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2017 Tennessee Healthcare Innovation Initiative Threshold Methodology

Below are the threshold levels for BlueCross BlueShield of Tennessee for the 2017 calendar year:

Business Line	Episode	Acceptable Level	Commendable Level
BlueCare Tennessee	Asthma	\$1,394	\$750
BlueCare Tennessee	Perinatal	\$7,783	\$4,224
BlueCare Tennessee	Total Joint Replacement	\$15,945	\$8,285
BlueCare Tennessee	Acute PCI	\$11,655	\$6,424
BlueCare Tennessee	Colonoscopy	\$1,325	\$863
BlueCare Tennessee	COPD	\$3,608	\$1,331
BlueCare Tennessee	Cholecystectomy	\$5,687	\$3,685
BlueCare Tennessee	Non-acute PCI	\$10,048	\$4,626
BlueCare Tennessee	Upper GI Endoscopy	\$1,769	\$1,098
BlueCare Tennessee	Respiratory Infection	\$172	\$95
BlueCare Tennessee	Pneumonia	\$2,192	\$513
BlueCare Tennessee	Urinary Tract Infection -Outpatient	\$228	\$103
BlueCare Tennessee	Urinary Tract Infection -Inpatient	\$5,834	\$2,506
BlueCare Tennessee	Gastrointestinal Hemorrhage (GIH)	\$6,554	\$2,024
BlueCare Tennessee	Attention Deficit and Hyperactivity Disorder (ADHD)	\$1,960	\$1,283
BlueCare Tennessee	Bariatric Surgery	\$9,989	\$7,030
BlueCare Tennessee	Coronary Artery Bypass Graft (CABG)	\$40,474	\$14,442
BlueCare Tennessee	Congestive Heart Failure (CHF) – Acute Exacerbation	\$9,334	\$3,389
BlueCare Tennessee	Oppositional Defiant Disorder (ODD)	\$2,195	\$1,186
BlueCare Tennessee	Valve Repair and Replacement	\$71,918	\$45,772

Business Line	Episode	Acceptable Level	Commendable Level
CoverKids	Asthma	\$1,342	\$889
CoverKids	Perinatal	\$5,943	\$4,153
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	\$1,407	\$827
CoverKids	COPD	\$3,459	\$199
CoverKids	Cholecystectomy	\$7,247	\$3,985
CoverKids	Non-acute PCI	Insufficient providers Serving episode	Insufficient providers Serving episode
CoverKids	Upper GI Endoscopy	\$2,005	\$1,227
CoverKids	Respiratory Infection	\$189	\$115
CoverKids	Pneumonia	\$1,481	\$668
CoverKids	Urinary Tract Infection -Outpatient	\$278	\$123
CoverKids	Urinary Tract Infection -Inpatient	\$5,820	\$2,778
CoverKids	Gastrointestinal Hemorrhage (GIH)	\$7,478	\$2,194
CoverKids	Attention Deficit and Hyperactivity Disorder (ADHD)	\$1,889	\$1,171
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	Congestive Heart Failure (CHF) – Acute Exacerbation	\$8,982	\$3,777
CoverKids	Oppositional Defiant Disorder (ODD)	\$1,742	\$1,114
CoverKids	Valve Repair and Replacement	Insufficient Providers Serving episode	Insufficient Providers Serving episode

Business Line	Episode	Acceptable Level	Commendable Level
TennCareSelect	Asthma	\$1,236	\$818
TennCareSelect	Perinatal	\$5,471	\$3,823
TennCareSelect	Total Joint Replacement	Insufficient providers Serving episode	Insufficient providers Serving episode
TennCareSelect	Acute PCI	Insufficient providers Serving episode	Insufficient providers Serving episode
TennCareSelect	Colonoscopy	\$1,295	\$762
TennCareSelect	COPD	\$3,185	\$183
TennCareSelect	Cholecystectomy	\$6,671	\$3,668
TennCareSelect	Non-acute PCI	Insufficient providers Serving episode	Insufficient providers Serving episode
TennCareSelect	Upper GI Endoscopy	\$1,845	\$1,130
TennCareSelect	Respiratory Infection	\$174	\$106
TennCareSelect	Pneumonia	\$1,364	\$615
TennCareSelect	Urinary Tract Infection -Outpatient	\$256	\$114
TennCareSelect	Urinary Tract Infection -Inpatient	\$5,358	\$2,557
TennCareSelect	Gastrointestinal Hemorrhage (GIH)	\$6,884	\$2,019
TennCareSelect	Attention Deficit and Hyperactivity Disorder (ADHD)	\$1,731	\$1,078
TennCareSelect	Bariatric Surgery	Insufficient Providers Serving episode	Insufficient Providers Serving episode
TennCareSelect	Coronary Artery Bypass Graft (CABG)	Insufficient Providers Serving episode	Insufficient Providers Serving episode
TennCareSelect	Congestive Heart Failure (CHF) – Acute Exacerbation	\$8,269	\$3,477
TennCareSelect	Oppositional Defiant Disorder (ODD)	\$1,603	\$1,026
TennCareSelect	Valve Repair and Replacement	Insufficient Providers Serving episode	Insufficient Providers Serving episode

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.
- Gains per quarterback are capped based on a Gain Share Limit; however, in the development of Commendable levels, the Gain Share Limit is ignored as it is not expected to be material in the development of the Commendable Level.