

To: TennCare Episodes Providers and Other Stakeholders

Date: July 3, 2024

**Subject: Adjustment to 2024 Cost Thresholds**

Thank you for your continued dedication to providing quality care to TennCare members. This memo outlines an important announcement about the Episodes of Care program's 2024 cost thresholds.

**TennCare and the Managed Care Organizations (MCOs) are making a one-time adjustment to the 2024 cost thresholds.**

The Episodes of Care program is committed to continuous evaluation of program data and policy to ensure we are fair to providers while maintaining financial accountability and incentivizing high-quality, cost-effective care. Therefore, TennCare and the Managed Care Organizations are making an adjustment to the 2024 cost thresholds. **This adjustment is an across-the-board increase of 3.2%.**

Please visit TennCare's website at <https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care/technical-documents.html> for the updated Acceptable thresholds. Please visit each MCO's website for the updated Commendable thresholds.

This adjustment is the result of analysis of provider performance data and a review of cost inflation trends. The adjusted thresholds will be reflected in Q1, 2024, performance reports released to the MCO portals in August 2024.

Again, we are grateful for your continued partnership and thank you for everything that you are doing to care for our members.