BlueCross BlueShield Association

BlueDistinction®
Specialty Care

# Program Selection Criteria: Bariatric Surgery

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# Document Overview

The Program Selection Criteria outlines the Quality, Business, and Cost of Care Selection Criteria and evaluation processes used to determine eligibility for the Blue Distinction® Centers (BDC) for Bariatric Surgery program (this Program).

Sections of this document include:



# Blue Distinction Centers for Bariatric Surgery

The BDC for Bariatric Surgery program evaluates facilities with bariatric surgery programs that treat adult patients 18 years or older, in Comprehensive Center (with or without an on-site ICU) and Ambulatory Surgery Center (ASC) settings. This Program aligns with the Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP) accreditation levels, and evaluates patient outcomes sourced from the MBSAQIP Semi-Annual Report (SAR) and additional measures collected in the 2020 Bariatric Surgery Provider Survey.

Designation as a BDC for Bariatric Surgery differentiates providers locally, as well as nationally, and includes two levels of designation:

- **Blue Distinction Centers (BDC):** Facilities recognized for their expertise in delivering specialty care.
- **Blue Distinction Centers+ (BDC+)**: Facilities recognized for their expertise and cost-efficiency in delivering specialty care.

***Quality is key****: only those facilities that first meet nationally established quality measures for BDC will be considered for designation as a BDC+.*

Designations are awarded to individual facilities (i.e., unique bricks-and-mortar facilities with unique addresses). Any facility with multiple locations (different addresses) was evaluated separately for each location. Health systems and other groups of multiple facilities/clinics are not designated collectively.

# Evaluation Process

Blue Distinction Specialty Care programs establish nationally consistent and continually evolving approaches to evaluating quality and value of care. The evaluation process include:

### Quality

Nationally consistent approach to evaluating quality and safety was used, incorporating quality measures with meaningful impact, including delivery system features and specific quality outcomes to which all can aspire.

### Cost

Nationally consistent and objective approach for selecting BDC+ was used to address market and consumer demand for cost savings and affordable healthcare.

### Access

Blue members' access to Blue Distinction Centers was considered to achieve the Program's overall goal of providing differentiated performance on Quality and, for the BDC+ designation, Cost of Care.

## Data Sources

Objective data from the Provider Survey, Plan Survey and National Blue Claims Dataset (Claims Data) information were used to evaluate and identify facilities that meet the Program's Selection Criteria. Table 1 below outlines the data sources used for evaluation of this Program.

**Table 1: Data Sources**

| Selection Criteria Components | Data Source | Blue Distinction Centers (BDC) | Blue Distinction Centers+ (BDC+) |
|---|---|---|---|
| **Quality** | • Quality data supplied by applicant facility in the Provider Survey<br>• Local Blue Plan Quality Criteria *(if applicable)* | ✓ | ✓ |
| **Business** | • Data supplied by Plan in the Plan Survey<br>• Review of Blue Brands Evaluation<br>• Local Blue Plan Business Criteria *(if applicable)* | ✓ | ✓ |
| **Cost of Care** | • Claims Data<br>• Local Blue Plan Cost Criteria *(if applicable)* | | ✓ |

Note: Due to challenges presented by the COVID-19 pandemic, BCBSA reserves the right to make necessary accommodations to this Program's Selection Criteria. Accommodations, if any, will be made on a nationally consistent basis and communicated through your local Blue Plan.

# Quality Evaluation

Blue Distinction Specialty Care programs establish a nationally consistent approach to evaluating quality and safety by incorporating quality measures with meaningful impact. Selection Criteria continues to evolve through each future evaluation cycle, consistent with medical advances and measurement in this specialty area. The measurement framework for this and other Blue Distinction programs were developed using the following guiding principles:

- Utilize a credible process and produce credible results with meaningfully differentiated outcomes
- Align with other national efforts using established measures, where appropriate and feasible
- Simplify and streamline measures and reporting process
- Enhance transparency and ease of explaining program methods

## Quality Methodology

Comprehensive Centers (with and without an on-site ICU) and Ambulatory Surgery Centers (ASCs) were evaluated on quality measures developed through a process that included: input from the medical community and quality measurement experts; review of medical literature, together with national quality and safety initiatives; and a thorough analysis of meaningful quality measures. The quality evaluation was based on facility responses to the Provider Survey.

This Program evaluates facility performance on one or more of the following procedures:

- Laparoscopic Sleeve Gastrectomy (LSG)
- Laparoscopic Roux-en-Y Gastric Bypass (LRYGB)
- Laparoscopic Adjustable Gastric Band (LAGB)

The Quality Selection Criteria includes structure, process, and patient outcome measures that are specific to bariatric surgery. Each facility provided risk adjusted patient outcomes from its MBSAQIP SAR report, January 2020 release, which included LSG and LRYGB procedures from July 1, 2018 through June 20, 2019. Each facility also provided non-risk adjusted patient outcomes from its MBSAQIP online registry data for LAGB procedures from July 1, 2018 through June 20, 2019 and additional informational measures.

All quality outcome measures were expressed as an Odds Ratio. For the Odds Ratio, the numerator is the statistically estimated odds for the facility and the denominator is the statistically estimated odds for the “average” facility, with 1.00 used as the threshold for outcome measure scoring. To illustrate: if the Odds Ratio is equal to 1.00, then that facility site is doing as expected; if the Odds Ratio is greater than 1.00, then that facility is doing worse than expected; and if the Odds Ratio is less than 1.00, then that facility is doing better than expected.

Furthermore, the scoring of quality outcome measures was based on the lower confidence limits (LCL) of these outcome measures, not on the actual point estimate of the quality outcome measures. This benefits the facility by taking potential measurement error into account, based upon statistical confidence predictions. Thus, in keeping with the interpretation of an Odds Ratio, if a facility’s LCL is above the threshold, that indicates that the facility performance is worse than the threshold and they will fail the quality scoring threshold for that measure; but if a facility’s LCL is equal to or below the threshold, then that facility’s performance is the same or better than the threshold and that facility would meet the quality scoring threshold for that measure.

Patient outcome measures were evaluated only if the analytic measure volume (measure denominator) reported was greater than or equal to 5. If the reported analytic measure volume was less than 5, then that patient outcome measure was not evaluated due to insufficient data. All quality outcome measures within a given bariatric procedure group (LSG, LRYGB and/or LAGB) must meet the Selection Criteria; and additionally, the facility must meet all scored patient outcome measures within the procedure group(s) for which that the facility provided data.

## Quality Selection Criteria for Comprehensive Centers (with or without on-site ICU)

The Quality Selection Criteria for Comprehensive Centers (with or without on-site ICU) is outlined below. The structure and process measures are outlined in Table 2. The patient outcome measures reported from the facility's MBSAQIP SAR and/or online data registry are outlined in Table 3. **Applicant Comprehensive Centers (with or without on-site ICU) must meet requirements in Table 2 and Table 3 to meet the Quality Evaluation portion of the eligibility decision.**

### Structure and Process Measures

**Table 2: Comprehensive Centers (with or without on-site ICU): Structure & Process Selection Criteria**

| Quality Selection Criteria: Structure and Process Measures | | |
|---|---|---|
| **Measure Name** | **Data Source** | **Selection Criteria Description** |
| **National Accreditation*** | Provider Survey Question #7 | The facility is fully accredited by **at least one** of the following national accreditation organizations:*<br>• The Joint Commission (TJC) (without provision or condition) in the Hospital Accreditation Program.<br>• Healthcare Facilities Accreditation Program (HFAP) of the American Osteopathic Information Association (AOIA) as an acute care hospital.<br>• National Integrated Accreditation Program (NIAHO℠) – Acute Care of DNV GL Healthcare.<br>• Center for Improvement in Healthcare Quality (CIHQ) in the Hospital Accreditation Program.<br><br>*_**NOTE**: To enhance quality while improving Blue Members' access to qualified providers, alternate local Accreditations that are at least as stringent as any National Accreditations, above, may be offered under the local Blue Plan Criteria; for details, contact the facility's local Blue Plan._ |
| **Bariatric Surgery Program Accreditation** | Provider Survey Question #6 | The facility's bariatric surgery program is accredited by the Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP) as a Comprehensive Center, in one of the following:<br>• The applicant facility's bariatric surgery program has full approval as an MBSAQIP Comprehensive Center.<br>• The applicant facility's bariatric surgery program has full approval as an MBSAQIP Comprehensive Center with Adolescent Qualifications.<br>• The applicant facility's bariatric surgery program has full approval as an MBSAQIP Comprehensive Center with Obesity Medicine Qualifications.<br>• The applicant facility's bariatric surgery program has full approval as an MBSAQIP Comprehensive Center with Adolescent and Obesity Medicine Qualifications. |

| Quality Selection Criteria: Structure and Process Measures | | |
|---|---|---|
| **Measure Name** | **Data Source** | **Selection Criteria Description** |
| **BDC Designated Transfer Facility** ***(Only for Comprehensive Centers without on-site ICU)*** | Provider Survey Question #72 | Comprehensive Center without on-site ICU has a written transfer agreement with **at least one comprehensive center with on-site ICU** that accepts bariatric surgery patients in need of a higher level of care, which is currently **designated** as a Blue Distinction Centers for Bariatric Surgery for the 2020 designation cycle. |
| **Local Plan Quality Criteria (If Applicable)** | Plan Survey | An individual Blue Plan, at its own independent discretion, may establish and apply local quality requirements as additional Selection Criteria for eligibility in a Blue Distinction Centers program, for providers located within its Service Area. |

## Patient Outcome Measures

Comprehensive Centers (with or without on-site ICU) must meet the patient outcome measures for the bariatric surgery procedures that were performed and reported from the facility's MBSAQIP SAR and/or MBSAQIP online data registry.

The patient outcome measure evaluation requirements and details are outlined below and in Table 3.

**1)** To be evaluated, a facility must meet the minimum analytic measure volume (measure's denominator).
   **a)** If the analytic measure volume is greater than or equal to 5, the patient outcome measure will be evaluated.
   **b)** If the analytic measure volume is less than 5, the patient outcome measure has 'Insufficient Data' for evaluation.

**2)** To meet the procedure type (LSG, LRYGB, LAGB), the facility must meet ALL of the patient outcome measures that were evaluated. Insufficient data will be a 'Pass.'

**3)** To meet the Quality Selection Criteria, a facility must meet ALL required criteria and must meet ALL patient outcome measures within the procedure type(s) that were evaluated.
   **a)** If none of the procedure types met the evaluated patient outcome measures or if all measures had insufficient data, then that facility does not meet the Quality Selection Criteria.

**Table 3: Comprehensive Centers (with or without on-site ICU): Patient Outcome Selection Criteria**

| Quality Selection Criteria: Patient Outcome Measures | | |
|---|---|---|
| **Measure Name** | **Data Source** | **Selection Criteria Description** |
| **Laparoscopic Sleeve Gastrectomy (LSG) Patient Outcomes** | | |
| **Analytic Measure Volume** | Provider Survey Question #30 | Facility's analytic measure volume (measure denominator) **is greater than or equal to 5** LSG bariatric surgery procedures to be evaluated. |
| **Bleeding** | Provider Survey Question #30 | Facility's LSG 30-day bleeding odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Leak** | Provider Survey Question #30 | Facility's LSG 30-day leak odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Related Readmissions** | Provider Survey Question #30 | Facility's LSG 30-day related readmission odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |

| Quality Selection Criteria: Patient Outcome Measures | | |
|---|---|---|
| **Measure Name** | **Data Source** | **Selection Criteria Description** |
| **Related Reoperations** | Provider Survey Question #30 | Facility's LSG 30-day related reoperation odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Serious Event** | Provider Survey Question #30 | Facility's LSG 30-day serious events odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Surgical Site Infection** | Provider Survey Question #30 | Facility's LSG 30-day surgical site infection odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.50.** |
| **Laparoscopic Roux-en-Y Gastric Bypass (LRYGB) Patient Outcomes** | | |
| **Analytic Measure Volume** | Provider Survey Question #32 | Facility's analytic measure volume **is greater than or equal to 5** LRYGB bariatric surgery procedures to be evaluated. |
| **Bleeding** | Provider Survey Question #32 | Facility's LRYGB 30-day bleeding odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Leak** | Provider Survey Question #32 | Facility's LRYGB 30-day leak odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Related Readmissions** | Provider Survey Question #32 | Facility's LRYGB 30-day related readmission odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Related Reoperations** | Provider Survey Question #32 | Facility's LRYGB 30-day related reoperation odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Serious Event** | Provider Survey Question #32 | Facility's LRYGB 30-day serious events odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Surgical Site Infection** | Provider Survey Question #32 | Facility's LRYGB 30-day surgical site infection odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.50.** |
| **Laparoscopic Adjustable Gastric Band (LAGB) Patient Outcomes** | | |
| **Analytic Measures Volume** | Provider Survey Questions #34/35 | Facility's analytic measure volume **is greater than or equal to 5** LAGB bariatric surgery procedures to be evaluated. |
| **Morbidity** | Provider Survey Question #34 | Facility's LAGB 30-day morbidity rate's non-risk adjusted point estimate's calculated 90% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Related Readmissions** | Provider Survey Question #35 | Facility's LAGB 30-day related readmissions rate's non-risk adjusted point estimate's lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Related Reoperation** | Provider Survey Question #35 | Facility's LAGB 30-day related reoperation rate's non-risk adjusted point estimate's lower confidence limit (LCL) is **less than or equal to 1.00.** |

# Quality Selection Criteria for Ambulatory Surgery Centers

The Quality Selection Criteria for Ambulatory Surgery Centers is outlined below. The facility must meet all of the required structure and process measures outlined in Table 4. The patient outcome measures reported from the facility's MBSAQIP SAR and/or online data registry are outlined in Table 5. **Applicant Ambulatory Surgery Centers must meet requirements in Table 4 and Table 5 to meet the Quality Evaluation portion of the eligibility decision.**

## Structure and Process Measures

**Table 4: Ambulatory Surgery Centers: Structure & Process Selection Criteria**

| Quality Selection Criteria: Structure and Process Measures | | |
|---|---|---|
| **Measure Name** | **Data Source** | **Selection Criteria Description** |
| **National Accreditation*** | Provider Survey Question #39 | Facility is fully accredited by **at least one** of the following national accreditation organizations*:<br>• The Joint Commission (TJC), in its Ambulatory Care Accredited Program (without provision or condition).<br>• Healthcare Facilities Accreditation Program (HFAP) of the Accreditation Association for Hospitals and Health Systems (AAHHS) as an Ambulatory Surgical Center.<br>• American Association for Accreditation of Ambulatory Surgery Facilities (AAAASF) Surgical.<br>• Accreditation Association for Ambulatory Health Care (AAAHC) as an Ambulatory Surgery Center.<br>• Center for Improvement in Healthcare Quality (CIHQ), in its Ambulatory Accreditation Program.<br>•<br>**NOTE: To enhance quality while improving Blue Members' access to qualified providers, alternate local Accreditations that are at least as stringent as any National Accreditations, above, may be offered under the local Blue Plan Criteria; for details, contact the facility's local Blue Plan.* |
| **Bariatric Surgery Program Accreditation** | Provider Survey Question #38 | Facility is accredited as an Ambulatory Surgery Center by the Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP). |
| **Patient Transfer Rate** | Provider Survey Question #70 | The percent of ASC's bariatric surgery patients, in need of a higher level of care, transferred to a comprehensive center with on-site ICU **is less than or equal to 5.00%.** |
| **BDC Designated Transfer Facility** | Provider Survey Question #72 | ASC has a written transfer agreement with **at least one comprehensive center with on-site ICU** that accepts bariatric surgery patients in need of a higher level of care, that is currently **designated** as a Blue Distinction Centers for Bariatric Surgery for the 2020 designation cycle. |
| **Local Plan Quality Criteria (If Applicable)** | Plan Survey | An individual Blue Plan, at its own independent discretion, may establish and apply local quality requirements as additional Selection Criteria for eligibility in a Blue Distinction Centers program, for providers located within its Service Area. |

## Patient Outcome Measures

Ambulatory Surgery Centers must meet the patient outcome measures for the bariatric surgery procedures that were performed and reported from the facility's MBSAQIP SAR and/or MBSAQIP online data registry.

The patient outcome measure evaluation requirements and details are outlined below and in Table 5.

1) To be evaluated, a facility must meet the minimum analytic measure volume (measure's denominator).
   a) If the analytic measure volume is greater than or equal to 5, the patient outcome measure will be evaluated.
   b) If the analytic measure volume is less than 5, the patient outcome measure has 'Insufficient Data' for evaluation.
2) To meet the procedure type (LSG, LRYGB, LAGB), the facility must meet ALL of the patient outcome measures that were evaluated. Insufficient data will be a 'Pass.'
3) To meet the Quality Selection Criteria, a facility must meet ALL required criteria and must meet ALL patient outcome measures within the procedure type(s) that were evaluated.
   a) If none of the procedure types met the evaluated patient outcome measures or if all measures had insufficient data, then that facility does not meet the Quality Selection Criteria.

**Table 5: Ambulatory Surgery Centers: Patient Outcome Selection Criteria**

| Quality Selection Criteria: Patient Outcome Measures | | |
|---|---|---|
| **Measure Name** | **Data Source** | **Selection Criteria Description** |
| **Laparoscopic Sleeve Gastrectomy (LSG) Patient Outcomes** | | |
| **Analytic Measure Volume** | Provider Survey Question #30 | Facility's analytic measure volume (measure denominator) **is greater than or equal to 5** LSG bariatric surgery procedures to be evaluated. |
| **Bleeding** | Provider Survey Question #30 | Facility's LSG 30-day bleeding odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Leak** | Provider Survey Question #30 | Facility's LSG 30-day leak odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Related Readmissions** | Provider Survey Question #30 | Facility's LSG 30-day related readmission odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Related Reoperations** | Provider Survey Question #30 | Facility's LSG 30-day related reoperation odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Serious Event** | Provider Survey Question #30 | Facility's LSG 30-day serious events odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Surgical Site Infection** | Provider Survey Question #30 | Facility's LSG 30-day surgical site infection odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.50** |
| **Laparoscopic Roux-en-Y Gastric Bypass (LRYGB) Patient Outcomes** | | |
| **Analytic Measure Volume** | Provider Survey Question #32 | Facility's analytic measure volume **is greater than or equal to 5** LRYGB bariatric surgery procedures to be evaluated. |

| Quality Selection Criteria: Patient Outcome Measures | | |
|---|---|---|
| **Measure Name** | **Data Source** | **Selection Criteria Description** |
| **Bleeding** | Provider Survey Question #32 | Facility's LRYGB 30-day bleeding odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Leak** | Provider Survey Question #32 | Facility's LRYGB 30-day leak odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Related Readmissions** | Provider Survey Question #32 | Facility's LRYGB 30-day related readmission odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Related Reoperations** | Provider Survey Question #32 | Facility's LRYGB 30-day related reoperation odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Serious Event** | Provider Survey Question #32 | Facility's LRYGB 30-day serious events odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.00** |
| **Surgical Site Infection** | Provider Survey Question #32 | Facility's LRYGB 30-day surgical site infection odds ratio's 95% lower confidence limit (LCL) is **less than or equal to 1.50** |
| **Laparoscopic Adjustable Gastric Band (LAGB) Patient Outcomes** | | |
| **Analytic Measures Volume** | Provider Survey Questions #34/35 | Facility's analytic measure volume **is greater than or equal to 5** LAGB bariatric surgery procedures to be evaluated. |
| **Morbidity** | Provider Survey Question #34 | Facility's LAGB 30-day morbidity rate's non-risk adjusted point estimate's calculated 90% lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Related Readmissions** | Provider Survey Question #35 | Facility's LAGB 30-day related readmissions rate's non-risk adjusted point estimate's lower confidence limit (LCL) is **less than or equal to 1.00.** |
| **Related Reoperation** | Provider Survey Question #35 | Facility's LAGB 30-day related reoperation rate's non-risk adjusted point estimate's lower confidence limit (LCL) is **less than or equal to 1.00.** |

## Quality Informational Measures

The following informational measures were reported by Comprehensive Centers and Ambulatory Surgery Centers in the Provider Survey. These measures were not scored and are to be used as an educational tool for quality improvement.

**Table 6: Informational Measures for Comprehensive Centers and Ambulatory Surgery Centers**

| Informational Measures | | |
|---|---|---|
| **Measure Name** | **Source** | **Selection Criteria Description** |
| **Patient Follow-up** | Provider Survey Questions #24/56 | A facility provides patient follow-up at 30 days, 6 months, and/or 1 year post bariatric surgery. |
| **Medical Condition Tracked for Improvement** | Provider Survey Questions #28/60 | A facility tracks the following medical conditions for improvement 1 year post bariatric surgery.<br>• Diabetes<br>• Hypertension<br>• Hypercholesterolemia |

# Business Selection Criteria

The Business Selection Criteria consists of the following components:

1. Facility Performs Services
2. Facility Preferred Provider Organization (PPO) Participation;
3. Physician PPO Participation;
4. Blue Brands Criteria; and
5. Local Blue Plan Business Criteria (if applicable)

A facility must meet **all** components listed below in Table 7 to meet the Business Selection Criteria for the Blue Distinction Centers for Bariatric Surgery designation.

**Table 7. Business Selection Criteria**

| Business Selection Criteria | |
|---|---|
| **Facility Performs Services** | Facility must perform bariatric surgery services. |
| **Facility PPO Participation** | Facility must participate in the local Blue Plan's BlueCard® Preferred Provider Organization (PPO) network. |
| **Physician PPO Participation** | All Key Physicians (surgeons who perform bariatric surgery procedures at the applicant facility), as identified in the Provider Survey, are required to participate in the local Blue Plan's BlueCard PPO Network.<br><br>**De Minimis exception to this criterion will be considered on an individual case basis through a nationally consistent appeal process.* |
| **Blue Brands Criteria** | Facility and its corporate family meets BCBSA criteria for avoiding conflicts with BCBSA logos and trademarks. |
| **Local Blue Plan Business Criteria (if applicable)** | An individual Blue Plan, at its own independent discretion, may establish and apply local business requirements as additional Selection Criteria for eligibility in a Blue Distinction Centers program, for providers located within its Service Area. |

**Note:** Blue Cross Blue Shield believes that all patients should be protected from surprise medical bills. We are strongly committed to working with policy makers, hospitals and physicians on solutions to better protect consumers while preventing unintended costs and disruptions to the healthcare system. For that reason, the Blue Distinction Specialty Care program is currently evaluating a new national selection criteria requirement – for the next evaluation cycle – that the applicant provider, plus all hospital-based physicians must participate in the local Blue Plan's Preferred Provider Organization (PPO) Network, in order for that applicant provider to receive a Blue Distinction designation.

# Cost of Care Evaluation

Cost of care measures were designed to address market and consumer demand for cost savings and affordable healthcare. The Cost of Care Selection Criteria were used to provide a consistent and objective approach to identify BDC+ facilities.

***Quality is key:*** only those facilities that first meet nationally established, objective quality measures for BDC will be considered for designation as a BDC+.

## Defining the Episodes

Cost of care evaluation was based on a nationally consistent analysis of Claims Data. To provide validity for comparisons, cost analytics for the BDC Bariatric Surgery program focus on commonly performed bariatric procedures.

### Cost Data Sources

Each facility's cost of care is calculated using adjusted allowed amounts for specific bariatric surgery episodes of care for actively enrolled Blue members, derived from Blue Plans' PPO Claims Data with bariatric procedures performed from January 1, 2016 through December 31, 2018.

### Clinical Category Identification Criteria

To provide validity for comparisons, cost analytics for the BDC Bariatric Surgery program focus on commonly performed bariatric procedures. Specifically, the program focuses on three bariatric surgery procedures:

- Laparoscopic Roux-En-Y Gastric Bypass (LRYGB),
- Laparoscopic Sleeve Gastrectomy (LSG), and
- Laparoscopic Adjustable Gastric Band (LAGB)

For validity of comparisons, cost analyses were limited to primary procedures, limited to obesity diagnoses, and removed any revisions from analysis. As a result, procedures that are uncommon or entail unusually high costs are excluded from the analysis. Table 8 includes the ICD-10 PCS and CPT/HCPCS procedure medical codes that are used to identify the bariatric surgery trigger events.

**Table 8. Bariatric Surgery Procedure Medical Codes**

| Trigger Category | Code Type | Code | Code Description |
|---|---|---|---|
| **Laparoscopic Adjustable Band (LAGB)** | CPT/HCPCS | 43770 | Laparoscopy, surgical, gastric restrictive procedure; placement of adjustable gastric restrictive device (e.g., gastric band and subcutaneous port components) |
| | ICD10PCS | 0DV64CZ | Restriction of stomach with extraluminal device, percutaneous endoscopic approach |
| **Laparoscopic Roux-En-Y Gastric Bypass (LRYGB)** | CPT/HCPCS | 43644 | Laparoscopy, surgical, gastric restrictive procedure; with gastric bypass and roux-en-y gastroenterostomy (roux limb 150 cm or less) |
| | ICD10PCS | 0D164ZA | Bypass stomach to jejunum, percutaneous endoscopic approach |
| **Laparoscopic Sleeve Gastrectomy (LSG)** | CPT/HCPCS | 43775 | Laparoscopy, surgical, gastric restrictive procedure; longitudinal gastrectomy (i.e., sleeve gastrectomy) |
| | ICD10PCS | 0DB64Z3 | Excision of stomach, percutaneous endoscopic approach, vertical |

Additionally, episodes were required to have a primary diagnosis of Morbid Obesity/BMI of 40.0 or higher (See Table 9), removing any episodes with atypical diagnoses. Episodes that display primary diagnosis codes for atypical or infrequent diagnoses, or those that are not clinically relevant to the Program's cost evaluation (such as trauma, neoplasm or infection), are not included in the analyses. Episodes with the most typical primary diagnoses are selected and the remaining atypical primary diagnoses are excluded.

**Table 9. Morbid Obesity Diagnosis Medical Codes**

| Primary Diagnosis Code | Primary Diagnosis Code Description |
|---|---|
| E66.01 | Morbid (severe) obesity due to excess calories |
| E66.2 | Morbid (severe) obesity with alveolar hypoventilation |
| Z68.41 | Body mass index (bmi) 40.0-44.9, adult |
| Z68.42 | Body mass index (bmi) 45.0-49.9, adult |
| Z68.43 | Body mass index (bmi) 50-59.9, adult |
| Z68.44 | Body mass index (bmi) 60.0-69.9, adult |
| Z68.45 | Body mass index (bmi) 70 or greater, adult |

Inpatient episodes were required to have both professional and facility Claims Data present (e.g., a lap sleeve episode with facility claims, but no professional claim, was excluded) while episodes performed at ambulatory surgery centers could be kept in the analysis even without a facility claim (as all ASC billing may be done using professional claims).

**Member Exclusion Criteria**

- Exclude age <18 or >64 years
- Exclude discharge status Left Against Medical Advice (LAMA)
- Exclude in-hospital death
- Exclude when primary payer is not a BCBS Plan

Clinical category costs are adjusted for the impact of significant patient co-morbidities, via risk adjustment methods; and high-cost outlier cases are managed, as outlined below. No other clinical exclusions are applied.

**Episode Window**

Each surgery episode type has time windows before and after the episode trigger event (primary surgical procedure) within which relevant services may be included. The episode window for bariatric procedures begins 30 days before the index event (look-back period) and ends 90 days after index event (look-forward period). The episode window includes services from facility, physician, and other professional, and ancillary providers.

- **Look-Back Period (30 Days)**: Includes relevant services (a service presumed related to the episode, regardless of diagnosis) and relevant diagnoses (other conditions and symptoms directly relevant to the episode).
- **Index Admission (Bariatric Surgery)**: Includes all costs during the admission (i.e., facility, physician/professional, and ancillary costs).
- **Look-Forward Period (90 Days)**: Includes relevant services (a service presumed related to the episode, regardless of diagnosis), relevant diagnoses (other conditions and symptoms directly relevant to the episode), and complications (identified based on relevant diagnosis).

Cost methodology took the sum of all costs incurred during the episode (including facility, physician, other professional, and ancillary costs) for each individual member, including the specified days before and after the trigger for the episode.

## Adjusting Episode Costs

Facility episode costs were analyzed and adjusted separately for each clinical category, as follows:

- Adjustments in episode costs are needed for both the validity and fairness of cost comparisons among providers. Two types of adjustment include:
  1) Factor adjustment which adjusts for factors known to have a predictable impact on costs of care. These include:
     - Adjustments for predictable cost differences related to geography
     - Adjustments for predictable cost differences due to risk (or, more specifically, due to differences in the clinical characteristics of patients and age that have a measurable and predictable impact on costs)
  2) Outlier management – which protects against rare, unpredictable high-cost and very low events that could have a dramatic impact on average costs for a provider.
- A geographic adjustment factor was applied to the episode cost**,** to account for geographic cost variations in delivering care. Adjustments made for predictable cost differences related to geography, using Geographic Adjustment Factors (GAFs) for 89 Geographic Practice Cost Index (GPCI) localities level, as defined by CMS.
- Risk adjustment was used to adjust for variation in cost that may relate to differences in patient severity (with or without comorbidity), as well as case mix, using the following steps:
  - Identified patient severity levels, using the MS-DRG risk stratification system.
  - Created separate risk bands within the clinical category episodes, based on patient severity level and gender. Only one age band, 18-64 years, was used for all patients because there was no meaningful variation in cost based on age subgroups.
  - Managed outliers through winsorization within risk bands. Outliers were identified in each risk band as those values for which geographically adjusted costs were the top 2 percent and bottom 2 percent of episode costs. Outlying cost values were truncated to these points, to preserve their considerations in calculating the overall episode cost estimate while moderating their influence.
  - Calculated a Risk Ratio for each risk band by taking the mean of the episode costs within each risk band and dividing it by the overall mean episode cost for the relevant clinical category.
  - The Risk Adjustment Factor (which is the inverse of the Risk Ratio) is multiplied by each facility's geographically adjusted facility episode costs for each clinical category/risk level combination to normalize for risk, resulting in a final episode cost that is both geographically adjusted and risk adjusted.

## Establishing the Cost Measure

Each episode was attributed to the facility where the primary procedure/surgery occurred, based on trigger events that occurred at that facility for each clinical category. Each Clinical Category Cost (CCC) was calculated separately, based on the median value of the adjusted episode costs. Confidence intervals (90 percent) were

calculated around each Clinical Category Cost measure; the Upper Confidence Limit of the measure was divided by the National median episode cost to become the Clinical Category Cost Index (CCCI).

Using each of the Clinical Category Cost Index values, an overall Composite Cost Index (CCI) was calculated for the facility. Each Clinical Category Cost Index was weighted by that facility's own volume and facility costs to calculate a composite measure of cost called the Composite Cost Index. The Composite Cost Index was then rounded down to the nearest 0.025 for each facility and compared to the National Cost Selection Criteria. A minimum of 5 episodes was required in at least one clinical category in order to consider the Clinical Category Cost Index valid.

## Cost of Care Selection Criteria

In addition to meeting the nationally established, objective Quality and Business Selection Criteria for BDC, Comprehensive Centers (with or without on-site ICU) and Ambulatory Surgery Centers also must meet all of the following Cost of Care Selection Criteria (Table 10) requirements to be considered eligible for the BDC+ designation.

**Table 10. Cost of Care Selection Criteria**

| Cost of Care Selection Criteria | |
|---|---|
| **Measure Name** | **Selection Criteria Description** |
| **Episode Volume** | The facility has **greater than or equal to 5** matched episodes of cost data in at **least one** of the clinical categories:<br>• Laparoscopic Sleeve Gastrectomy (LSG)<br>• Laparoscopic Roux-en-Y Gastric Bypass (LRYGB)<br>• Laparoscopic Adjustable Gastric Band (LAGB) |
| **Composite Cost Index** | Composite Cost Index must be **less than** the nationally established threshold of 1.125. |
| **Local Plan Cost Criteria (If Applicable)** | An individual Blue Plan, at its own independent discretion, may establish and apply local cost requirements as additional Selection Criteria for eligibility in a Blue Distinction Centers program, for providers located within its Service Area. |

## Questions

Contact your local Blue Plan with any questions.

Blue Distinction Centers (BDC) met overall quality measures for patient safety and outcomes, developed with input from the medical community. A Local Blue Plan may require additional criteria for providers located in its own service area; for details, contact your Local Blue Plan. Blue Distinction Centers+ (BDC+) also met cost measures that address consumers' need for affordable healthcare. Each provider's cost of care is evaluated using data from its Local Blue Plan. Providers in CA, ID, NY, PA, and WA may lie in two Local Blue Plans' areas, resulting in two evaluations for cost of care; and their own Local Blue Plans decide whether one or both cost of care evaluation(s) must meet BDC+ national criteria. National criteria for BDC and BDC+ are displayed on www.bcbs.com. Individual outcomes may vary. For details on a provider's in-network status or your own policy's coverage, contact your Local Blue Plan and ask your provider before making an appointment. Neither Blue Cross and Blue Shield Association nor any Blue Plans are responsible for non-covered charges or other losses or damages resulting from Blue Distinction or other provider finder information or care received from Blue Distinction or other providers.