

# Risk Adjustment Variables for CMS Transforming Episode Accountability Model (TEAM)



Risk adjustment is essential to ensure that each hospital's target price reflects the characteristics of the patients they serve. But risk adjustment models often explain only a portion of the variation in spending. The factors used to build risk scores for TEAM patients are shown below.

Source: CMS 2025 IPPS Final Rule, pp2598-2603. <https://public-inspection.federalregister.gov/2024-17021.pdf>. Accessed 8/13/24.

Variable Name	CABG	Lower Joint Replacement	Major Bowel Procedure	SHFFT	Spinal Fusion
<b>Beneficiary Characteristics</b>					
Age less than 65	x	x	x	x	x
Age 65 to less than 75	x	x	x	x	x
Age 75 to less than 85	x	x	x	x	x
Age 85 or more	x	x	x	x	x
Social needs score	x	x	x	x	x
<b>HCC Count (90 days before episode begins)</b>					
Total HCC count of zero	x	x	x	x	x
Total HCC count of one	x	x	x	x	x
Total HCC count of two	x	x	x	x	x
Total HCC count of three	x	x	x	x	x
Total HCC count of four or more	x	x	x	x	x
<b>Hospital Characteristics</b>					
Beds 250 or less	x	x	x	x	x
Beds 251 to 500	x	x	x	x	x
Beds 501 to 850	x	x	x	x	x
Beds 851 or more	x	x	x	x	x
Hospital is safety net	x	x	x	x	x
<b>Other Beneficiary Characteristics</b>					
Post-acute care in prior 3 months	x	x			x
Ankle, Hip, or Knee Procedures in prior 3 months		x			
Disability as Original Enrollment		x			
Dementia w/o complications		x			
Long-term institutional care resident			x		
<b>Specific HCC Codes (prior 3 months)</b>					
Metastatic Cancer & Acute Leukemia		x			x
Colorectal, Bladder, and Other Cancers			x		
Diabetes with CC	x	x	x	x	x
Protein-Calorie Malnutrition			x		
Morbid Obesity		x		x	x
Intestinal Obstruction/Peroration			x		
Rheumatoid Arthritis and ICTD					x
Severe Hematological Disorders	x				
Major Depressive, Bipolar, Paranoid	x	x			x
Parkinson's and Huntington's		x			
Respirator Dependence/Tracheostomy Status			x	x	
Respiratory Arrest				x	
Cardio-Respiratory Failure and Shock	x			x	
CHF	x	x	x	x	x
AMI	x	x	x		x
Specified Heart Arrhythmias	x			x	x
Hemiplegia/Hemiparesis	x	x	x	x	x
COPD	x	x	x	x	x
Fibrosis of Lung, Other Chronic Lung	x	x	x	x	x
Dialysis Status	x	x	x	x	x
Pressure Ulcer of Skin with Necrosis				x	
Pressure Ulcer of Skin with Skin Loss				x	
Chronic Ulcer of Skin, Except Pressure				x	
Hip Fracture/Dislocation		x		x	
Artificial Openings for Feeding or Elimination			x		

These data are based on assumptions and information available at the time of the final rule; users should exercise caution as these are subject to change prior to 2026.