apma
Advancing foot and ankle medicine and surgery

June 5, 2026

The Honorable Mehmet Oz, MD, MBA
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

RE: Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals (IPPS) and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year (FY) 2027 Rates; Requirements for Quality Programs; and Other Policy Changes: Comments on TEAM and the Ambulatory Surgical Center Participation RFI [CMS-1849-P]

Dear Administrator Oz:

On behalf of the members of the American Podiatric Medical Association (APMA), the national organization representing the vast majority of the nation's estimated 15,000 practicing doctors of podiatric medicine (DPMs), also known as podiatric physicians and surgeons, or podiatrists, we appreciate the opportunity to comment on the FY 2027 Hospital Inpatient Prospective Payment System (IPPS) proposed rule, specifically CMS's proposed updates to the Transforming Episode Accountability Model (TEAM) and related Requests for Information (RFIs) regarding ambulatory surgical center (ASC) expansion. TEAM is a five-year mandatory model that began on January 1, 2026, and CMS is now proposing targeted changes, while also seeking stakeholder input on whether and how ASC episodes could potentially be incorporated into the model in future years.

APMA has a strong interest in these proposals as podiatrists increasingly participate in surgical care delivered in ASC settings. Moreover, the lower extremity joint replacement (LEJR) episodes would directly include ankle replacement procedures (CPT® 27702)[1] performed by podiatrists. Podiatric physicians account for approximately 19 percent of Medicare Part B utilization for CPT 27702, underscoring the meaningful role podiatric physicians play in ankle replacement procedures. In addition, MedPAC data indicate there are 87 single-specialty podiatry ASCs nationwide, as well as more than 1,784 multi-specialty ASCs, [2] many of which are likely to include podiatric physician involvement.

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[1] 2026 CPT Professional Current Procedural Terminology (CPT®) is copyright by the American Medical Association. All rights reserved. CPT is a registered trademark of the American Medical Association (AMA).
[2] Medicare Payment Advisory Commission (MedPAC), "Ambulatory Surgical Center Services: Status Report," in *Report to the Congress: Medicare Payment Policy*, chap. 10 (March 2025), https://www.medpac.gov/wp-content/uploads/2025/03/Mar25_Ch10_MedPAC_Report_To_Congress_SEC.pdf

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Overarching Concerns with TEAM

APMA recognizes and supports CMS's stated goals of improving care coordination, quality, and efficiency under TEAM. However, we remain concerned about the potential impacts of any modifications or expansions to the model. Our concerns are based on the following:

- **Reliance on mandatory participation and two-sided risk.** Similar to concerns previously raised by APMA in response to the proposed Ambulatory Specialty Model (ASM)[3], included in our comments on the CY 2026 Physician Fee Schedule proposed rule, APMA acknowledges that mandatory participation may reduce selection bias; however, these models may compel individual clinicians to enter two-sided risk based on geographic randomization, regardless of practice readiness.

- **Perverse incentives and unintended consequences.** APMA also shares concerns raised by physician organizations, such as the American Medical Association, regarding the potential unintended consequences of mandatory episode-based payment models. In particular, bundled payment models may create incentives for participating entities to preferentially select lower-risk patients or avoid medically and socially complex beneficiaries whose care needs may exceed target pricing assumptions. As the American Medical Association previously noted in comments on TEAM, providers may face pressure to avoid patients with above-average post-acute care needs or elevated risks of complications and readmissions.[4]

  Limited locus of control. Although APMA supports efforts to incentivize high-quality and efficient care, CMS should recognize that postoperative complications and readmissions are not always within the direct control of the treating surgeon or facility. Patient compliance challenges, comorbidities, damaging social determinants of health, and other external factors can meaningfully affect episode costs and outcomes even when clinically appropriate, evidence-based care is delivered.

- **Downstream impacts on specialty physicians.** APMA notes that physicians participating in TEAM episodes may face indirect downstream impacts even when hospitals are the participating entities under the model that are accountable for cost and quality goals. For example, TEAM participation may influence hospital contracting practices, referral patterns, post-acute care utilization, and site-of-service decisions involving podiatric physicians. As

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[3] American Podiatric Medical Association, "RE: File Code CMS-1832-P; Medicare and Medicaid Programs; CY 2026 Payment Policies Under the Physician Fee Schedule and Other Changes to Part B Payment and Coverage Policies," comment letter to the Centers for Medicare & Medicaid Services, September 12, 2025, signed by Brooke A. Bisbee, DPM, https://www.apma.org/apmamain/document-server/?cfp=/apmamain/assets/file/members/advocacy/federal/comment-letters/2025/apma%20cy2026%20mpfs%20pr%20comments%209_12_2025%20final.pdf

[4] American Medical Association, "Re: File Code CMS–1833–P: Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year 2026 Rates; Requirements for Quality Programs; and Other Policy Changes," comment letter to the Centers for Medicare & Medicaid Services, June 10, 2025, signed by James L. Madara, https://searchlf.ama-assn.org/letter/documentDownload?uri=/unstructured/binary/letter/LETTERS/lfa.zip/2025-6-10-Letter-to-Oz-re-2026-IPPS-Comments-v3.pdf

TEAM evolves, APMA encourages CMS to ensure that podiatric physicians who routinely provide lower-extremity surgical and postoperative care have meaningful opportunities to inform model design, implementation, and evaluation.

Given the above, APMA encourages CMS to prioritize robust technical assistance to TEAM participants to maximize the likelihood of success under the model. CMS should also carefully monitor TEAM's implementation and operational impacts as the model continues to evolve, prioritizing transparent evaluation methodologies, in an effort to demonstrate that the model can protect beneficiary access, appropriately account for patient complexity, and avoid unintended incentives to preferentially select lower-risk patients. The agency should also safeguard access to care for medically complex lower-extremity patients, who may require more intensive postoperative management and whose clinical needs may not be fully captured by episode-based payment models.

As CMS looks to further refine or expand the model, we also encourage CMS to engage specialty physician stakeholders. As podiatrists perform a meaningful share of ankle replacement procedures and frequently participate in postoperative management, APMA would be pleased to serve as a resource for such efforts. Finally, to mitigate the challenges associated with patient complexity, we recommend that CMS continue refining risk adjustment methodologies and quality safeguards to ensure providers are not unfairly penalized for factors beyond their control and that beneficiary access to medically necessary care is preserved.

Request for Information on ASC Participation in TEAM

APMA appreciates CMS's decision to seek stakeholder feedback before potentially incorporating ASC episodes into TEAM in future years. Because podiatrists participate in both single-specialty and multispecialty ASCs, including facilities performing lower extremity surgical procedures, APMA believes it is important that CMS carefully assess the operational and clinical implications of expanding episode-based accountability into ASC settings.

Given the operational, financial, and patient-selection concerns associated with mandatory episode-based payment models, APMA does not believe CMS should expand episode-based accountability requirements to ASCs unless the agency can demonstrate that such an expansion would preserve beneficiary access, appropriately account for patient complexity, and avoid creating undue burdens for smaller physician-owned facilities. To do so, we reiterate our request that CMS carefully monitor TEAM's implementation and operational impacts, as well as to prioritize transparent evaluation methodologies to provide stakeholders assurance in any findings or conclusions.

If CMS ultimately considers incorporating ASC participation into TEAM or a related episode-based payment structure, APMA also encourages CMS to carefully evaluate several operational and access concerns, similar to our earlier request regarding the model overall.

First, ASCs may face unique operational and financial challenges under episode-based payment models due to their size, narrower service lines, and reduced ability to absorb financial losses compared to large hospital systems. Smaller physician-owned ASCs may be particularly vulnerable to volatility associated with unusually complex cases.

Second, CMS should carefully assess whether episode-based financial accountability programs could create incentives that inadvertently discourage treatment of higher-risk Medicare beneficiaries in ASC settings. Appropriate safeguards, risk adjustment mechanisms, and quality protections will be necessary to avoid exacerbating disparities in access to surgical care for medically complex patients.

Third, APMA encourages CMS to provide substantial technical assistance, operational guidance, and data-sharing resources before requiring ASC participation in any future episode-based payment structure. Participants should have access to actionable data and sufficient implementation timelines to support operational readiness.

Finally, APMA encourages CMS to continue engaging medical societies and ASC stakeholders before pursuing future rulemaking related to ASC participation in TEAM. Given the evolving role of outpatient lower extremity procedures[5], it will be important to ensure that future payment models appropriately account for specialty-specific practice patterns and patient needs. APMA would be pleased to serve as a resource in CMS' efforts in this arena.

Thank you for considering our recommendations. If CMS requires any additional information or wishes to discuss these recommendations further, please contact Gail Reese, JD, APMA Director, Health Policy and Practice, at greese@apma.org or 301-581-9230.

Sincerely,

Patrick A. DeHeer

President

[5] Joe Paone, "Outpatient Foot and Ankle Continues to Grow," Outpatient Surgery Magazine: A Division of AORN, June 25, 2024, https://www.aorn.org/outpatient-surgery/article/outpatient-foot-and-ankle-continues-to-grow