

2018 Tennessee Healthcare Innovation Initiative Threshold Methodology

Below are the threshold levels for BlueCross BlueShield of Tennessee for the 2018 calendar year:

Business Line	Episode	Acceptable Level	Commendable Level
BlueCare Tennessee	Asthma	\$1,394	\$750
BlueCare Tennessee	Perinatal	\$8,215	\$5,140
BlueCare Tennessee	Total Joint Replacement	\$15,945	\$9,926
BlueCare Tennessee	Acute PCI	\$13,384	\$8,553
BlueCare Tennessee	Colonoscopy	\$1,525	\$1,173
BlueCare Tennessee	COPD	\$3,300	\$1,385
BlueCare Tennessee	Cholecystectomy	\$6,312	\$4,035
BlueCare Tennessee	Non-acute PCI	\$11,566	\$5,173
BlueCare Tennessee	Upper GI Endoscopy	\$1,769	\$1,175
BlueCare Tennessee	Gastrointestinal Hemorrhage (GIH)	\$6,028	\$2,568
BlueCare Tennessee	Urinary Tract Infection -Inpatient	\$5,834	\$3,370
BlueCare Tennessee	Urinary Tract Infection -Outpatient	\$228	\$104
BlueCare Tennessee	Pneumonia	\$2,192	\$680
BlueCare Tennessee	Respiratory Infection	\$172	\$90
BlueCare Tennessee	Congestive Heart Failure (CHF) – Acute Exacerbation	\$9,334	\$4,568
BlueCare Tennessee	Attention Deficit and Hyperactivity Disorder (ADHD)	\$2,048	\$819
BlueCare Tennessee	Bariatric Surgery	\$10,468	\$7,095
BlueCare Tennessee	Coronary Artery Bypass Graft (CABG)	\$44,628	\$20,190
BlueCare Tennessee	Oppositional Defiant Disorder (ODD)	\$2,195	\$1,186
BlueCare Tennessee	Valve Repair and Replacement	\$84,095	\$45,772
BlueCare Tennessee	Anxiety	\$924	\$220
BlueCare Tennessee	Breast Biopsy	\$2,721	\$1,075
BlueCare Tennessee	Non-emergent depression	\$2,797	\$263
BlueCare Tennessee	Otitis Media	\$316	\$106
BlueCare Tennessee	Tonsillectomy	\$3,526	\$2,022
BlueCare Tennessee	Diabetes Acute Exacerbation	\$8,361	\$3,865

BlueCare Tennessee	HIV	\$5,377	\$407
BlueCare Tennessee	Pancreatitis	\$8,837	\$4,284
BlueCare Tennessee	Skin and Soft Tissue Infection	\$459	\$126

Business Line	Episode	Acceptable Level	Commendable Level
CoverKids	Asthma	\$1,461	\$652
CoverKids	Perinatal	\$7,594	\$4,293
CoverKids	Total Joint Replacement	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Acute PCI	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Colonoscopy	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	COPD	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Cholecystectomy	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Non-acute PCI	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Upper GI Endoscopy	\$2,483	\$1,024
CoverKids	Gastrointestinal Hemorrhage (GIH)	\$9,190	\$4,936
CoverKids	Urinary Tract Infection -Inpatient	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Urinary Tract Infection -Outpatient	\$319	\$141
CoverKids	Pneumonia	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Respiratory Infection	\$192	\$109
CoverKids	Congestive Heart Failure (CHF) – Acute Exacerbation	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Attention Deficit and Hyperactivity Disorder (ADHD)	\$2,047	\$1,020
CoverKids	Bariatric Surgery	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Coronary Artery Bypass Graft (CABG)	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Oppositional Defiant Disorder (ODD)	\$1,400	\$501
CoverKids	Valve Repair and Replacement	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Anxiety	\$849	\$230
CoverKids	Breast Biopsy	Insufficient providers Serving	Insufficient providers Serving

		episode	episode
CoverKids	Non-emergent depression	\$822	\$332
CoverKids	Otitis Media	\$227	\$128
CoverKids	Tonsillectomy	\$3,090	\$1,878
CoverKids	Diabetes Acute Exacerbation	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	HIV	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Pancreatitis	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Skin and Soft Tissue Infection	\$305	\$144

Business Line	Episode	Acceptable Level	Commendable Level
<i>TennCareSelect</i>	Asthma	\$1,152	\$514
<i>TennCareSelect</i>	Perinatal	\$6,996	\$4,169
<i>TennCareSelect</i>	Total Joint Replacement	Insufficient providers Serving episode	Insufficient providers Serving episode
<i>TennCareSelect</i>	Acute PCI	Insufficient providers Serving episode	Insufficient providers Serving episode
<i>TennCareSelect</i>	Colonoscopy	Insufficient providers Serving episode	Insufficient providers Serving episode
<i>TennCareSelect</i>	COPD	Insufficient providers Serving episode	Insufficient providers Serving episode
<i>TennCareSelect</i>	Cholecystectomy	\$6,751	\$4,345
<i>TennCareSelect</i>	Non-acute PCI	Insufficient providers Serving episode	Insufficient providers Serving episode
<i>TennCareSelect</i>	Upper GI Endoscopy	\$1,802	\$735
<i>TennCareSelect</i>	Gastrointestinal Hemorrhage (GIH)	\$9,464	\$1,921
<i>TennCareSelect</i>	Urinary Tract Infection -Inpatient	\$6,297	\$2,938
<i>TennCareSelect</i>	Urinary Tract Infection -Outpatient	\$263	\$112
<i>TennCareSelect</i>	Pneumonia	Insufficient providers Serving episode	Insufficient providers Serving episode
<i>TennCareSelect</i>	Respiratory Infection	\$183	\$102
<i>TennCareSelect</i>	Congestive Heart Failure (CHF) – Acute Exacerbation	Insufficient providers Serving episode	Insufficient providers Serving episode
<i>TennCareSelect</i>	Attention Deficit and Hyperactivity Disorder (ADHD)	\$2,249	\$1,096
<i>TennCareSelect</i>	Bariatric Surgery	Insufficient providers Serving episode	Insufficient providers Serving episode
<i>TennCareSelect</i>	Coronary Artery Bypass Graft (CABG)	Insufficient	Insufficient

		providers Serving episode	providers Serving episode
TennCareSelect	Oppositional Defiant Disorder (ODD)	\$1,836	\$767
TennCareSelect	Valve Repair and Replacement	Insufficient providers Serving episode	Insufficient providers Serving episode
TennCareSelect	Anxiety	\$831	\$184
TennCareSelect	Breast Biopsy	Insufficient providers Serving episode	Insufficient providers Serving episode
TennCareSelect	Non-emergent depression	\$912	\$186
TennCareSelect	Otitis Media	\$371	\$137
TennCareSelect	Tonsillectomy	\$3,012	\$2,040
TennCareSelect	Diabetes Acute Exacerbation	Insufficient providers Serving episode	Insufficient providers Serving episode
TennCareSelect	HIV	Insufficient providers Serving episode	Insufficient providers Serving episode
TennCareSelect	Pancreatitis	Insufficient providers Serving episode	Insufficient providers Serving episode
TennCareSelect	Skin and Soft Tissue Infection	\$351	\$118

METHODOLOGY

Baseline Method: Actual costs from provider episodes are risk-adjusted and aggregated by the quarterback. Quarterbacks with risk-adjusted average costs above the Acceptable Level are subject to a penalty equal to 50% of the difference between their risk adjusted cost and the Acceptable Level. Quarterbacks with risk-adjusted average costs below the Commendable Level receive a bonus equal to 50% of the difference between their risk-adjusted average cost and the Commendable level.

The following parameters are used in the baseline calculations:

- Acceptable Levels are set at 90th percentile of quarterbacks.
- Commendable thresholds are calculated to have projected bonuses equal the amount of projected penalties after taking into account the impact of quality metrics.
- Gains per quarterback are capped based on a Gain Share Limit