



North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

August 15, 2013

The Honorable Louis Pate, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
Room 1028, Legislative Building
Raleigh, NC 27601

The Honorable Justin Burr, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
Room 307A, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Nelson Dollar, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
Room 307B1, Legislative Office Building
Raleigh, NC 27603-5925

Dear Senator Pate and Representatives Burr and Dollar:

Along with this letter, as directed by Section 12A.2B.(a) of Session Law 2013-360, I am submitting to you a plan to implement a Statewide Telepsychiatry Program to be administered by East Carolina University Center for Telepsychiatry and e-Behavioral Health (ECU), pursuant to and subject to the requirements of a contract between the Department of Health and Human Services (DHHS) and ECU.

The objective of this Statewide Telepsychiatry Program is to ensure that individuals experiencing an acute mental health or substance abuse crisis who present to an ED, receive timely specialized psychiatric treatment in coordination with available and appropriate clinically relevant community resources. Telepsychiatry offers opportunities for enhancing access, availability, and quality of mental health and substance abuse care provided to our citizens.

This report includes a timeline with specific steps for program implementation, a plan for oversight and monitoring by DHHS, a budget and associated narrative, and requirements for liability coverage related to participation in the program. As this program will be administered pursuant to a contract which has yet to be negotiated, some changes may occur. We will keep you updated as this process continues.

If you have any questions, please contact Robin Cummings, M.D., Deputy Secretary of Health, at robin.cummings@dhhs.nc.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Aldona Wos".

Aldona Wos, M.D.

www.ncdhhs.gov

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Senators Pate and Representatives Burr and Dollar
Page 2
August 15, 2013

cc:	Susan Jacobs	Robin Cummings	Senator Louis Pate
	Denise Thomas	Mark Payne	Representative Justin Burr
	Patricia Porter	Carol Steckel	Representative Nelson Dollar
	Sarah Riser	Dave Richard	Representative Susan Martin
	Kristi Huff	Chris Collins	Legislative Library (one hard copy)
	Brandon Greife	Adam Sholar	



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The Honorable William Brisson, Chair
Appropriations Subcommittee on Health
and Human Services
North Carolina House of Representatives
Room 405, Legislative Office Building
Raleigh, NC 27603

The Honorable Marilyn Avila, Chair
Appropriations Subcommittee on Health
and Human Services
North Carolina House of Representatives
Room 2217, Legislative Building
Raleigh, NC 27601

The Honorable Mark Hollo, Chair
Appropriations Subcommittee on Health
and Human Services
North Carolina House of Representatives
Room 639, Legislative Office Building
Raleigh, NC 27603

Dear Representatives Brisson, Avila, and Hollo:

Along with this letter, as directed by Section 12A.2B.(a) of Session Law 2013-360, I am submitting to you a plan to implement a Statewide Telepsychiatry Program to be administered by East Carolina University Center for Telepsychiatry and e-Behavioral Health (ECU), pursuant to and subject to the requirements of a contract between the Department of Health and Human Services (DHHS) and ECU.

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Representative Brisson, Avila and Hollo

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Secretary DHHS

The Honorable Louis Pate, Co-Chair
Appropriations on Health and Human Services
North Carolina Senate
Room 406, Legislative Office Building
Raleigh, NC 27603

The Honorable Ralph Hise, Co-Chair
Appropriations on Health and Human Services
North Carolina Senate
Room 1026, Legislative Building
Raleigh, NC 27601

Dear Senators Pate and Hise:

Along with this letter, as directed by Section 12A.2B.(a) of Session Law 2013-360, I am submitting to you a plan to implement a Statewide Telepsychiatry Program to be administered by East Carolina University Center for Telepsychiatry and e-Behavioral Health (ECU), pursuant to and subject to the requirements of a contract between the Department of Health and Human Services (DHHS) and ECU.

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Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Mark Trogon, Director
Fiscal Research Division
Room 619, Legislative Office Building
Raleigh, NC 27603

Dear Mr. Trogon:

Along with this letter, as directed by Section 12A.2B.(a) of Session Law 2013-360, I am submitting to you a plan to implement a Statewide Telepsychiatry Program to be administered by East Carolina University Center for Telepsychiatry and e-Behavioral Health (ECU), pursuant to and subject to the requirements of a contract between the Department of Health and Human Services (DHHS) and ECU.

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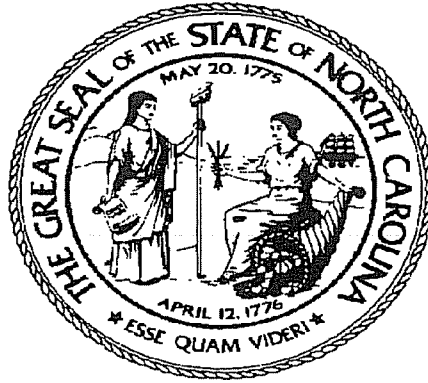
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Statewide Telepsychiatry Program Plan
Section 12A.2B of North Carolina Session Law 2013-360

submitted to

Senate Appropriations Committee on Health and Human Services
House Appropriations Subcommittee on Health and Human
Services
Joint Legislative Oversight Committee on Health and Human
Services
Fiscal Research Division

by

N.C. Department of Health and Human Services

August 15, 2013

North Carolina Telepsychiatry Workgroup

Member	Organization
Steve Clark	Albemarle Hospital
Sheila Davies	Albemarle Hospital Foundation
Phil Donahue	Albemarle Hospital Foundation
Dillon Carter	Campbell University
Will Woodell	Cardinal Innovations LME/MCO
Katie Kaney	Carolinas Healthcare
Chris Rich	Carolinas Healthcare
Jennifer Sarafin	Carolinas Healthcare
Wayne Sparks	Carolinas Healthcare
Dr. Mike Lancaster	Community Care of North Carolina
Jerold Greer	Daymark Recovery
Billy West	Daymark Recovery
Dr. Richard D'Alli	Duke University
Dr. Marvin Swartz	Duke University
Dr. Mike Kupecki	East Carolina Behavior Health LME/MCO
Michelle Brooks	East Carolina University
Brian Jowers	East Carolina University
Dr. Sy Saeed	East Carolina University
Karen Salacki	Eastpointe LME/MCO
Bryan Arkwright	Mission Health System
Dr. Art Eccleston	NC DHHS, Division of Mental Health
Dr. Nena Lekwauwa	NC DHHS, Division of Mental Health
Dr. Randall M Best	NC DHHS, Division of Medical Assistance
Courtney M. Cantrell	NC DHHS, Division of Medical Assistance
Carol Steckel	NC DHHS, Division of Medical Assistance
Chris Scarboro	NC Health Information Exchange
Mark Bell	NC Hospital Association
Jody Fleming	NC Hospital Association
Erica Nelson	NC Hospital Association
Mike Vicario	NC Hospital Association
Irene Watts	NC Hospital Association
Dr. Robin Cummings	NC Office of Rural Health and Community Care
Roy Gilbert	NC Office of Rural Health and Community Care
Jay Kennedy	NC Office of Rural Health and Community Care
Jo Haubenreiser	Novant Health
Anthony Ward	Sand Hills Center LME/MCH
Dennis Barry	Secretary's Office, DHHS
Dr. Jack Naftel	UNC Chapel Hill
Dr. Donald Rosenstein	UNC Chapel Hill
Daniel Van Lier	Vidant Health
Steve Scoggin	Wake Forest Baptist Health, CareNet

Executive Summary

Currently, there are 108 hospitals across the state with varying degrees of psychiatric coverage for their emergency departments (ED); however, the majority of EDs do not have access to a full-time psychiatrist. Many times, behavioral health patients in crisis wait for hours - sometimes as long as days or weeks - for an appropriate psychiatric consultation after an initial ED determination of need. According to federal guidelines from the U.S. Department of Health and Human Services Health Resources and Services Administration, 58 counties in North Carolina now qualify as Health Professional Shortage Areas due to a lack of mental health providers to meet population needs.

This plan for the N.C. Statewide Telepsychiatry Program was developed pursuant to Section 12A. 2B of Session Law 2013-360 directing the N.C. Department of Health and Human Services (DHHS) Office of Rural Health and Community Care to implement a statewide telepsychiatry program to be administered by East Carolina University Center for Telepsychiatry and e-Behavioral Health (ECU Center for Telepsychiatry). The plan was developed in collaboration with a workgroup of key stakeholders. (see p.2 of this report.)

Telepsychiatry is defined in the statute as *the delivery of acute mental health or substance abuse care, including diagnosis or treatment, by means of two-way real-time interactive audio and video by a consulting provider at a consultant site to an individual patient at a referring site.* G.S. §143B-139.4B.

The Albemarle Hospital Foundation telepsychiatry project, initially funded in 2010 by the Duke Endowment, was designed to address the increased number of individuals with mental illness presenting to EDs in rural areas of eastern North Carolina. Since its inception, the program has demonstrated improved patient outcomes, with significant reductions in patient lengths of stay (LOS) as well as reductions in recidivism rates and reductions in involuntary commitments. The Statewide Telepsychiatry Program is substantially similar to the Albemarle Hospital Foundation telepsychiatry project.

The Statewide Telepsychiatry Program will be dependent upon the ability of consulting and referring sites to share information safely and securely about the patients they are treating. As part of the contractual agreement, ECU Center for Telepsychiatry will implement an IT infrastructure and support it to enable information sharing, and support scheduling, data collection and analytics needs. An Advisory Group made up of representatives from the workgroup, will assist to promote a comprehensive, collaborative and coordinated result among all partners. A regional model designed to address the entire state will be developed.

This report includes a timeline with specific steps for program implementation, a plan for oversight and monitoring by DHHS, a budget and associated narrative, and requirements for liability coverage related to participation in the program. The General Assembly has appropriated \$2 million in both 2013-14 and 2014-15 to fund the program.

The objective of the Statewide Telepsychiatry Program is to ensure that individuals experiencing an acute mental health or substance abuse crisis who present to an ED, receive timely specialized psychiatric treatment in coordination with available and appropriate clinically relevant community resources.

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North Carolina

Statewide Telepsychiatry Program

Introduction

Many states have extreme disparities in population density and resource distribution, with substantial health and human service resources in urban centers and relative scarcity of services in rural areas. Such disparities are particularly apparent in the area of behavioral health services. According to a 2004 report commissioned by the New Freedom Commission on Mental Health, while prevalence and incidence of mental illness is not different in rural and urban areas, the experience of individuals in rural areas who have mental illness differs based on three factors: accessibility, availability, and acceptability.¹

In its report¹, the Subcommittee on Rural Issues states that these variables lead rural residents with mental health needs to: enter care later in the course of their disease than do their urban peers; enter care with more serious, persistent, and disabling symptoms; and require more expensive and intensive treatment responses.

North Carolina is no exception. According to federal guidelines from the U.S. Department of Health and Human Services Health Resources and Services Administration, 58 counties in North Carolina now qualify as Health Professional Shortage Areas due to a lack of mental health providers to meet population needs.

In these circumstances, utilizing two-way audio and video communication technologies, in real time, to provide mental health services from a distance, or “telepsychiatry,” can improve access, cost, and quality of mental health and substance abuse care. Indeed, a growing body of literature now suggests that use of telepsychiatry to provide mental health and substance abuse care has the potential to mitigate the workforce shortage that directly affects access to care, especially in remote and underserved areas.²

Telepsychiatry offers opportunities for enhancing access, availability, and quality of mental health and substance abuse care provided to our citizens. Research conducted by the Department of Psychiatric Medicine, The Brody School of Medicine at East Carolina University, indicates that services provided via telepsychiatry have been shown to be

¹ New freedom commission on mental health, subcommittee on rural issues: Background paper (2004). No. DHHS Pub. No. SMA-04-3890). Rockville, MD.

² Antonacci DJ, Bloch RM, Saeed, SA, Yildirim Y, Talley J. (2008). Empirical Evidence on the Use and Effectiveness of Telepsychiatry via Videoconferencing: Implications for Forensic and Correctional Psychiatry. *Behavioral Sciences and the Law*: 26:253-269.

comparably effective to those delivered in person. Patient access is improved and patient satisfaction is high, with telepsychiatry services and telemedicine in general.³

At this time, improving access to telepsychiatry in N.C. EDs is the primary objective of the Statewide Telepsychiatry Program. Particularly in rural areas of our state, the entry point for behavioral health services is the hospital ED. However, because of a lack of available and accessible mental health practitioners, patients must either wait for care or receive less than adequate care. In recent years, North Carolina has seen an increase in ED admissions related to behavioral health issues and extended lengths of stays (“LOS”), ranging from long hours to multiple days. This situation impacts public safety and often places additional burden on local law enforcement, who are responsible for the safety and care of individuals in crisis.

Telepsychiatry is a viable and reasonable option for providing psychiatric care to those who are currently underserved or lack access to services. Telepsychiatry can impact care when patients present at the ED by providing timely clinical assessment and rapid initiation of treatment. Telepsychiatry also can be utilized for maintaining an information clearinghouse, disseminating information, and training providers.

As a central repository of information, the Statewide Telepsychiatry Program will be helpful in providing expertise and service protocols that can enable hospitals, institutions, and healthcare service delivery systems to implement telepsychiatry services. With centralized oversight, this program will promote access, quality and cost saving initiatives.

In its January 2013 Report to the General Assembly, the Joint Legislative Oversight Committee on Health and Human Services recommended the General Assembly direct the N.C. Department of Health and Human Services (DHHS) to develop a plan for a statewide telepsychiatry program. The General Assembly enacted Session Law 2013-360 directing the DHHS Office of Rural Health and Community Care to implement a statewide telepsychiatry program to be administered by East Carolina University Center for Telepsychiatry and e-Behavioral Health (“ECU Center for Telepsychiatry”). Specifically, Section 12A.2B.(a) states:

“By no later than August 15, 2013, the Office of Rural Health and Community Care of the Department of Health and Human Services shall develop and submit to the Senate Appropriations Committee on Health and Human Services, the House Appropriations Subcommittee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division a plan to implement a statewide telepsychiatry program to be administered by East Carolina University Center for Telepsychiatry and e-Behavioral Health (ECU Center for Telepsychiatry) pursuant to a contract between the Department and ECU Center for Telepsychiatry. The plan shall be substantially similar to the Albemarle Hospital Foundation telepsychiatry program currently operating in hospitals in eastern North Carolina and shall allow all hospitals licensed to operate in the State under Chapter 131E or Chapter 122C of the General

³ Susan S. Gustke, David C. Balch, Vivian L. West, and Lance O. Rogers. *Telemedicine Journal*. May 2000, 6(1): 5-13. doi:10.1089/107830200311806.

Statutes to participate in the telepsychiatry program, either as a consultant site or as a referring site.”

This plan for North Carolina statewide telepsychiatry in hospital EDs was developed in accordance with G.S. §143B-139.4B. It is the product of a group of key stakeholders, the North Carolina Telepsychiatry Workgroup, which met several times over a course of months before finalizing its recommendations.

Background

The Statewide Telepsychiatry Program builds upon two successful telepsychiatry programs in North Carolina:

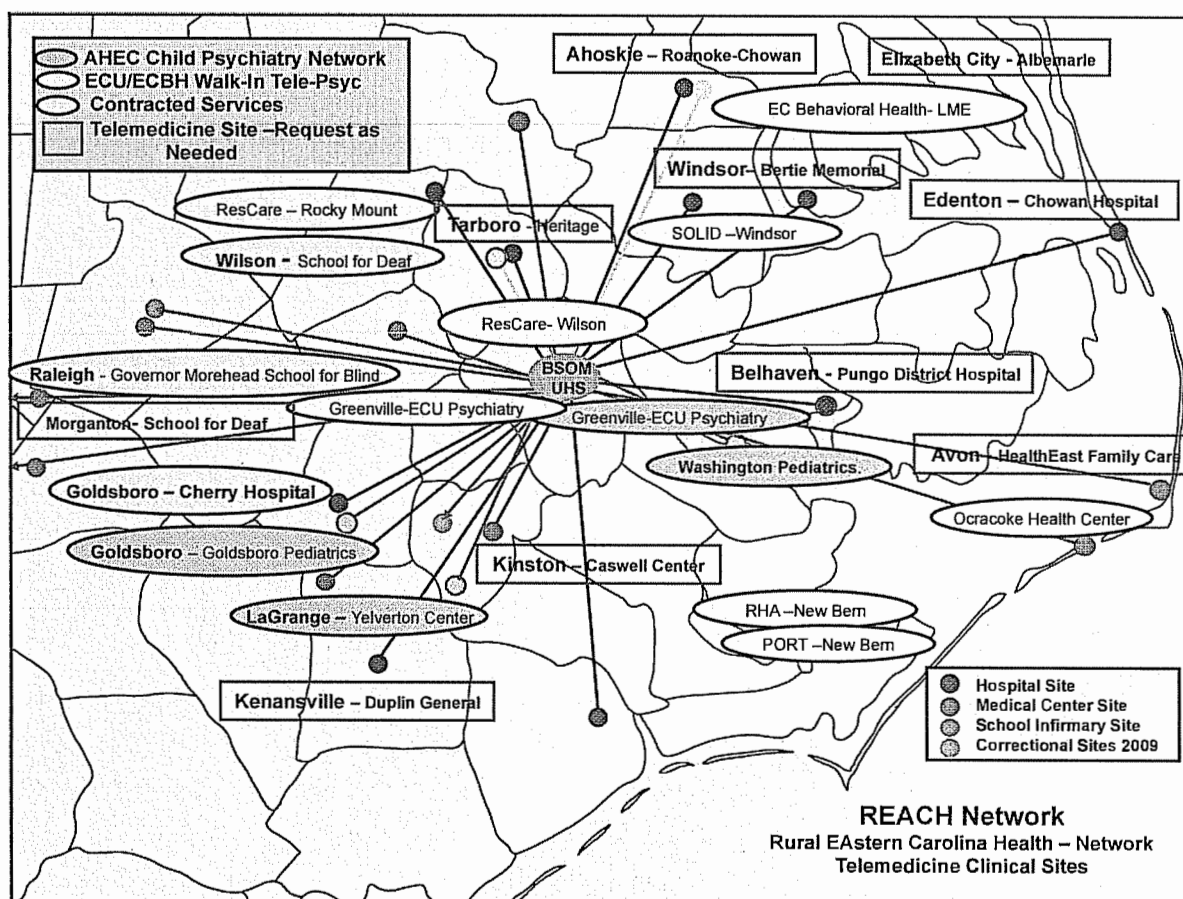
1. East Carolina University’s Center for Telepsychiatry and e-Behavioral Health (ECU Center for Telepsychiatry)
2. Albemarle Hospital Foundation Telepsychiatry Project

East Carolina University’s Center for Telepsychiatry and e-Behavioral Health

The East Carolina University (ECU) Telemedicine Program has been in continuous operation since its inception in 1992, making it one of the longest running clinical telemedicine operations in the world. The Telemedicine Center provides the necessary support for conducting clinical telemedicine transactions, including scheduling, network operations, troubleshooting, training, and administrative assistance to those sites receiving medical services from ECU physicians and other healthcare providers.

The support services of the Telemedicine Center have allowed the Department of Psychiatric Medicine at the Brody School of Medicine and the ECU Center for Telepsychiatry, to develop and expand a network of telepsychiatry services. Figure-1 shows the current network of ECU telepsychiatry/mental health sites in eastern North Carolina.

Figure-1: ECU Network of Clinical Psychiatric Sites in Eastern North Carolina

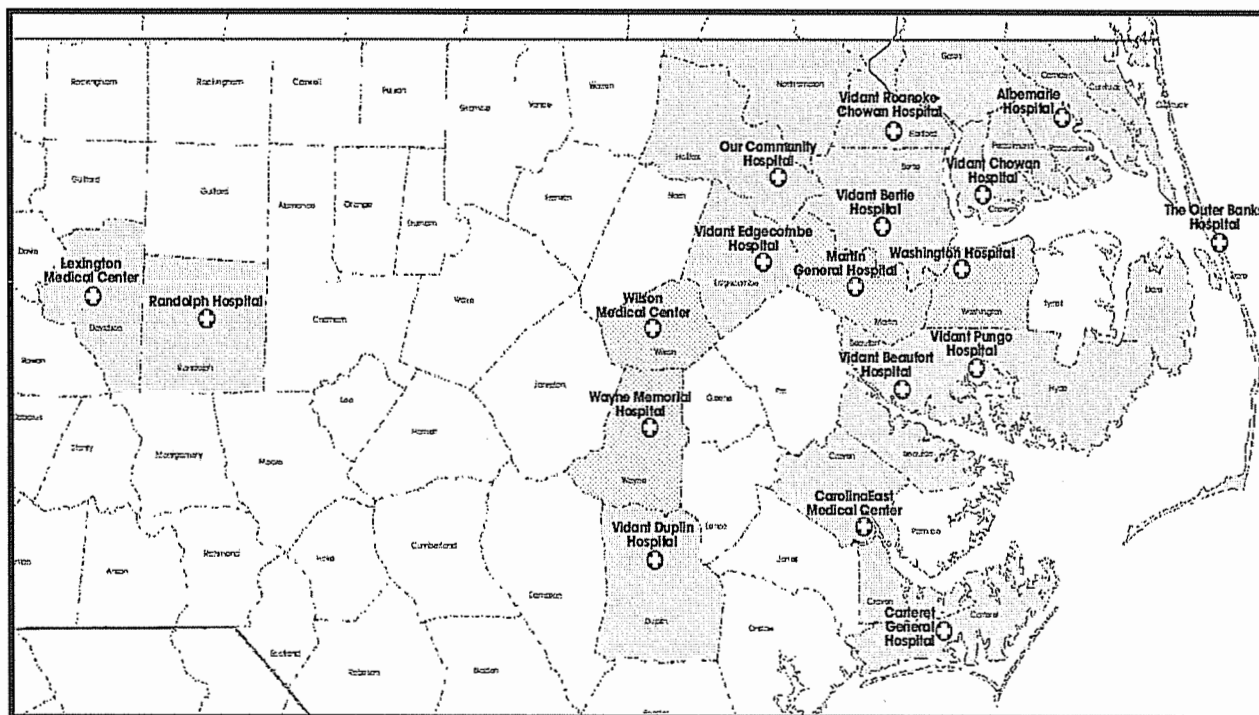




These sites include pediatric practices, private mental health service providers, mental health agencies, Developmental Disability service providers, Local Management Entities (LMEs), a state psychiatric hospital, private family medicine providers, and specialty residential schools.

Albemarle Hospital Foundation Telepsychiatry Project

The Albemarle Hospital Foundation telepsychiatry project, initially funded in 2010 by the Duke Endowment, provides individuals with mental illness presenting to EDs with psychiatric consultations via telepsychiatry, in rural areas of eastern North Carolina. The Project covers a service area of 29 counties and an estimated population of more than 1 million people. Figure-2 presents a color-coded map showing the counties presently served by the Albemarle Hospital Foundation Telepsychiatry Project, including hospitals that have expressed interest in joining the network within the last several months.

**Figure-2: Counties being served by the Albemarle Hospital Foundation
Telepsychiatry Project**



-  — Current Network Hospitals
 — Hospitals Possibly Joining Network in 2013

The Albemarle Hospital Foundation Telepsychiatry Project initiative was developed in response to high ED admissions related to behavioral health issues and extended LOS, ranging from long hours to multiple days. The project is modeled after a successful Duke Endowment-funded statewide telepsychiatry project with South Carolina's Department of Behavioral Health. Under the Albemarle Hospital Foundation telepsychiatry project, mobile video conferencing units are placed in participating hospitals and desktop video conferencing units are placed at the psychiatric practice that performs the patient assessments. The practice, Coastal Carolina Neuropsychiatric Center, is located in Jacksonville, NC and was selected as the psychiatric contractor because of the agency's experience, capacity, and record of quality psychiatric service delivery.

Since the program's implementation in May 2011, more than 4,000 psychiatric assessments have been provided to patients in EDs experiencing a mental health crisis. Initial project outcomes include reduction in patients' LOS, reductions in 30-day recidivism rates, and reductions in involuntary commitments. Specifically, LOS for patients discharged to

inpatient treatment have dropped from an average of 48 hours pre-telepsychiatry to 22.5 hours since the implementation of telepsychiatry. Additionally, 30 day recidivism rates have dropped from 20% at Albemarle Hospital to 8% since beginning telepsychiatry. Overall, hospitals participating in the telepsychiatry network reported a reduction in involuntary commitments of 33% which results in cost savings for hospitals and state inpatient treatment facilities. Furthermore, these interventions are reducing the repeated readmissions of chronically affected patients to local or state psychiatric hospitals.

Based on the initial success of the project, the Duke Endowment provided additional funding to expand the telepsychiatry network. Presently, the Project serves 14 hospitals, with four additional hospitals scheduled to come on line by October 2013. Eighteen hospitals are on a waiting list. The geographic footprint of the current project extends from eastern North Carolina to Davidson County.

Statewide Telepsychiatry Program Implementation Plan

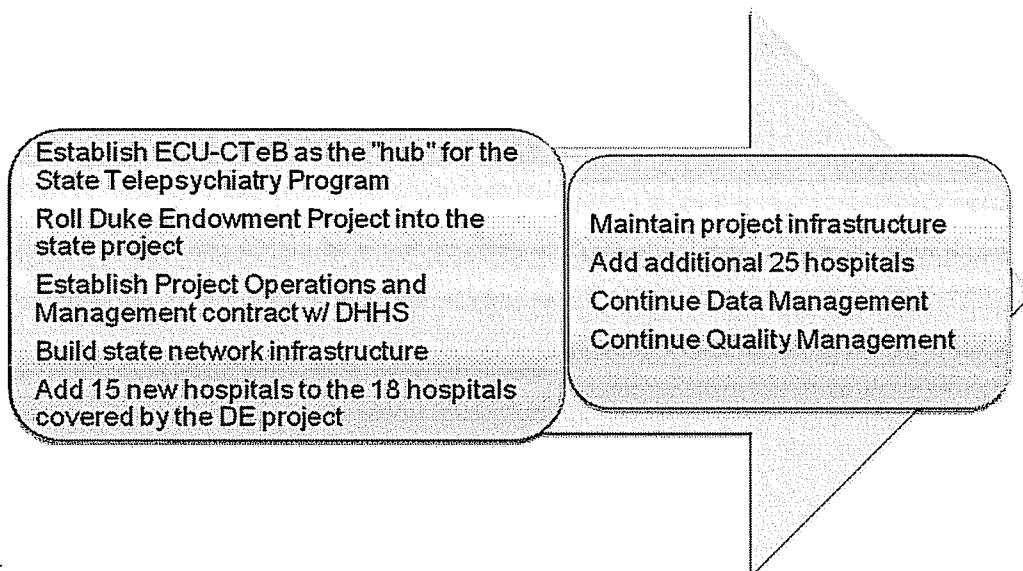
In accordance with G.S. 143B -139.4B.(b), the target date for implementation of a statewide plan is January 1, 2014.

There are 108 hospitals or hospital systems in the state with EDs. Several hospital systems are associated with multiple sites. Presently, there are 122 EDs in North Carolina. Of the 108 hospitals or hospital systems:

- 18 are currently served by the existing Albemarle Hospital Foundation Telepsychiatry Project
- 13 are served by Carolinas Health System's telepsychiatry program
- 7 are served by the Novant Telepsychiatry Project (sponsored by the Duke Endowment)
- 3 are served by the FirstHealth Telepsychiatry Project (sponsored by the Duke Endowment)
- 8 have independent, regular psychiatric coverage in the ED

Thus, approximately 60 hospitals or hospital systems with associated EDs in North Carolina are currently targeted for participation in the Statewide Telepsychiatry Program.

The Statewide Telepsychiatry Program implementation will occur over a 2-year period, as shown in Figure-3.

Figure-3: Two Year Roll

Out

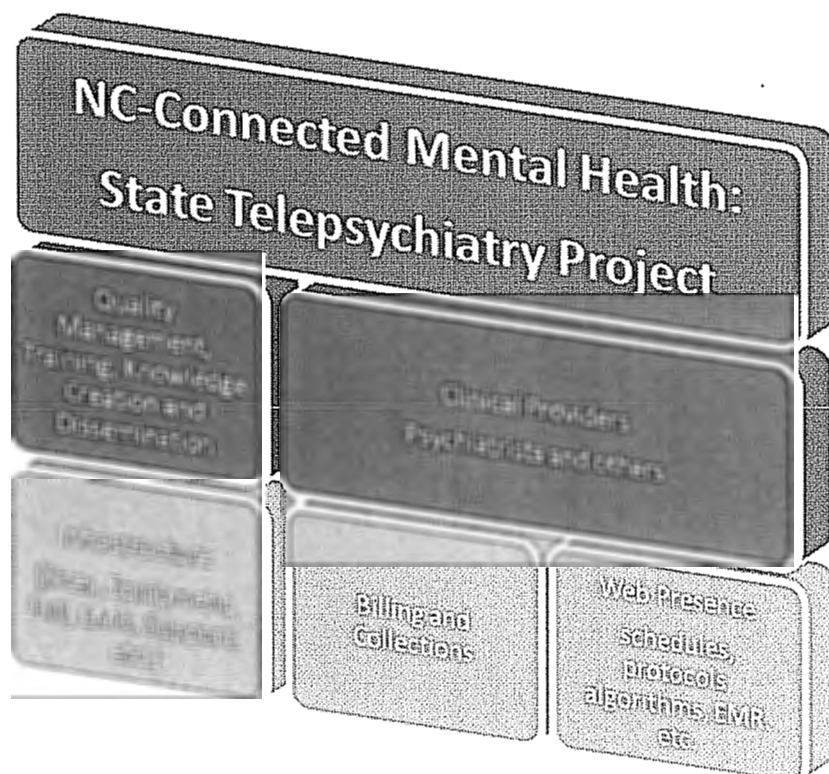
The ECU Center for Telepsychiatry will report quarterly and annually to the DHHS Office of Rural Health and Community Care on the following measures:

1. Number of consultant sites and referring sites participating in the program.
2. Number of psychiatric assessments conducted under the program, reported by site or region.
3. Length of stay (LOS) of patients receiving telepsychiatry services in the EDs of hospitals participating in the program, reported by disposition.
4. Number of involuntary commitments recommended as a result of psychiatric assessments conducted by consulting providers under the program, reported by site or region and by year, and compared to the number of involuntary commitments recommended prior to implementation of this program.

The following components of the Statewide Telepsychiatry Program, outlined in figure 4, shall be included in the reports:

- i. Clinical Providers: Psychiatrists and others.
- ii. Infrastructure: sites' equipment; video hub/bridge for managing and routing video connections; system scheduling; real-time statistics on use; technical support; etc.
- iii. Billing and collections, either centrally or site specific.
- iv. Quality management, training, knowledge creation and dissemination
- v. Telepsychiatry Web Portal: health information exchange, scheduling, data collection and analytics.

Figure-4: Required Components of the Telepsychiatry Project



Clinical Providers

Before the Statewide Telepsychiatry Program goes live in January 2014, the ECU Center for Telepsychiatry, in consultation with DHHS' Office of Rural Health and Community Care, will establish a provider network for the project. Factors to be considered will include:

- Evaluate current consulting provider Coastal Carolina Neuropsychiatry's capacity for expansion
- Recruitment/expansion to new consulting providers and consultant and referring sites in the East
- Enlist the participation of consulting sites and referring sites in the central and western parts of the state in collaboration with the LME/MCOs
- Evaluate state operated hospitals as consulting providers
- Evaluate a regional model
- Work with Division of Mental Health, Developmental Disabilities, and Substance Abuse Services and the LME-MCOs to coordinate care /discharge/linking services

All providers will be licensed and practicing in North Carolina and will be accountable to quality management oversight, outcomes management, and a peer review process.

Credentialing

The Statewide Telepsychiatry Program will require clinical providers to be credentialed by all participating hospitals and LME-MCOs.

For a statewide telepsychiatry plan to be sustainable, the credentialing process needs to be streamlined, efficient, and as standardized as possible. DHHS is currently in discussions with LME-MCO leadership to establish standardized credentialing practices for behavioral health providers.

Liability Requirements for Participation in Telepsychiatry

The project will utilize a consultation model to provide psychiatric consultations to ED physicians. All parties will be required to carry appropriate liability insurance. Minimum coverage limits for providers will be \$1M/\$3M, and consultant and referring sites, \$3M/\$5M. The liability will reside as it usually does, within the medical practice or individual provider.

Infrastructure

After careful consideration of multiple vendors and configurations, the Albemarle Hospital Foundation Telepsychiatry Project elected to use a Polycom Codec solution (HDX 7000) with a mobile cart configuration for the hospitals and powerful desktop PC's for providers with high definition cameras, screens and upgraded power sources. A commitment to the Polycom Codec use has worked well for the Project in terms of cost, quality and performance. However, due to advances in technology, the ECU Center for Telepsychiatry will be encouraged to look for better pricing and availability of hardware without any quality sacrifice. The ability to integrate as well as grow with future needs will be important in any selection.

For the hardware to be effective, adequate band width must be present. With the help of the North Carolina Telehealth Network and MCNC, the network infrastructure should be able to handle all the traffic with expected transmission quality. As a byproduct of working with the North Carolina Telehealth Network, many hospitals will be able to take advantage of the Health Care Connect Fund. This fund provides a monthly discount of 65% from the facility's broadband expense. This discount will help offset some hospital cost associated with increasing broadband and services to include telepsychiatry and telemedicine in general.

Billing and Collections

The guiding principle in this area is to establish a flexible and sustainable model for billing and collections. There are a variety of billing models that may be used by the consulting provider(s), referring site(s) and consulting site(s):

1. Professional fee and facility fee billing per traditional healthcare system practices.
2. Flat fee for service charged to the referral site on per consult basis.
 - a. Referral site bills and retains facility fee

- b. Per agreement and provider credentialing, referral bills and retains telepsychiatry professional fee
- 3. Retainer model- referral site pays a flat monthly “subscription” fee, adjusted for volume, for telepsychiatry services.
 - a. Consulting site bills and retains facility fee
 - b. Per agreement and provider credentialing, consulting site bills and retains telepsychiatry professional fee

The Statewide Telepsychiatry Program, administered by the ECU Center for Telepsychiatry, will allow for any of the above billing models. Flexibility and integration into standard billing practices will promote sustainability. Every effort will be made to avoid duplication and an invasive telepsychiatry network.

Payment for services from N.C. Medicaid, state appropriated funds and third party/commercial payors are critical for a sustainable model to include indigent care. There is currently a 2103 NC Telemedicine study bill that is a first step for possible enactment of legislation to require full payment by third party payors for services provided via telemedicine.

Quality Management and Outcomes Monitoring

In consultation with DHHS Office of Rural Health and Community Care (ORHCC), and in collaboration with participating entities, ECU Center for Telepsychiatry will develop and administer the quality management and outcomes monitoring for the statewide program. All participating clinical providers will participate in a peer review process. They will also agree to meet quality and outcome standards and indicators.

The ECU Center for Telepsychiatry will create and maintain quality and outcome monitoring processes. These processes will be blended in the workflow of clinical encounters so that they will become part of routine care, without adding undue burden on clinical providers’ workflow. As the project progresses, health information exchange connectivity and a web based Program Portal to electronically queue resources, collect data and report on that data will be implemented.

Telepsychiatry Web Portal

ECU Center for Telepsychiatry will create and maintain a one-stop web portal that coordinates and links to health information technology (HIT) functions required of the program. The portal will consist of separate but related technologies that will serve as the primary interface through which data is managed regarding patient encounters, including:

- Scheduling consultations and video conferencing equipment
- Exchanging clinical data for patient care and links to EMR data
- Supporting timely referrals
- Collecting encounter data for analytic needs of program managers and billing agents

The portal also will contain information about resources for participants, including hospitals, psychiatrists, and MCOs.

Most of the components of the portal exist today and are readily available, but the scheduling component will likely require a custom development effort if an appropriate off-the-shelf solution cannot be utilized. For the Statewide Telepsychiatry Program to be successful, these components must be integrated to work as a whole.

The ECU Center for Telepsychiatry will establish a process to request proposals to contract for technology services to accomplish the goals of the Statewide Telepsychiatry Program as identified by the HIE Workgroup. Emphasis will be placed on using solutions that are ready to be implemented, are easiest to incorporate into the workflows of referring and consulting sites, and have existing governance structure for HIE. Program funding levels are not sufficient to provide electronic medical records or comprehensive query-based HIE, so the program will strive to select technologies that maximize available program HIT funds and lend themselves to future telemedicine applications.

Until the project has a functional HIE, the use of secure e-mails can be an interim solution to share extracted clinical information from the patients chart with the consulting psychiatrist. The program will define the basic minimum of this extracted information and identify, in collaboration with the sites, who will attend to it at the patient sites. The ECU Center for Telepsychiatry also will define the process by which the consulting psychiatrist will share his/her report with the ED. The processes utilized by hospitals and the provider site participating in the Albemarle Hospital Foundation Telepsychiatry Project can serve as a guide.

Timeline

Several equipment and service agreements must be transferred or finalized before the project goes live. These include:

- Contracts with Strategic Partners across the state
- Project Management and Operations
- Contract between ECU Center for Telepsychiatry and NC DHHS
- Albemarle Hospital Foundation contracts

An education and marketing campaign will start before the project goes live and then continue. The major focus of these campaigns will be on:

- Public and stakeholder education about utility of telepsychiatry
- Branding
- Reaching out to potential hospitals

Project Timeline by Quarter

July – September 2013

- Complete program requirements for DHHS and the Legislative Oversight Committee
- DHHS Office of Rural Health and Community Care to enter all approved information into Open Window.
- DHHS Office of Rural Health and Community Care will prepare contract and obtain all appropriate signatures and approvals.
- Albemarle Hospital Foundation and East Carolina University (ECU) to develop the transition plan for telepsychiatry project.
- ECU Center for Telepsychiatry, in consultation with DHHS Office of Rural Health and Community Care, and in collaboration with stakeholders develops the quality management and outcomes monitoring processes for the program.

October – December 2013

- Contract between DHHS Office of Rural Health and Community Care and ECU is executed by 10/31/13.
- Contract between ECU and outside contractor for the implementation and program operations executed by 11/1/13.
- Contracts between the 18 hospitals currently participating in the Albemarle Hospital Foundation telepsychiatry network and ECU are developed and executed.
- Contract between Coastal Carolina Neuropsychiatric Center and ECU is established and executed.
- Contracts between the LME/MCOs and ECU are established and executed.
- Additional providers of telepsychiatry services are recruited and at least four additional referral sites are contracted to participate in the program.
- Implementation plans for 13 hospitals on the Albemarle Hospital Foundation Telepsychiatry Project wait list are developed.
- Contracts between ECU and at least six hospitals on the Albemarle Hospital Foundation Telepsychiatry Project wait list are executed and implementation plans initiated (i.e. contracts, provider credentialing initiated, equipment ordered)
- HIE plans to support the network and necessary contracts are established and executed

January – March 2014

- Contracts with the remaining nine hospitals on the Albemarle Hospital Foundation Telepsychiatry Project wait list are executed.
- Six hospitals from the Albemarle Hospital Foundation Telepsychiatry wait list “Go Live” with telepsychiatry (total in network = 24)
- 14 new referral sites secured to participate in the network (i.e. contracts, provider credentialing initiated, equipment ordered)
- ECU submits first quarterly performance report and financial statements of ECU Center for Telepsychiatry to DHHS Office of Rural Health and Community Care

- Contracts with three to five new referral sites secured
- Apply for Duke Endowment funding if needed.
- ECU Center for Telepsychiatry prepares Year 2 budget and submits to DHHS Office of Rural Health and Community Care.

April – June 2014

- Seven hospitals “Go Live” (total in network = 31)
- 14 additional referral sites recruited to participate in the network (i.e. contracts, provider credentialing initiated, equipment ordered)
- ECU submits quarterly performance report and financial statements to DHHS Office of Rural Health and Community Care.
- Contracts with three to five new referral sites secured
- Duke Endowment funds awarded (to be determined)

July – September 2014

- Seven referral sites “Go Live” (total in network = 38)
- ECU submits annual performance report and financial statements of ECU Center for Telepsychiatry to DHHS Office of Rural Health and Community Care.
- Contracts with three to five new referral sites secured

October 2014 – December 2014

- Seven referral sites “Go Live” (total in network = 45)
- ECU submits quarterly performance report and financial statements of ECU Center for Telepsychiatry to DHHS Office of Rural Health and Community Care. DHHS Office of Rural Health and Community Care submits annual report on the operation and effectiveness of the Statewide Telepsychiatry to the Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division before Nov. 1.
- Sustainability plan created

January– March 2015

- Seven referral sites “Go Live” (total in network = 52)
- ECU submits quarterly performance report and financial statements of ECU Center for Telepsychiatry to DHHS Office of Rural Health and Community Care
- ECU Center for Telepsychiatry prepares Year 3 budget and submits to DHHS Office of Rural Health and Community Care
- Apply for additional Duke Endowment funding if needed

April 2015 – June 2015

- Seven referral sites “Go Live” (total in network = 59)
- ECU submits quarterly report and financial statements of ECU Center for Telepsychiatry to DHHS Office of Rural Health and Community Care.

July 2015–December 2015

- ECU Center for Telepsychiatry annual performance report and financial statements to DHHS Office of Rural Health and Community Care.

- DHHS Office of Rural Health and Community Care submits annual report on the operation and effectiveness of the Statewide Telepsychiatry Program to the Legislative Oversight Committee on HHS, and the Fiscal Research Division on or before Nov.1, 2015.

Reimbursement/Payment Schedule

Payment to the ECU Center for Telepsychiatry shall be conditioned upon the execution of its contract with DHHS Office of Rural Health and Community Care and submission and approval of a finance report for the time period of October 1, 2013 – October 31, 2013.

This financial report is due by November 10, 2013.

Total annual payments will not exceed \$2,000,000, but may be less than \$2,000,000 depending upon final reconciliation of monthly financial reports. Payments will be made exclusive of sales tax.

The following description of proposed revenue and expenses shall be subject to negotiation between the DHHS Office of Rural Health and Community Care and the ECU Center for Telepsychiatry, and the terms of the resultant contract shall control.

Proposed Program Budget Including Costs and Rates of Payment for Telepsychiatry Services

REVENUE	Year 1	Year 2
A.	Hospital Subscription Fees	174,000
		528,000
B.	Claim Reimbursement	459,469
1,501,500		
C.	Duke Endowment	
600,000		
D.	State Appropriations	
2,000,000		2,000,000
Total Revenue	2,633,469	4,629,500
EXPENSES	Year 1	Year 2
A.	Telepsychiatry Web Portal	763,250
		778,613
B.	Telepsychiatry Equipment	403,000
		636,000
C.	Provider contracts	495,900
		1,504,800

D.	Provider Support Services	200,000
200,000		
E.	Billing Contract Services	45,947
	150,150	
F.	Indigent Care Contingency	173,565
	526,680	
G.	Project Implementation & Operations	
	247,500	346,500
H.	Program Management	133,627
	259,678	
I.	Travel	37,052
40,000		
J.	Quality and Data Management	
	133,628	187,079
Total Expenses	2,633,469	4,629,500

Budget Narrative

Revenue

A) Hospital Subscription Fees - Amount hospitals pay to participate in the program, rates are calculated based 30 hospitals in year one and 58 total in year two.

Calculations are based on \$1,000 average subscription fee per month and full implementation in all 30 hospitals by third quarter of year one. An average of 6 months was used for the 28 year two subscriptions. The calculation is

Year 1 = (18 hospitals* 7 months* \$1000) + (12 hospitals* 4 months* \$1000) = \$174,000.

Year 2 = (30 hospitals* 12 months* \$1000) + (28 hospitals* 6 months* \$1000) = \$528,000

B) Claim Reimbursement - Revenue collected from billing Medicaid and private insurers for all patient encounters - average 25 assessments per hospital per month, reimbursement collections at 65% (yr1) and 70%(Yr2), based on average reimbursement.

Year 1 = (18 hospitals*7 months*25 assessments* 65% insured) + (12 hospitals*4 months*25 assessments* 65% insured) = 2828 assessments*\$250 average billed amount*65% collection rate = \$459,469

Year 2 = (30 hospitals*12 months*25 assessments* 65% insured) + (28 hospitals*6months*25 assessments* 65% insured) = 8580 assessments*\$250 average billed amount*70% collection rate = \$1,501,500

C) Duke Endowment – Grant funding from the Duke Endowment, based on December 2013 application and May 2014 award notification.

D) State Appropriations – State appropriated funding

Expenses

A) Telepsychiatry Web Portal – Allowable expenses related to building infrastructure to connect all hospitals and providers sites to ensure secure and seamless transition of data for clinical operations, billing transactions, and quality management. This expense will also fund the creation of a network wide scheduling system capable of displaying all resources available to the network based on credentialing and contracts. This will also include a reporting module so the data can be queried and reported

B) Telepsychiatry Equipment – Purchase of the mobile telemedicine carts for each participating hospital and for desktop telemedicine units for provider groups. The estimated costs including implementation, configuration and warranty is \$17,000 for the mobile telemedicine cart and \$8,000 for the desktop units. Year one budget covers purchase of 19 mobile units, 10 desktop units and 2 laptops. Year two includes purchase of 28 mobile units and 20 desktop units.

$$\text{Year 1} = (19 * \$17,000) + (10 * \$8,000) + (2 * \$1,500) = \$403,000$$

$$\text{Year 2} = (28 * \$17,000) + (20 * \$10,000) = \$636,000$$

C/D) Provider Contracts/Provider Support Services - This line item represents the expense to pay for the contract providers/provider groups to conduct the psychiatric assessments via telemedicine. The annual amount is based on a per-assessment calculation plus an additional \$200,000 in years one and two to support administrative costs for the provider/provider group associated with implementation and delivery of the service. These calculations are based on existing contractual terms for the Albemarle Hospital Foundation Telepsychiatry Project. The current rate the provider is paid for an initial assessment is \$114 and the rate for a follow up assessment is \$51. The annual calculations are provided in the chart below.

Year	Total assessment	Breakdown	Total Annual Budget Amount
One	4350	4350 Initial @ \$114 = \$495,900 Follow up Visits and Support = \$200,000	\$495,900 + \$200,000
Two	13,200	13,200 Initial @ \$114 = \$1,504,800 Follow up visits and Support = \$200,000	\$1,504,800 + \$200,000

E) Billing Contract Services – This line item represents the expense for the billing processing. The cost was calculated based on 10% of collections annually to support staff time to set up and manage billing contracts. The annual calculations are provided in the chart below.

Year	Total Claims	Annual Budget Amount
One	$\$459,469 * 10\% = \$45,947$	\$45,947
Two	$\$1,501,500 * 10\% = \$150,150$	\$150,150

F) Indigent Care Contingency - This line item represents contingency funding to support the cost of providing assessments for indigent patients. These funds would only be used for patients who are not covered under a contract with an MCO for IPRS funds. Calculations based on 35% support for the first year and 35% support second year multiplied by the provider assessment rate.

Year 1 = (1523 assessments* \$114) = \$173,565

Year 2 = (4620 assessments*\$114) = \$526,680

G) Implementation and Operations - This line item represents the expense for the operating contract for the implementation of the service. The contract will cover all aspects of project implementation including recruitment of hospitals, recruitment of providers, contract negotiations with hospitals and providers, hospital implementation including provider credentialing, equipment ordering and management, development of operational protocols, hospital staff training, coordinating billing contracts, coordination of health information exchange, provider scheduling, etc.).

H) Program Management – This line item represents the expense for program management by East Carolina University Center for Telepsychiatry and e-Behavioral Health including project management, completion of required grant and funding reports, etc.

I) Travel – expense for project implementation and management related travel including mileage, lodging and per diem. Lodging and per diem are based on current State of North Carolina State approved rates for in state travel.

J) Quality and Data Management – This line item reflects the expense for implementation and delivery of quality program management services for the telepsychiatry network. This expense is an allocation based on existing ECU employees committed to this project.

Oversight and Monitoring of the Statewide Telepsychiatry

Program

As required by G.S. 143B-139.4.B(c) the DHHS Office of Rural Health and Community Care shall have all of the following powers and duties relative to the Statewide Telepsychiatry Program:

- (1) Ongoing oversight and monitoring of the program.
- (2) Ongoing monitoring of the performance of East Carolina University Center for Telepsychiatry and e-Behavioral Health under its contract with the Department, including all of the following:
 - a. Review of the four performance measures described above under the Implementation Plan.
 - b. Annual site visits to the ECU Center for Telepsychiatry
- (3) Facilitation of program linkages with critical access hospitals and small rural hospitals.
- (4) Conducting visits to referring sites and consultant sites to monitor implementation of the program; and upon implementation, conducting these site-visits at least once annually.
- (5) Addressing barriers and concerns identified by consulting providers, consultant sites, and referring sites participating in the program.
- (6) Encouraging participation in the program by all potential consulting providers, consultant sites, and referring sites throughout the State, and promoting continued participation in the program by consulting providers, consultant sites, and referring sites throughout the State.
- (7) Compiling a list of recommendations for future tele-health initiatives, based on operation of the statewide telepsychiatry program.
- (8) Reviewing on a quarterly basis the financial statements of East Carolina University Center for Telepsychiatry and e-Behavioral Health related to the telepsychiatry program in order to compare and monitor projected and actual program costs.
- (9) Annually reporting to the Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on or before November 1 on the operation and effectiveness of the program.

Advisory Group

Based on the Telepsychiatry Workgroup membership, an Advisory Group will be identified. This Advisory Group will be small enough to be effective and to the extent possible, represent stakeholders across North Carolina, much as the workgroup did.

Recognizing that the Statewide Telepsychiatry Program is to be substantially similar to the Albemarle Hospital Telepsychiatry Project, the Advisory Group will serve as a key and substantive advisor to the ECU Center for Telepsychiatry and e-Behavioral Health.

The Advisory Group will:

- Assist to develop consensus regarding protocols and algorithms.
- Monitor quality standards and regulations regarding the management of psychiatric patients.
- Provide guidance to the DHHS Office of Rural Health and Community Care regarding the uninsured in terms of reimbursement options and ensuring equal access to medical and behavioral health resources.
- Study how best to provide care to “high users” of ED services.
- Work with the ECU Center for Telepsychiatry and e-Behavioral Health in developing innovative models for aftercare management, knowledge dissemination, and quality management.
- Serve as a source of clinical input regarding behavioral health in North Carolina.
- Assist in the development of a sustainability plan.