



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Home and Community Living Administration
P.O. Box 45600 • Olympia, Washington 98504

October 1, 2025

HCLA: NH #2025-047

**TRANSFORMING EPISODE ACCOUNTABILITY MODEL (TEAM) 3-DAY SKILLED NURSING
FACILITY (SNF) RULE WAIVER**

Dear Nursing Facility/Home Administrator:

The Center for Medicare and Medicaid Services (CMS) Innovation Center is launching a mandatory, episode-based payment model called the *Transforming Episode Accountability Model* (TEAM), to reduce Medicare spending, improve the quality of care, and further advance care coordination across acute and post-acute care settings. The TEAM model will launch on January 1, 2026, and run for 5 years, ending on December 31, 2030. Visit the [TEAM webpage](#) to learn more about the model.

Effective for qualifying episodes during January 1, 2026, through December 31, 2030, patients in a TEAM episode of care may receive SNF or swing bed services without meeting the 3-day hospital stay requirement. Payment of SNF services claims from qualified SNFs or providers with swing bed arrangements will be subject to these criteria:

- The hospital stay wouldn't meet the 3-day rule requirement. If the stay meets the requirement, the waiver isn't necessary.
- The discharge must be from a hospital participating in TEAM. An up-to-date list of participating hospitals is posted on the TEAM webpage.
- The participating hospital must have discharged the patient for *one* of the *five* TEAM episode categories prior to the start of SNF services.
- The admission date to the SNF must happen no later than 30 days after the hospital or outpatient department discharges the patient.
- The waiver only applies if the SNF is qualified to admit patients under TEAM.
 - Qualified SNFs have an overall rating of *three* stars or better for *at least seven* of the last 12 months. An up-to-date list is posted on the TEAM webpage.
 - SNF services provided in swing beds are not subject to the star rating requirement.
- The patient must meet eligibility criteria for TEAM at the time of SNF admission.

If you have any questions, please contact RCSpolicy@dshs.wa.gov.

Sincerely,

Amy Abbott, Director
Residential Care Services
DSHS: "Partnering with People"

Related References:

- [TEAM webpage](#),
- <https://www.federalregister.gov/d/2025-14681>,
- [TEAM FAQs](#),
- [TEAM Fact Sheet](#),
- [TEAM 3-Day SNF Waiver – Implementation](#)