

2020 Tennessee Health Care Innovation Initiative Threshold Methodology — Fully Insured

Below are the threshold levels for BlueCross BlueShield of Tennessee for the 2020 calendar year:

Episode	Acceptable Level	Commendable Level
Perinatal	\$28,353	\$8,413
Total Joint Replacement	\$49,268	\$23,610
Acute PCI	\$45,513	\$20,153
Colonoscopy	\$3,052	\$802
Cholecystectomy	\$14,140	\$5,155
Non-acute PCI	\$32,099	\$8,344
Upper GI Endoscopy	\$4,060	\$839
Coronary Artery Bypass Graft (CABG)	\$75,684	\$39,023
Valve Repair and Replacement	\$147,548	\$60,031
Knee Arthroscopy	\$8,754	\$2,944
Hysterectomy	\$16,283	\$5,339

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.
- 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.