

2021 Tennessee Healthcare Innovation Initiative Threshold Methodology - Fully Insured

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

Episode	Acceptable Level	Commendable Level
Perinatal	\$26,670	\$9,254
Total Joint Replacement	\$54,792	\$20,233
Acute PCI	\$41,686	\$21,962
Colonoscopy	\$2,728	\$682
Cholecystectomy	\$17,538	\$4,771
Non-acute PCI	\$35,022	\$9,085
Upper GI Endoscopy	\$5,640	\$714
Coronary Artery Bypass Graft (CABG)	\$81,007	\$37,922
Valve Repair and Replacement	\$153,000	\$66,034
Knee Arthroscopy	\$10,778	\$3,437
Hysterectomy	\$16,525	\$6,838

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.