

2024 Tennessee Healthcare Innovation Initiative Threshold Methodology – Fully Insured

Below are the threshold levels for BlueCross BlueShield of Tennessee for the 2024 calendar year:

Episode	Acceptable Level	Commendable Level
Perinatal	\$27,444	\$11,290
Total Joint Replacement	\$35,854	\$14,620
PCI-Acute	\$54,848	\$18,002
Colonoscopy	\$3,638	\$827
Cholecystectomy	\$14,163	\$5,609
PCI-Non-acute	\$29,944	\$11,428
Upper GI Endoscopy	\$7,768	\$775
Coronary Artery Bypass Graft	\$78,015	\$50,476
Valve Repair and Replacement	\$148,351	\$91,330
Knee Arthroscopy	\$10,111	\$3,902
Hysterectomy	\$23,219	\$7,417

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. However, to reduce year-to-year volatility in the thresholds, they are generally limited to a 15% decrease and 10% increase.
- 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.