



The Whys and Hows of TEAM Collaborator Agreements

Hospitals selected for the Transforming Episode Accountability Model (TEAM), which begins January 1, 2026, can improve their likelihood of success by entering into collaborator agreements with other providers furnishing services during TEAM episodes of care. PYA has developed a [full training regimen](#) to help TEAM hospitals get into shape for this new alternative payment model. Here we take a deeper dive into developing collaborator agreements, including compliance with regulatory requirements. Prior preparation prevents poor performance (alliteration intended)!



**Spring
2025**



Organization and Education Phase

	<p>Develop list of potential collaborators.</p> <ul style="list-style-type: none">• A collaborator can be any provider who furnishes care during a TEAM episode (i.e., coronary artery bypass graft, lower extremity joint replacement, major bowel procedures, surgical hip/femur fracture treatment, and spinal fusion). Surgeons will naturally come to mind first; however, consider other potential collaborators such as hospital-based physicians, primary care providers, therapists, post-acute care providers, home health agencies, durable medical equipment providers, and even accountable care organizations (ACO).• Begin education of potential collaborators. Education could be broad or focused to a specific specialty or group, depending on needs of the hospital and the hospital's position within its TEAM workplan.
	<p>Evaluate historical performance on TEAM quality measures.</p> <ul style="list-style-type: none">• With TEAM comes three mandatory quality measures in the first year and five quality measures in Years 2-5 (plus one additional measure proposed for Years 3-5 for episodes anchored by an outpatient procedure). Compensation in collaborator agreements can potentially be tied to these quality measures, so determining historical performance for those collaborators with the most potential impact early in the preparation process can create a smooth path for implementation.



Early Summer 2025



Recruitment and Evaluation Phase

	<p>Create inventory of existing relationships with potential collaborators.</p> <ul style="list-style-type: none"> Understanding how potential collaborators are currently impacting the selected episodes of care is critical. For example, many potential collaborators could be participating in an ACO, and the ACO itself could be a collaborator. Co-management agreements are another form of affiliation that should be examined, especially if you already have similar agreements within cardiac services, orthopedic surgery, general surgery, or neurosurgery because these specialties align with the TEAM episodes. Finally, the structure of performance metrics under various professional services agreements or provider employment agreements should be considered as well. For example, review current performance metrics under these types of agreements to identify opportunities to realign performance metrics to impact TEAM performance.
	<p>Develop and obtain approval for policy and procedure on collaborator selection.</p> <ul style="list-style-type: none"> The TEAM regulations require specific organizational policies and procedures for implementing financial agreements under TEAM. A hospital must select collaborators who meet the requirements outlined in the hospital's written policies and procedures. A collaborator must be: <ul style="list-style-type: none"> A voluntary participant Willing and able to contribute to quality care within the episode of care Committed to coordinated care, including time required for planning Chosen based on their ability to meet the criteria set forth in the collaborator policies and procedures Agnostic to the volume or value of referrals to the hospital.
	<p>Evaluate and make preliminary selection of collaborators.</p> <ul style="list-style-type: none"> In addition to the criteria specified in policies and procedures, hospitals should evaluate potential collaborators' ability to impact episodic costs, prioritizing those with the greatest potential impact.
	<p>Calculate potential reconciliation and alignment payments.</p> <ul style="list-style-type: none"> To incentivize collaborators, a hospital may share the reconciliation payments received from CMS for reducing episodic costs. A collaborator, however, must agree to share downside risk (i.e., fund a portion of any repayment the hospital must make to CMS if episodic costs exceed benchmarks, referred to as alignment payments). Using historical data, a hospital should develop analyses to determine the potential for cost savings and penalties (based on the defined TEAM stop-loss and stop-gain criteria and limits) to ensure transparent communication and expectations with collaborators from the outset.
	<p>Identify and quantify opportunities for internal cost savings.</p> <ul style="list-style-type: none"> In addition to reconciliation payments from CMS, hospitals also may share internal cost savings with collaborators. While the savings must relate to TEAM episodes (e.g., acquisition cost and use of surgical supplies, devices, etc.; operating room efficiencies; length of stay), a hospital can include savings on procedures for all patients rather than only traditional Medicare beneficiaries.

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Late Summer
2025



Analysis and Planning Phase

	<p>Finalize collaborator agreement structure and consider creating a value-based enterprise (VBE).</p> <ul style="list-style-type: none">• Collaborator agreements should include formulas for calculating gainsharing and reconciliation payments and the terms on which such payments will be made including but not limited to performance on specified quality measures (i.e., shared savings distributed to the collaborator from the hospital).• If a hospital enters into a collaborator agreement with an ACO, physician group practice, non-physician group practice, or therapy group practice, the agreement must establish the terms on which the entity will make distribution payments to individual physicians or other providers.• Establishing a VBE to implement and execute collaborator agreements can be an innovative pathway to compliance. VBEs, if the specific criteria are met, are compliant with the Physician Self-Referral Law (Stark Law) and the Anti-Kickback Statute (AKS) and do not require remuneration to be fair market value. The framework of a VBE aligns neatly with TEAM, and the following items tie TEAM components to VBE requirements (<i>italicized</i>):<ul style="list-style-type: none">• <i>VBE Participants</i> (hospital and TEAM collaborators)• Collaborating to achieve a <i>Value-Based Purpose</i> (TEAM requirements for cost and quality)• For a <i>Target Patient Population</i> (Medicare TEAM beneficiaries)• Engaged in a <i>Value-Based Activity</i> (taking action to reduce cost and increase quality under TEAM)• Via a <i>Value-Based Arrangement</i> (between hospital and collaborators)• With an <i>Accountable Body</i> (TEAM Steering Committee or other body composed of participant and collaborators)• Memorialized by a <i>Governing Document</i>
	<p>Finalize Year 1 internal cost savings opportunities by episode category; verify collaborator impact on potential savings.</p> <ul style="list-style-type: none">• Finalizing cost savings opportunities and collaborator impacts on those savings will continue to foster a culture of transparency with collaborators. All parties should be aligned with the upside and downside risks.
	<p>Draft and obtain approval for standard collaborator agreement.</p> <ul style="list-style-type: none">• In conjunction with the hospital's legal counsel, drafting the standard collaborator agreement is key to obtaining necessary collaborator buy-in. The agreement should include written criteria for collaborator selection, collaborator responsibilities, formula and methodology for payment calculations, and pre-conditions for payments.

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Fall
2025



Winter
2025

Execution Phase

Secure executed collaborator agreements.

- Obtain signatures and execute collaborator agreements in advance of January 1, 2026, to the fullest extent possible.

Working with collaborators, enhance operational improvement workplans for individual episodes.

- Earning cost savings will require improvement, and working with collaborators will be important to jumpstart the process. Hospitals can obtain a pool of knowledge from the various collaborators to prepare for success within each TEAM episode.
- Compensating potential collaborators for the time spent on workplan development should be carefully considered. Metrics and administrative duties within current agreements are a potential opportunity for alignment and structure.

Launch Phase

Complete fair market value opinions for collaborator agreements (if necessary).

- Compensation agreements between hospitals and physicians are required to be fair market value under the Stark Law and AKS. The agreements between hospitals and collaborators are no different. Hospitals should ensure their catalog of collaborator agreements meets the standard of fair market value by obtaining opinions from reputable, independent third parties. Of course, if a VBE is used to execute and administer collaborator agreements, meeting the standard of fair market value is not required.

With our deep experience in value-based payment models and compensation agreements, PYA can help your organization develop and execute its game plan for collaborator agreements and overall TEAM success.



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