



# Tennessee Health Care Innovation Initiative

2018 Episodes of Care Thresholds

# TennCare Episodes of Care Thresholds

## Scope of the Document

This goal of this document is to provide an overview of the thresholding process used to calculate rewards and penalties for Episode of Care Quarterbacks.

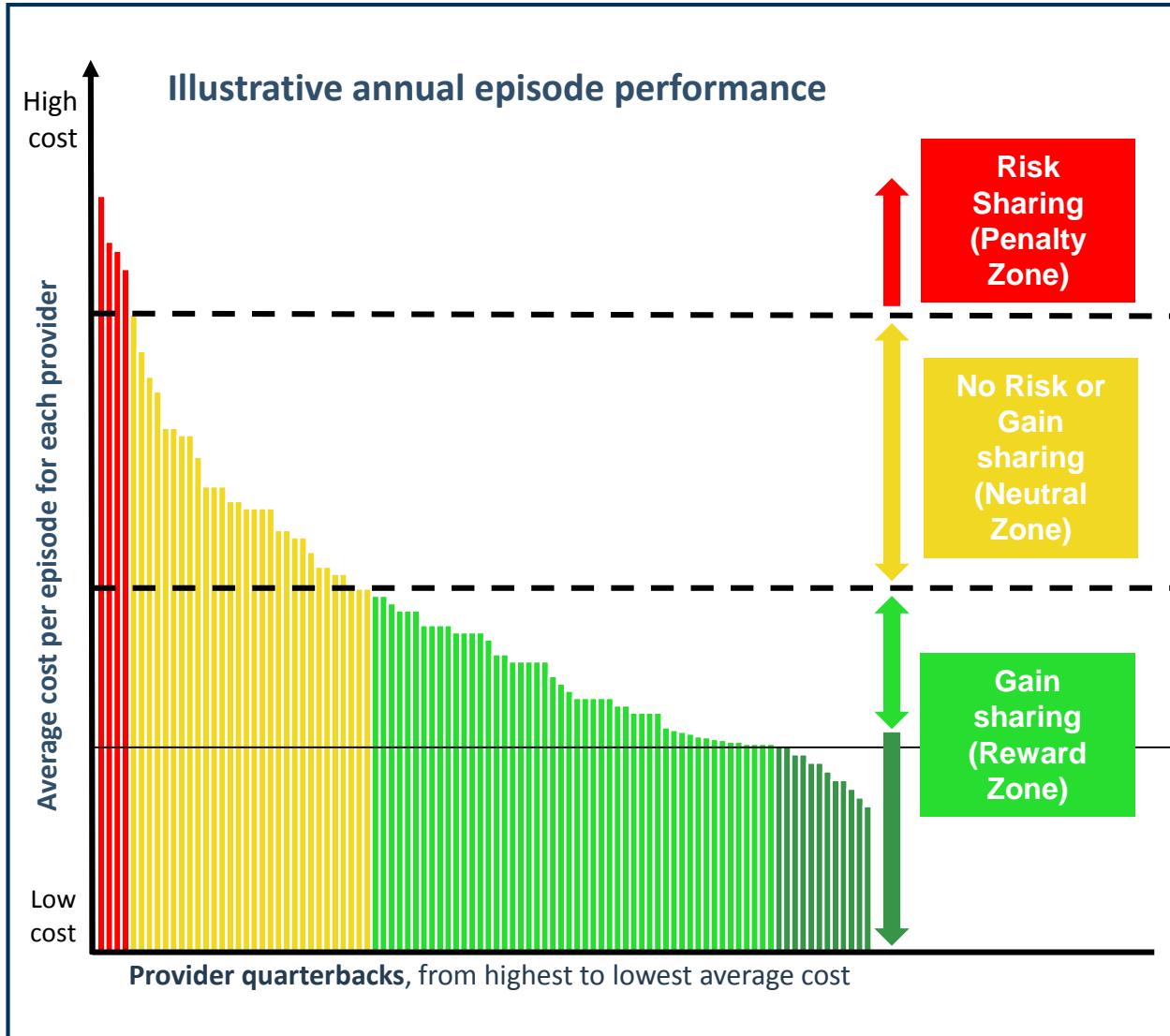
The document will review the following topics:

1. Overview of Episodes of Care Thresholds
2. Threshold values for 2018 Performance Period

## Updates from Previous Thresholds (CY 2017)

- ❑ Acceptable Thresholds have been updated for some episodes based on the most recent data.
- ❑ Episodes in Waves 5 & 6 have thresholds for the first time. These episodes are in the performance period in 2018 for the first time.
- ❑ Additional gain sharing quality metrics have been added to the ADHD episode.
- ❑ For two existing episodes, the Quality Metric Thresholds have been revised since 2017.
  - *ODD*: Minimum Care Requirement
  - *Asthma*: Patient on appropriate medication (oral corticosteroid and/or injectable corticosteroids)

# TennCare Episode of Care thresholds: Definitions



The **Acceptable Threshold** is the dollar amount that delineates Quarterbacks between the risk sharing and neutral zone (i.e. no financial penalty or reward).

The **Commendable Threshold** dollar amount that delineates Quarterbacks between the neutral zone ((i.e. no financial penalty or reward) and gain sharing.

*If average cost is lower than gain sharing limit, Quarterbacks receive a reward, but based on values above the gain sharing limit.*

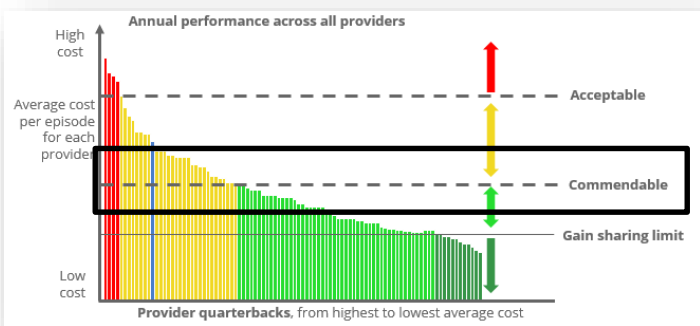
# Calculating Thresholds

## Calculation

Average Cost per Episode Type	Zone	Threshold	Calculation
Risk Sharing (Penalty Zone)	Above the Acceptable Threshold	Quarterbacks who owe a risk sharing payment pay 50% of the difference between the Acceptable Threshold and their average risk-adjusted episode spend, multiplied by the Quarterback's number of valid episodes in the reporting period.	
No Risk or Gain Sharing (Neutral Zone)	Between the Acceptable and Commendable Threshold	Quarterbacks have no change in payment, neither a reward or a penalty for the year.	
Gain Sharing (Reward Zone)	Below the Commendable Threshold	Quarterbacks receive 50% of the difference between the Commendable Threshold and their average risk-adjusted episode, multiplied by the Quarterback's number of valid episodes in the reporting period.	

## Example Gain Sharing Calculation

Threshold included in calculation: Commendable



$$\begin{array}{r}
 \text{Commendable Threshold} - \text{Provider Average Cost} \times \text{Number of Valid Episodes} \times \text{Risk Sharing Factor} \\
 \$500 - \$300 \times 5 \times 50\%
 \end{array}$$

**Total Reward Amount:**  
**\$500**

*\*Must reach quality metrics to be eligible for a reward*

# Additional Information on Episodes of Care Thresholds

## Key Threshold Information

- All thresholds are set before the performance year begins.
- Thresholds are set based on projections that result in overall budget neutrality (i.e. equivalent total rewards and penalties).
- Commercial payers will set their own thresholds according to their own approaches. Commercial episodes will not have an Acceptable Threshold due to no downside risk.

## Overview of Setting Thresholds: 2018 Performance Period

- **Acceptable threshold:** TennCare sets the Acceptable Threshold so that the Quarterbacks with the highest risk-adjusted average annual cost for all TennCare would see a penalty, based on 2016 data.
- **Commendable threshold:** Each MCO sets its own Commendable Thresholds that determines a Quarterbacks' eligibility for a gain-share reward. For the 2018 performance period, the Commendable Threshold is set such that total reward and penalty dollar amounts would be equal, based on 2016 data. Information on the commendable threshold is available from each MCO.
- **Gain sharing limit threshold:** The Gain Sharing Limit is designed to cap the amount of rewards a Quarterback can receive to prevent incentivizing underutilization and inappropriate care. The MCOs and the state work together to define and set the Gain Sharing Limit.
- **Quality metrics linked to gain-sharing thresholds:** Some quality metrics will be linked to gain sharing, while others will be reported for information only. To be eligible for gain sharing, providers must meet predetermined thresholds for gain sharing linked quality metrics.

# **Episodes of Care Thresholds for Performance Period 2018**

# Wave 1 – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
Perinatal	C-Section rate	41%	\$8,215	Varies by MCO
	Group B streptococcus screening rate	85%		
	HIV screening rate	85%		
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Gestational diabetes screening rate</li> <li>▪ Asymptomatic bacteriuria screening rate</li> <li>▪ Hepatitis B screening rate</li> <li>▪ Tdap vaccinate rate</li> </ul>			
Asthma	Follow-up with physician or other practitioner within 30 days of discharge	30%	\$1,394	Varies by MCO
	Patient on appropriate medication (oral corticosteroid and/or injectable corticosteroids)	60%		
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Repeat acute exacerbation during the post-trigger window</li> <li>▪ Acute exacerbation during the trigger window is treated in an inpatient setting (as percent of all episodes)</li> <li>▪ Smoking cessation counseling for the patient and/or family was offered</li> <li>▪ Education on proper use of medication, trigger avoidance, or asthma action plan was discussed</li> <li>▪ Chest x-ray utilization rate</li> </ul>			
Total Joint Replacement	No quality metrics linked to gain sharing		\$15,945	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Readmission rate</li> <li>▪ Post-op deep venous thrombosis (DVT)/Pulmonary Embolism (PE) within 30 days post-surgery</li> <li>▪ Post-op wound infection rate within 90 days post-surgery</li> <li>▪ Dislocations or fractures within 90 days post-surgery</li> <li>▪ Average inpatient length of stay</li> </ul>			

# Wave 2 – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
<b>Colonoscopy</b>	No quality metrics linked to gain sharing		\$1,525	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Perforation of colon during the trigger or post-trigger windows</li> <li>▪ Post-polypectomy/biopsy bleeding during the trigger or post-trigger windows</li> <li>▪ Prior colonoscopy: screening, surveillance, or diagnostic colonoscopy within 1 year prior to the triggering colonoscopy</li> <li>▪ Repeat colonoscopy: screening, surveillance, or diagnostic colonoscopy within 60 days after the triggering colonoscopy</li> </ul>			
<b>Outpatient and Non-Acute Cholecystectomy</b>	Hospitalization in the post-trigger window	10%	\$6,312	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Intraoperative cholangiography during the trigger window</li> <li>▪ Endoscopic retrograde cholangiopancreatography (ERCP) within 3 to 30 days after procedure</li> <li>▪ Average length of stay</li> </ul>			
<b>COPD Acute Exacerbation</b>	Percent of episodes where the patient visits a physician or other practitioner during the post-trigger window	40%	\$3,300	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Repeat acute exacerbation during the post-trigger window</li> <li>▪ Acute exacerbation during the trigger window is treated in an inpatient setting (as percent of all episodes)</li> <li>▪ Smoking cessation counseling for the patient and/or family was offered</li> </ul>			



# Wave 2 (cont.) – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
PCI – Acute	Hospitalization in the post-trigger window (excluding hospitalizations for repeat PCI)	10%	\$13,384	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Multiple-vessel PCI: professional trigger claim involves multiple vessels (including multiple branches)</li> <li>▪ Staged PCI: repeat PCI in the post-trigger window</li> </ul>			
PCI – Non Acute	Hospitalization in the post-trigger window (excluding hospitalizations for repeat PCI)	10%	\$11,566	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Multiple-vessel PCI: professional trigger claim involves multiple vessels (including multiple branches)</li> <li>▪ Staged PCI: repeat PCI in the post-trigger window</li> </ul>			

# Wave 3 – Thresholds

Episode	Quality Metrics Thresholds	Acceptable Threshold	Commendable Threshold
<b>Upper GI Endoscopy (Esophagogastroduodenoscopy (EGD))</b>	No quality metrics linked to gain sharing	\$1,769	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Percent of valid episodes performed in a facility participating in a Qualified Clinical Data Registry</li> <li>▪ Emergency department visit within the post-trigger window</li> <li>▪ Admission within the post-trigger window</li> <li>▪ Perforation within upper gastrointestinal tract</li> <li>▪ Biopsy specimens in cases of gastrointestinal ulcers or suspected Barrett's esophagus</li> </ul>		
<b>Respiratory Infection</b>	No quality metrics linked to gain sharing	\$172	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Emergency department visit within the post-trigger window</li> <li>▪ Admission within the post-trigger window</li> <li>▪ Antibiotic injection for Strep A sore throat</li> <li>▪ Steroid injection for Strep A sore throat</li> </ul>		
<b>Pneumonia</b>	Follow-up care within the post-trigger window	30%	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Follow-up care within the first seven days of post-trigger window</li> <li>▪ Emergency department visit within the post-trigger window</li> <li>▪ Admission within the post-trigger window</li> <li>▪ Follow-up visit versus emergency department visit</li> <li>▪ Pseudomembranous colitis within the post-trigger window</li> </ul>	\$2,192	

# Wave 3 (cont.) – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
<b>Urinary Tract Infection (UTI)- Outpatient</b>	Admission within the trigger window for ED triggered episodes	5%	\$228	Varies by MCO
	Admission within the trigger window for non-ED triggered episodes	5%		
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Emergency department visit within the post-trigger window</li> <li>▪ Admission within the post-trigger window</li> <li>▪ Pseudomembranous colitis within the post-trigger window</li> <li>▪ Urinalysis performed in the episode window</li> <li>▪ Urine culture versus urinalysis</li> <li>▪ Renal ultrasound for children under two years old within the post-trigger window</li> </ul>			
<b>Urinary Tract Infection (UTI)- Inpatient</b>	Follow-up care within the post-trigger window	40%	\$5,834	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Follow-up care within the first seven days of post-trigger window</li> <li>▪ Emergency department visit within the post-trigger window</li> <li>▪ Admission within the post-trigger window</li> <li>▪ Follow-up visit versus emergency department visit</li> <li>▪ Pseudomembranous colitis within the post-trigger window</li> </ul>			
<b>Gastrointestinal Hemorrhage (GIH)</b>	Follow-up care within the post-trigger window	40%	\$6,028	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Follow-up care within the first seven days of post-trigger window</li> <li>▪ Emergency department visit within the post-trigger window</li> <li>▪ Admission within the post-trigger window</li> <li>▪ Follow-up visit versus emergency department visit</li> <li>▪ Pseudomembranous colitis within the post-trigger window</li> <li>▪ Mortality within the episode window</li> </ul>			

# Wave 4 – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
<b>Attention Deficit and Hyperactivity Disorder (ADHD)</b>	Minimum care requirement (5 visits/claims during the episode window)	70%	\$2,048	Varies by MCO
	Long-acting stimulants for members aged 4 and 5 years	80%		
	Long-acting stimulants for members aged 6 to 11 years	80%		
	Long-acting stimulants for members aged 12 to 20 years	80%		
	Utilization of therapy for members aged 4 and 5 years	1 visit		
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Utilization of E&amp;M and medication management</li> <li>▪ Utilization of therapy</li> <li>▪ Utilization of level I case management</li> <li>▪ Utilization of medication by age group</li> <li>▪ Follow-up within 30-days of the trigger visit</li> </ul>			
<b>Bariatric Surgery</b>	Follow-up care within the post-trigger window	30%	\$10,468	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Appropriate procedural choice</li> <li>• Admission within the post-trigger window</li> <li>• Emergency department visit within the post-trigger window</li> <li>• Mortality within the episode window</li> <li>• Relevant repeat operation within the post-trigger window</li> </ul>			
<b>Coronary Artery Bypass Graft (CABG)</b>	Follow-up care within the post-trigger window	90%	\$44,628	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>▪ Participation in a Qualified Clinical Data Registry</li> <li>▪ Admission within the post-trigger window</li> <li>▪ Major morbidity within the episode window</li> <li>▪ Mortality within the episode window</li> </ul>			

# Wave 4 (cont.) – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
<b>Congestive Heart Failure (CHF) Acute Exacerbation</b>	Follow-up care within the post-trigger window	60%	\$9,334	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Follow-up care within the first seven days of post-trigger window</li> <li>• Admission from the emergency department within the post-trigger window</li> <li>• Admission within the post-trigger window</li> <li>• Mortality within the episode window</li> <li>• Utilization of functional status assessment</li> </ul>			
<b>Oppositional Defiant Disorder (ODD)</b>	Minimum care requirement (6 therapy and/or level I case management visits during the episode window)	30%	\$2,195	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Medication with no comorbidity</li> <li>• Prior ODD diagnosis</li> <li>• Utilization (excluding medication)</li> <li>• Utilization of therapy and level I case management</li> </ul>			
<b>Valve Repair and Replacement</b>	Follow-up care within the post-trigger window	90%	\$84,095	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Participation in a Qualified Clinical Data Registry</li> <li>• Admission within the post-trigger window</li> <li>• Major morbidity in the episode window</li> <li>• Mortality within the episode window</li> </ul>			

# Wave 5 – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
<b>Tonsillectomy</b>	Bleeding up to two days following the procedure	10%	\$3,526	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Dexamethasone administration rate</li> <li>• Rate of indicated concurrent tympanostomy</li> <li>• Rate of absence of antibiotics</li> <li>• Post-operative encounter rate</li> <li>• Bleeding rate between the 3<sup>rd</sup> and 14<sup>th</sup> day</li> </ul>			
<b>Otitis Media</b>	Otitis media with effusion (OME) episodes without antibiotics filled	25%	\$316	Varies by MCO
	Non-OME episodes with amoxicillin	60%		
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• OME episodes without oral corticosteroid filled</li> <li>• Tympanostomy when indicated</li> <li>• Overall tympanostomy</li> <li>• Follow-up encounter during post-trigger window</li> <li>• Non-OME episodes without macrolide filled</li> </ul>			
<b>Breast Biopsy</b>	Appropriate diagnostic workup rate	90%	\$2,721	Varies by MCO
	Core needle biopsy rate	85%		
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Surgical complication rate</li> <li>• Subsequent biopsy/excision rate</li> <li>• Appropriate genetic testing rate</li> </ul>			

# Wave 6 – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
SSTI	Bacterial cultures when incision and drainage performed	50%	\$459	Varies by MCO
	SSTI episodes with a first line antibiotic	85%		
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Infection recurrence</li> <li>• Hospitalizations after initial diagnosis</li> <li>• ED visits after initial diagnosis</li> <li>• Ultrasound imaging</li> <li>• Non-ultrasound imaging</li> <li>• Incision and drainage</li> </ul>			
HIV	Periodic anti-retroviral therapy (ART) refill	85%	\$5,377	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Viral status reporting</li> <li>• Infrequent ART refill</li> <li>• New patients</li> <li>• Viral suppression</li> <li>• Preferred drug use</li> <li>• HIV-related hospitalization</li> <li>• HIV-related ED visit</li> <li>• Screening for sexually transmitted infections (STIs)</li> <li>• Screening for hepatitis C</li> </ul>			

# Wave 6 (cont.) – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
Diabetes Acute Exacerbation	Follow-up care in the first 14 days of the post-trigger window	30%	\$8,361	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Follow-up care within the first seven days of post-trigger window</li> <li>• Admission from the emergency department within the post-trigger window</li> <li>• Admission within the post-trigger window</li> <li>• Mortality within the episode window</li> <li>• Utilization of functional status assessment</li> </ul>			
Pancreatitis	Follow-up care in the first 14 days of the post-trigger window	30%	\$8,837	Varies by MCO
	<b>Quality metrics not linked to gain sharing (i.e., informational only):</b> <ul style="list-style-type: none"> <li>• Nutritional counseling</li> <li>• New narcotics prescription</li> <li>• Multiple narcotics prescription</li> <li>• Relevant readmission in the post-trigger window</li> <li>• ED visit in the post-trigger window</li> <li>• ERCP performed in the post-trigger window</li> <li>• Cholecystectomy performed in the post-trigger window</li> <li>• Relevant laboratory test in the first 14 days of the post-trigger window</li> </ul>			



# Contact Information

- Questions? Email [payment.reform@tn.gov](mailto:payment.reform@tn.gov)
- More information on Episodes of Care:  
<https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care.html>