FIVE IMPORTANT AREAS OF EPISODE DESIGN FOR REVIEW

1. **Metrics and excluding episode**: The quarterback is the top 10% of episodes in each year. The quarterback is triggered by:
   - High cost outlier exclusions: Episode's risk-adjusted spend is three standard deviations above the mean for all providers.
   - Clinical exclusions: Patient's care pathways is different for clinical reasons.
   - Business exclusions: Available information is not comparable or is incomplete (e.g., third party payers, payer data).

2. **Current episode definition**: –
   - Period of episodes starts on the day of admission and ends on the day of discharge.
   - The updated gestational age code (-G) is only used for neonatal episodes. Default is -W.
   - When gestational age is unknown or affected by factors that make them inherently more costly but that cannot be risk adjusted for are excluded.

3. **Episode of Care: Incentives**: The updated duration includes the newborn period for neonatal episodes.

4. **Episodes of Care**: The updated gestational age code (-G) is only used for neonatal episodes. Default is -W.

5. **All episodes of Care**: The updated gestational age code (-G) is only used for neonatal episodes. Default is -W.

### Updated Gestational Age Code
- **-G**: Updated gestational age code is only used for neonatal episodes. Default is -W.
- **-W**: Default code, means episode length is up to seven days after discharge, where the newborn was delivered and initial care was received.
- **-S**: Updated gestational age code is only used for neonatal episodes. Default is -W.

**Example provider's individual episode costs**

- **High cost outliers**: The model includes the following:
  - A patient with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams, post-term gestational age, birth weight greater than 1,000 grams.
  - A patient with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams.
  - A patient with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams.

**Example provider's cost savings**

- **If average cost lower than gain sharing limit, corrective action is taken**.
  - If average cost lower than gain sharing limit, corrective action is taken.
  - If average cost lower than gain sharing limit, corrective action is taken.

**Example provider's quality and performance**

- **High cost outliers**: The model includes the following: A hospital with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams.
  - A patient with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams.
  - A patient with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams.

**Example provider's quality and performance**

- **High cost outliers**: The model includes the following: A hospital with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams.
  - A patient with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams.
  - A patient with a hospital stay over 1,000 days, post-term gestational age, birth weight greater than 1,000 grams.
FIVE IMPORTANT AREAS OF EPISODE DESIGN FOR REVIEW

1. Identifying episode triggers
   - A neonatal episode is triggered by:
     - An inpatient admission that has one of the defined diagnosis codes for live birth and a diagnosis code of gestational age of 31 weeks or lower.

2. Attributing episodes to the facility
   - The facility where the newborn was delivered and initial care was received is the quarterback.
   - The contracting entity ID on the facility claim will be used to identify the quarterback.

3. Risk-adjusting and excluding episodes
   - Episodes affected by factors that make them inherently more costly than others are risk adjusted.
   - Episodes which are not comparable or affected by factors that make them inherently more costly but that cannot be risk adjusted are excluded.
   - There are three types of exclusions:
     - Business exclusions: Available information is not comparable or is incomplete (e.g., third party liability, non-continuous eligibility, left against medical advice).
     - Clinical exclusions: The patient's care pathways is different for clinical reasons.
     - High cost outlier exclusions: Episode's risk-adjusted spend is three standard deviations above the mean.

4. Determining quality metrics performance
   - Percentage of episodes with a newborn hearing screen prior to discharge; percentage of episodes receiving a critical congenital heart disease screen prior to discharge; percentage of episodes receiving a blood spot screen prior to discharge; percentage of episodes receiving a hepatitis B vaccination prior to discharge; participation of the discharging facility in the Vermont Oxford Network (VON); percentage of episodes with a first pediatric visit within the 72 hours after discharge; percentage of episodes with a first pediatric visit within the five days after discharge; percentage of episodes with an emergency department visit within the 30 days after discharge; percentage of episodes with a readmission within the 30 days after discharge; percentage of episodes with late sepsis or meningitis in very low birth weight neonates; percentage of episodes less than 30 weeks gestational age screened for retinopathy of prematurity prior to discharge; percentage of episodes resulting in death.

5. Identifying services to include in episode spend
   - Services to include in episode spend are:
     - All medical services, procedures, laboratory testing, imaging, pathology, medications, and additional care during the trigger window.
     - All medical services, procedures, laboratory testing, imaging, pathology, medications, and additional care after discharge except for presentations out of the control of a provider (e.g., accident or trauma) up to seven days after discharge, except for the newborn while in the Neonatal Intensive Care Unit.

Thank You!

- Questions? Email payment.reform@tn.gov