

## 2019 Tennessee Healthcare Innovation Initiative Threshold Methodology- Fully Insured

Below are the threshold levels for BlueCross BlueShield of Tennessee for the 2019 calendar year:

Episode	Acceptable Level	Commendable Level
Perinatal	\$24,765	\$7,648
Total Joint Replacement	\$48,621	\$27,776
Acute PCI	\$44,678	\$18,321
Colonoscopy	\$3,429	\$943
Cholecystectomy	\$15,812	\$4,845
Non-acute PCI	\$39,992	\$9,817
Upper GI Endoscopy	\$4,766	\$763
Knee Arthroscopy	\$8,413	\$2,676
Hysterectomy	\$16,956	\$4,854

### METHODOLOGY

**Share Savings Calculation Method:** Actual costs from episodes in the measurement period are risk-adjusted and aggregated by the Quarterback. 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 the second highest-cost Quarterback.
- Commendable thresholds are calculated to have projected bonuses equal to 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; 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.