

2024 Tennessee Health Care Innovation Initiative BlueCareSM Thresholds and Methodology

Episode	Acceptable Level	Commendable Level
Asthma	\$1,255	\$404
Perinatal	\$8,689	\$6,727
Total Joint Replacement	\$13,995	\$7,072
Acute PCI	\$26,832	\$4,013
Colonoscopy	\$1,535	\$1,050
COPD	\$3,393	\$1,301
Cholecystectomy	\$6,878	\$4,925
Upper GI Endoscopy	\$1,739	\$1,050
Gastrointestinal Hemorrhage (GIH)	\$7,539	\$2,291
Urinary Tract Infection -Inpatient	\$10,132	\$3,332
Urinary Tract Infection -Outpatient	\$171	\$111
Pneumonia	\$2,430	\$1,286
Respiratory Infection	\$228	\$128
Congestive Heart Failure Acute Exacerbation	\$10,105	\$8,684
Attention Deficit and Hyperactivity Disorder	\$771	\$241
Bariatric Surgery	\$9,631	\$3,509
Oppositional Defiant Disorder (ODD)	\$1,903	\$483
Breast Biopsy	\$2,969	\$775
Otitis Media	\$226	\$117
Tonsillectomy	\$3,912	\$1,846
Diabetes Acute Exacerbation	\$7,601	\$2,729
Pancreatitis	\$10,061	\$5,386
Skin and Soft Tissue Infection	\$426	\$130
Spinal Fusion	\$39,462	\$11,066
Spinal Decompression	\$10,578	\$3,022
Knee Arthroscopy	\$4,970	\$2,856
Non-operative Ankle Injury	\$413	\$186
Non-operative Wrist Injury	\$539	\$207
Non-operative Shoulder Injury	\$498	\$259
Non-operative Knee Injury	\$628	\$262
Back/Neck Pain	\$619	\$307
Acute Seizure	\$2,255	\$1,078

Syncope	\$885	\$352
Bronchiolitis	\$1,137	\$503
Pediatric Pneumonia	\$1,396	\$465
Colposcopy	\$690	\$212
Hysterectomy	\$8,495	\$3,008
GI Obstruction	\$21,331	\$1,099
Appendectomy	\$7,504	\$3,816
Hernia Repair	\$5,766	\$2,303
Acute Gastroenteritis	\$1,028	\$554
Acute Kidney and Ureter Stones	\$1,415	\$552
Cystourethroscopy	\$2,180	\$826

METHODOLOGY

Baseline Method: Actual costs from provider episodes are risk-adjusted and aggregated by the quarterback. Quarterbacks with risk-adjusted average costs above the Acceptable Level are subject to a penalty equal to 50% of the difference between their risk adjusted cost and the Acceptable Level. 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 90th percentile of quarterbacks.
- 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.