

# TennCare episode of care thresholds: How thresholds are set

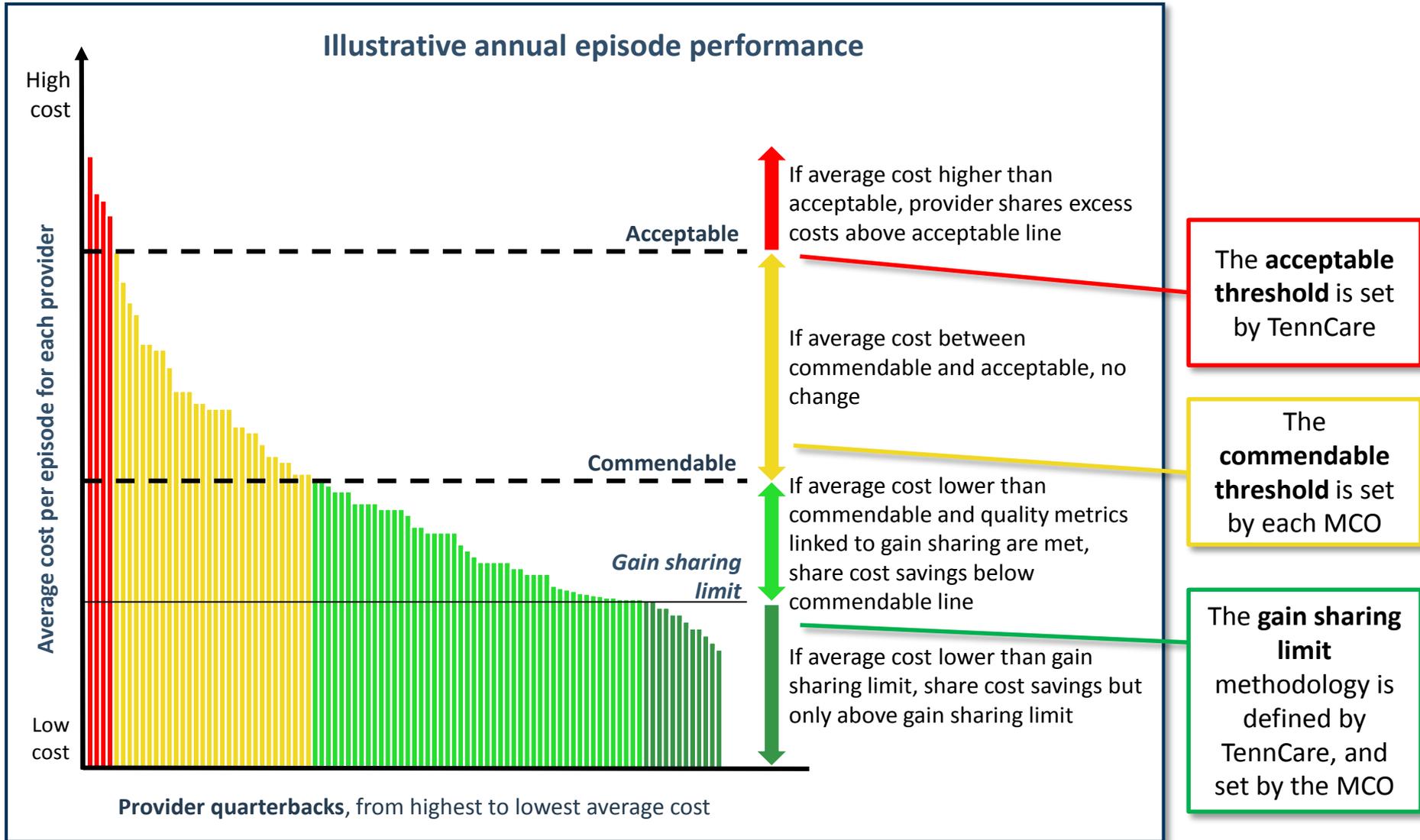
## How Thresholds are Set

- *Acceptable threshold:* TennCare sets acceptable threshold so that the providers with the highest risk-adjusted average annual cost for all TennCare would see a penalty, based on 2014 data. For the 2016 performance period, ten percent of providers would have been eligible for risk sharing.
- *Commendable threshold:* Each MCO sets its own commendable thresholds. For the 2016 performance period, the commendable threshold is set such that reward and penalty dollar amounts would be equal, based on 2014 data. Information on the commendable threshold is available from each MCO.
- *Gain sharing limit threshold:* To set the gain sharing limit the state defines a list of essential services for each episode. Based on that list, the MCO will identify the five lowest cost episodes, based on 2014 data, that include each of the essential services. The average cost of those five lowest cost episodes will be the gain sharing limit for that MCO.
- *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. The quality thresholds for the 2016 performance period are set between the 50th and 75th percentile based on 2014 data.

## Notes on Thresholds

- All thresholds are set before the performance year. Actual experience may be different from previous years, so actual results will vary from the projections. The best outcome would be that results would be lower than the state's projections which would lead to savings for the payers and rewards for providers.
- In the first year, thresholds will be set so that rewards and penalties are expected to be equal. In future years this may not be the case. Faced with a choice between lowering rates across the board versus lowering thresholds, for example, thresholds would result in concentrating payments to high value providers.
- Commercial payers will set their own thresholds according to their own approaches.

# TennCare episode of care thresholds: Illustrative example



# Wave 1 – Thresholds

Episode	Quality Metrics Thresholds		Acceptable Threshold	Commendable Threshold
Perinatal	C-Section rate	41%	\$7,783	Varies by MCO
	Group B strep 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	43%	\$1,394	Varies by MCO
	Patient on appropriate medication (oral corticosteroid and/or inhaled corticosteroids)	82%		
	<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 – 30-day all cause readmission rate (after applying readmission exclusions)</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	\$1,325	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>▪ 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: Percent of valid episodes with an inpatient admission in the post-trigger window	10%	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>	\$5,687	
<b>COPD Acute Exacerbation</b>	Percent of episodes where the patient visits a physician or other practitioner during the post-trigger window	60%	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>	\$4,196	

# 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%	\$11,655	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%	\$10,048	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>			