

2021 Tennessee Healthcare Innovation Initiative Threshold Methodology – State Employee Health Plan

Below are the threshold levels for BlueCross BlueShield of Tennessee for the 2021 calendar year:

Episode	Acceptable Level	Commendable Level
Perinatal	\$21,781	\$13,219
Total Joint Replacement	\$42,970	\$30,778
Acute PCI	\$50,268	\$20,146
Colonoscopy	\$2,447	\$1,153
Cholecystectomy	\$11,247	\$5,612
Non-acute PCI	\$38,802	\$11,113
Upper GI Endoscopy	\$2,475	\$1,381
Bariatric Surgery	\$31,413	\$18,964
Coronary Artery Bypass Graft (CABG)	\$85,277	\$43,855
Valve Repair and Replacement	\$161,047	\$84,628
Knee Arthroscopy	\$8,070	\$4,196
Hysterectomy	\$13,856	\$8,374

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 90th percentile of Quarterbacks.
- 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.