June 30, 2027	Inpatient LEJR episodes
134	<a href="#">Thirty-day Risk-Standardized Death Rate among Surgical Inpatients with Complications (Failure-to-Rescue)</a>	IQR	TBD <sup>d</sup>	All inpatient episodes
1518	<a href="#">Hospital Harm – Falls with Injury (Falls with Injury)</a>	IQR	TBD <sup>d</sup>	All inpatient episodes
1788	<a href="#">Hospital Harm – Postoperative Respiratory Failure</a>	IQR	TBD <sup>d</sup>	All inpatient episodes
1797	<a href="#">Patient Understanding of Key Information Related to Recovery After a Hospital-Based Outpatient Procedure or Surgery PRO-PM (Information Transfer PRO-PM)</a>	OQR	TBD <sup>d</sup>	All outpatient episodes

<sup>a</sup> Measure specifications are linked to the measure name. Quality measures may be subject to change, and any changes would occur with notice and comment rulemaking.

<sup>b</sup> IQR = Hospital Inpatient Quality Reporting Program; OQR = Hospital Outpatient Quality Reporting Program.

<sup>c</sup> When calculating the CQS, quality measures are weighted based on the volume of applicable TEAM-eligible episodes at each hospital. For an example of how quality measures are weighted for the CQS based on the volume of applicable episodes, please see Tables X.A.-11 and X.A.-12 of the FY 2025 IPPS final rule: <https://www.federalregister.gov/d/2024-17021/p-6685>.

<sup>d</sup> The performance periods for these measures will be finalized via future notice and comment rulemaking.

## Quality Measure Reporting



TEAM will use quality measures that hospitals **already report to other CMS programs**. All PY 1 and PY 2 TEAM quality measures will be obtained directly from the Hospital Inpatient Quality Reporting (IQR) or Hospital-Acquired Condition (HAC) Reduction Programs.



Quality measure reporting will occur for all five performance years (PYs) of TEAM from **PY 1 (2026) through PY 5 (2030)**.



TEAM participants should continue reporting quality measure data as they normally would for the Hospital IQR and HAC Programs.

- However, hospitals that do not report TEAM quality measures will not receive **potential reconciliation adjustments for high-quality performance**.
- CMS will assign a scaled quality measure score of 50 when participants lack the data necessary for computation of a raw quality measure score.