

2025 Tennessee Healthcare Innovation Initiative Threshold Methodology- Fully Insured

Below are the threshold levels for BlueCross BlueShield of Tennessee for the 2025 calendar year:

Episode	Acceptable Level	Commendable Level
Perinatal	\$30,493	\$11,797
Total Joint Replacement	\$37,165	\$14,260
PCI-Acute	\$47,711	\$19,803
Colonoscopy	\$3,572	\$862
Cholecystectomy	\$16,994	\$5,256
PCI-Non-acute	\$35,318	\$12,571
Upper GI Endoscopy	\$4,399	\$659
Coronary Artery Bypass Graft	\$85,007	\$49,238
Valve Repair and Replacement	\$180,851	\$100,463
Knee Arthroscopy	\$11,869	\$4,293
Hysterectomy	\$19,276	\$7,311

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.