A POLICY CONVERSATION

TEAM from the top

What mandatory bundled payments signal about the future of Medicare.

FEATURING

Dr. David Shulkin
9th U.S. Secretary of Veterans Affairs

Christina Keny, PhD, MHA, RN
VP of Clinical AI, Rainfall Health · host

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FEATURED VOICES

Dr. David Shulkin
Former VA Secretary and Under Secretary for Health; led the nation's largest integrated health system.

Christina Keny, PhD, MHA, RN
RN executive healthcare leader, research scientist, and VP of Clinical AI at Rainfall Health.

INTRODUCTION

A signal, not just a payment model

On January 1, 2026, CMS launched the Transforming Episode Accountability Model (TEAM), its first mandatory bundled-payment program. It runs through 2030, covers roughly 721 hospitals across 188 core areas, and ties reimbursement to the outcomes, coordination, and recovery of older adults across the entire surgical care continuum.

Many systems still read TEAM as one more payment model. Dr. David Shulkin, a physician, former VA Secretary, and leader of the nation's largest integrated health system, reads it as something bigger: the clearest signal yet of where Medicare payment is headed, and a glide path hospitals should be racing to get ahead of.

This guide distills his conversation with Christina Keny, PhD, MHA, RN — an executive healthcare leader, research scientist, and VP of Clinical AI at Rainfall Health — into a working map of the moment: why it turned mandatory, what it now requires, and how to prepare.

> **“Hospital leaders actually need to be ahead of that curve and the envelope.”**
>
> Dr. David Shulkin, 9th U.S. Secretary of Veterans Affairs

01 · WHY MANDATORY NOW

“A calendar issue and a math problem”

Asked why these optional, voluntary payments finally turned mandatory, Dr. Shulkin's answer was blunt: it comes down to a calendar the government set for itself, and math it can no longer avoid. Voluntary participation was never going to deliver the cost containment — and the optimized outcomes an aging population that often arrives at surgery with multiple chronic conditions demands — in time.

THE CALENDAR

CMS has committed to putting **every Medicare beneficiary** in a value-based payment model by 2030. Halfway through 2026, current voluntary enrollment rates make that impossible, so more hospitals, providers, and beneficiaries have to be moved in.

THE MATH

The Medicare trust fund is projected to become insolvent by **2034**, a deadline closer than it may seem. With roughly 10,000 Americans turning 65 each day, an aging population, and fewer younger workers paying in, Medicare can't be financed the way it is today. Staying sustainable means changing how the government pays for care: toward value, outcomes, and cost efficiency.

BY THE NUMBERS

721
hospitals in TEAM, across 188 core areas

2030
every beneficiary in a value-based model

2034
Medicare trust fund projected insolvent

10K
Americans turning 65 every single day

2026 is a glide path: a year to build the infrastructure for the downside financial risk that begins in 2027. The perspective on “just another payment model” tends to change fast once that risk becomes real, and the systems that treat this year as preparation will be the ones ready when it does.

02 · THE 30 DAYS YOU NOW OWN

Responsibility that doesn't end at the hospital door

Under TEAM, the hospital is financially and clinically responsible for a 30-day post-discharge window that extends well beyond its own walls — a period historically treated as someone else's problem. (CJR-X, expected next, will likely extend this window to 90 days.) Dr. Shulkin calls it a wholesale redesign of how a hospital thinks about care after the patient leaves.

IN HOSPITAL

The surgical episode

High-volume procedures like joint replacement, hip and femur fracture, CABG, spinal fusion, and major bowel, where enhanced-recovery protocols already shorten stays and improve outcomes.

TRANSITION

Discharge to the next setting

Home, skilled nursing, or post-acute: the handoffs where information has historically been lost between organizations that don't share a record.

30 DAYS OUT

Recovery the hospital now owns

The full arc of recovery at home, where readmissions and complications decide whether the episode lands above or below target, and where the hospital now bears the result.

“Hospitals have simply not thought about that as their responsibility. But under this model, they are financially and clinically responsible for it.”

Dr. David Shulkin · on the redesign of post-surgical care

03 · OLDER ADULTS, INTO THE HOME

The patient at the center of the episode

It's easy for a system to fixate on financial performance and lose sight of the patient. But the population TEAM touches most, adults 65 and older, arrives with real complexity, and the recovery increasingly happens in a place hospitals don't control: the home.

Surgery on complexity

An acute surgical event superimposed on two or more chronic conditions: the norm, not the exception, for older adults.

The caregiver factor

Recovery often depends on an older-adult spouse as caregiver, adding fragility to the very support system the plan relies on.

Home as care setting

Sending patients home sooner saved money and improved outcomes, but exposed how little support existed once they got there.

“How do healthcare systems need to seamlessly support care all the way into the home, so that patients and their caregivers are fully prepared to optimize recovery?”

Christina Keny, PhD, MHA, RN · on coordinating beyond the four walls

From reactive reporting to real-time care

Healthcare has spent decades digitizing information. AI's greatest promise is to make that information actionable at the moment it matters — shifting from retrospective quality reporting built on outdated data to real-time insight that enables earlier intervention and better care. Today AI is used mostly in administrative and back-office functions, but it is moving quickly toward the point of care, where it can directly support clinical decisions, care coordination, and patient outcomes.

Patient identification & selection

Matching evidence-based algorithms to available data to find who's appropriate for a procedure, and who needs preoperative optimization first.

Predictive analytics

Individualized answers to what setting and what care each patient needs after discharge, not a generic pathway applied to everyone.

Real-time monitoring

Catching a patient drifting off the expected recovery course early, intervening with far fewer resources than an ER visit or readmission.

Closing the blind spots

Bridging the gaps between settings, where the post-acute provider, the home, DME, and pharmacy have never shared a full view.

CHANGE MANAGEMENT

The model can be mind-blowing, but where the rubber meets the road is integration, implementation, adoption, and change management. The technology will keep getting better. The harder work is redesigning systems to actually use it.

Follow the incentives to see what wins

Technology follows incentives, and innovation follows opportunity. The companies positioned to succeed under TEAM are the ones that give visibility across the continuum and deliver the right care at the right time, not just more of it.

Focus areas for funding

- Remote monitoring across the continuum
- Care management in the home, often the most cost-efficient setting
- Tools that lower the barriers to full continuity of care
- Evidence-driven care that eliminates spend without value

Why CMS doubles down

Most past CMMI experiments never hit their savings targets; only a few, bundled payments among them, worked. The signal now is less experimenting and more doubling down on what's proven. Results from TEAM's first reconciliation land roughly a year out; success means expansion into new high-cost categories.

CJR-X

proposed for 2027

Rather than being sunset, CJR was expanded, and CJR-X looks much like TEAM, with a reported **2,500+ hospitals** mandated to participate.

“For at least the next five years, the innovation center's clear push is toward mandatory, value-based models.”

Christina Keny, PhD, MHA, RN

06 · WHAT EVERY CEO MUST KNOW

Be ahead of the curve, not behind it

Two closing questions to Dr. Shulkin — what every hospital CEO must understand, and the biggest blind spot systems still have about Washington — drew a consistent answer: impatience to improve, and a seat in the policy process. And where Medicare leads on payment, the large commercial insurers and payers tend to watch first and follow.

THE MANDATE

Carry a genuine impatience to get better every day. Push systems until they're a little uncomfortable, always with the patient's interest at heart. A system that isn't affordable can't stay there for its community.

THE BLIND SPOT

Amid the noise, too many leaders miss what's coming from Washington — some don't even know their hospital is a mandated TEAM participant. The cost is real: missed reconciliation targets, avoidable penalties, and scrambling to comply once downside risk is already live. Policy engagement has shifted from nice-to-have to essential.

“The healthcare system is so large and complicated that it really does take its lead from government policy: watching what's coming, and participating in it, is now an essential part of the job.”

Dr. David Shulkin · on the 340B ripple effect and staying ahead

07 · THE SOLUTION

Rainfall Health: the end-to-end TEAM solution

An accountability and accessibility platform powered by AI: the first and only company certified for these Medicare-mandated programs, including TEAM and CJR-X. It closes the blind spots Dr. Shulkin describes and keeps the clinician in the driver's seat across the whole 30-day post-discharge episode.

Compliance

Cuts through the noise with a six-step compliance journey mapped to each mandated model, driving adherence in 2–4 months, not years.

Case management

Augments your team so no episode, and no older, high-risk patient, is left unattended across the continuum.

Care coordination & patient education

Brings the post-acute network, the home, and the hospital onto the same page, equipping patients and caregivers with the education to recover, where most of the episode actually happens.

AI-enabled care design

Personalizes each episode with predictive analytics and real-time monitoring, with a human in the loop on every decision.

30 days of accountability now sit on the hospital, most of it outside the four walls. Winning under TEAM means owning that window, not just the operation. Rainfall is the end-to-end solution, technology and services, built for exactly that.

08 · GET CONNECTED

Run your numbers with Rainfall

We'll perform a free analysis of your 2024 and 2025 Medicare billings and build an individualized view of your potential upside and downside under TEAM. Rainfall is the end-to-end solution, technology and services, for hospitals navigating the mandate.

LEARN MORE

www.rainfallhealth.com

SCHEDULE A DEMO + FREE ANALYSIS

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