



NORTH CAROLINA
STATEWIDE TELEPSYCHIATRY PROGRAM

Quarterly Progress Updates



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North Carolina Statewide Telepsychiatry Program (NC-STeP)



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NC-STeP Status as of October 2014

- 50 hospitals in network
 - 37 hospitals currently live (24 reporting during the period)
 - 13 additional hospitals scheduled to go live in October 2014, contracts executed in equipment already in place.
- Four Clinical Providers' Hubs
 - Coastal Carolina Neuropsychiatry
 - Cone Health
 - Novant
 - Mission



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Program Timeline Required by the Legislative Plan

January – March 2014

Timeline	Result
Contracts with the remaining 9 hospitals on the AHF wait list are executed.	Contracts executed with 10 hospitals - Novant (4) and Cone Health (6)
6 hospitals from the wait list “Go Live” with telepsychiatry (total in network = 24).	4 went live (Nash, Lenoir, Cape Fear and Cape Fear Valley Bladen – (22 in network)
14 new hospitals secured to participate in the network (i.e. contracts, provider credentialing initiated, equipment ordered).	14 new referral sites secured.
ECU submits first quarterly performance report to ORHCC.	Completed
Contracts with 3 to 5 new providers secured.	6 new hospital contracts under negotiations, 1 new Provider contract executed (Cape Fear)
Apply for Duke Endowment funding.	Application submitted
Year 2 budget prepared.	Completed

Program Timeline Required by the Legislative Plan

April – June 2014

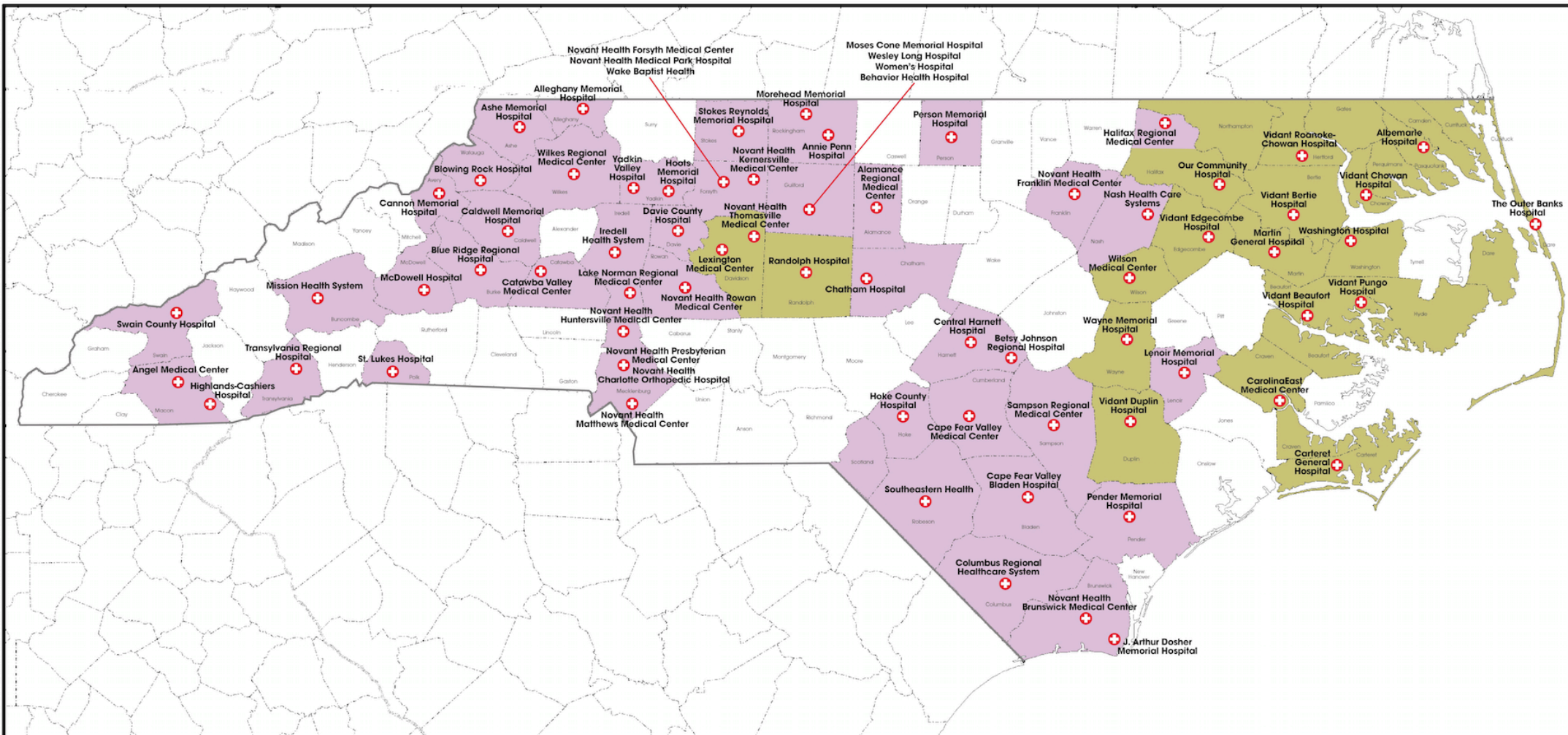
Timeline	Result
Seven hospitals "Go Live" (total in network = 31).	8 went live – 30 in network (2 delayed to second week of August)
14 additional referral sites recruited to participate in the network (i.e. contracts, provider credentialing initiated, equipment ordered).	16 new referral sites recruited to participate.
ECU submits quarterly performance report and financial statements to DHHS Office of Rural Health and Community Care.	Completed
Contracts with three to five new referral sites secured.	19 hospital contracts under negotiations, and Contracts with 4 additional Provider sites executed (Novant, Mission, Cone Health, and Monarch)
Duke Endowment funds awarded (to be determined).	Grant awarded

Program Timeline Required by the Legislative Plan

July – September 2014

Timeline	Result
Seven referral sites "Go Live" (total in network= 38).	50 hospitals in network (37 hospital live as of October 7. Another 13 hospitals scheduled to go live by the end of the month, contracts executed and equipment already in place
ECU submits quarterly performance report and financial statements to DHHS Office of Rural Health and Community Care.	Completed
ECU submits annual performance report and financial statements of ECU Center for Telepsychiatry to DHHS Office of Rural Health and Community Care.	Will be submitted by the end of October. Drafts already presented and discussed.
Contracts with three to five new referral sites secured	11 additional referral sites in contract negotiations

NC-STeP Status - October 2013



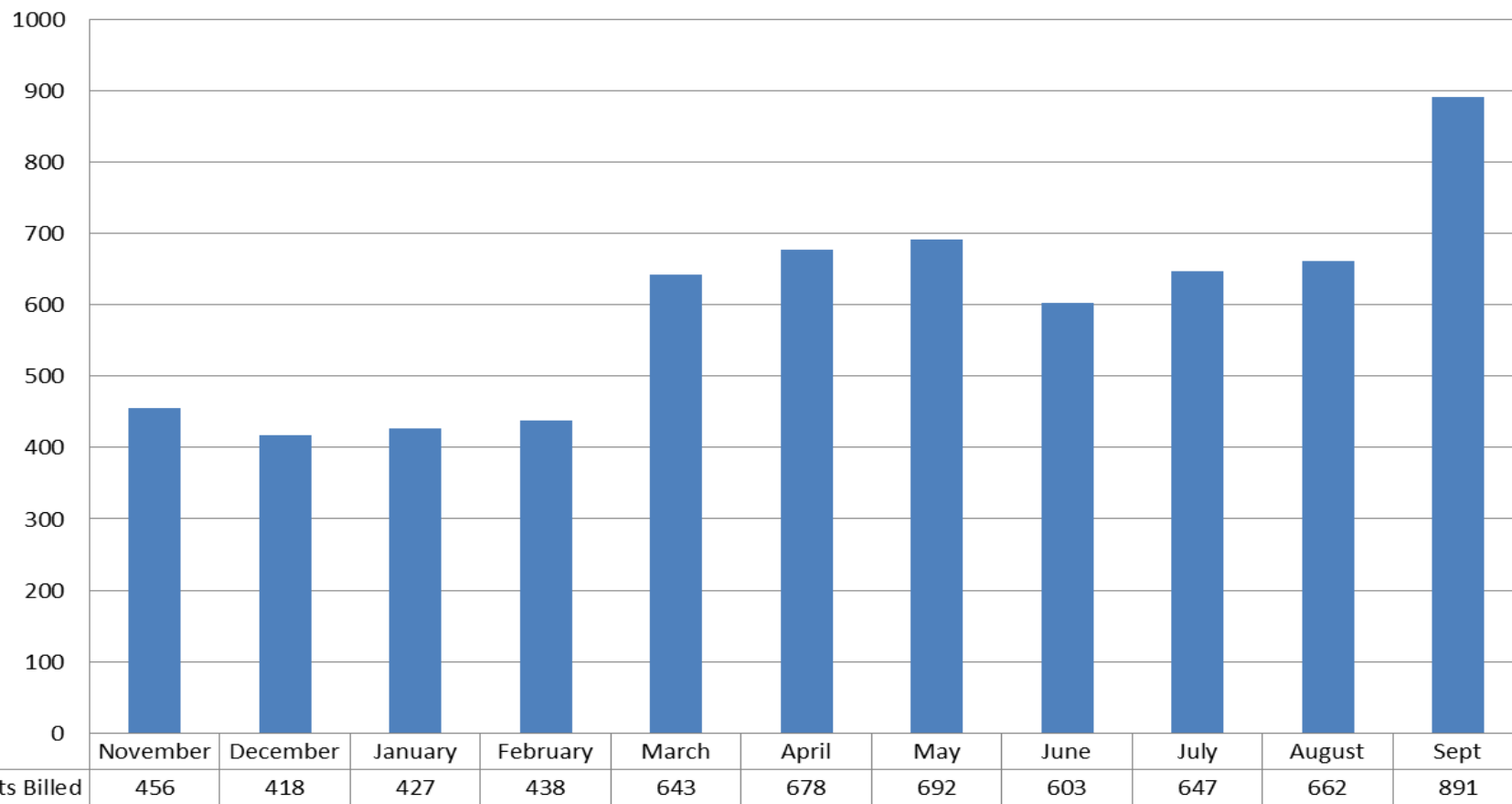
-  Hospitals with NC-STeP Live
-  Hospitals with NC-STeP in the Process of Going Live



This map illustrates the distribution of hospitals and medical centers across North Carolina. The state is divided into several regions, each represented by a different color: purple for the western part, green for the central and eastern parts, and white for the southern coastal area. The map shows the locations of numerous hospitals and medical centers, marked with red crosses and labeled with their names. Key hospitals include the University of North Carolina at Chapel Hill, Duke University Medical Center, and the Carolinas Medical Center. The map also shows major cities and towns across the state.

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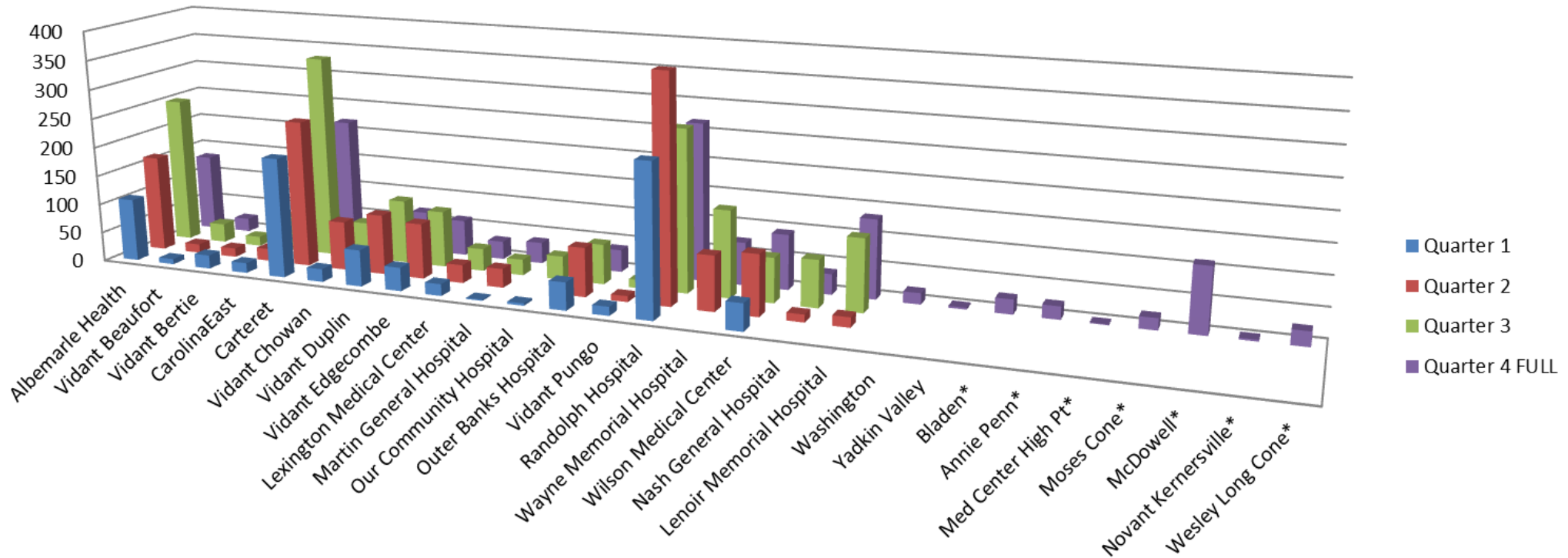
NC STeP Number of Total Assessments Billed by Month (November 2013 - September 2014)



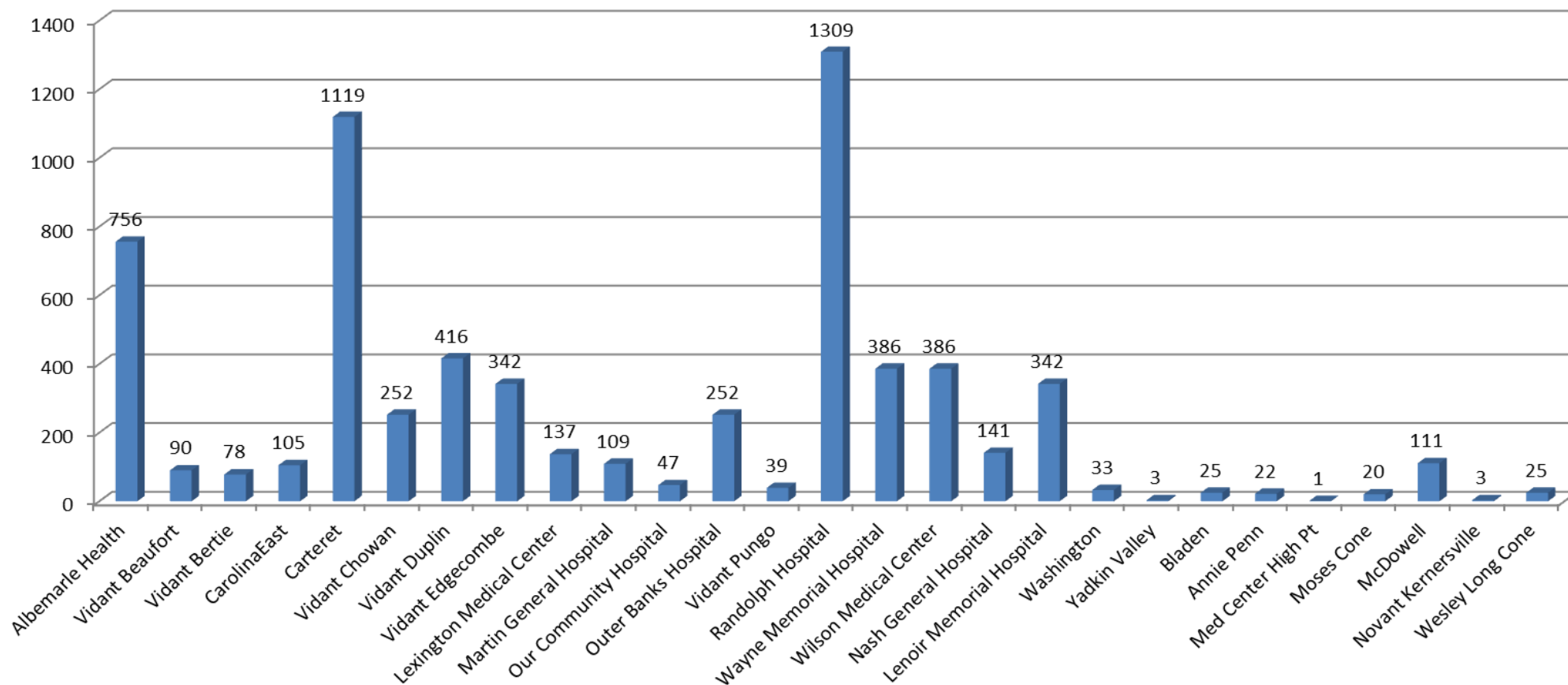
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NC STeP Number of Total Assessments by Hospital

Q1 (11/13-11/13), Q2 (1/14-3/14), Q3 (4/14-6/14) Q4 (7/14-9/14)

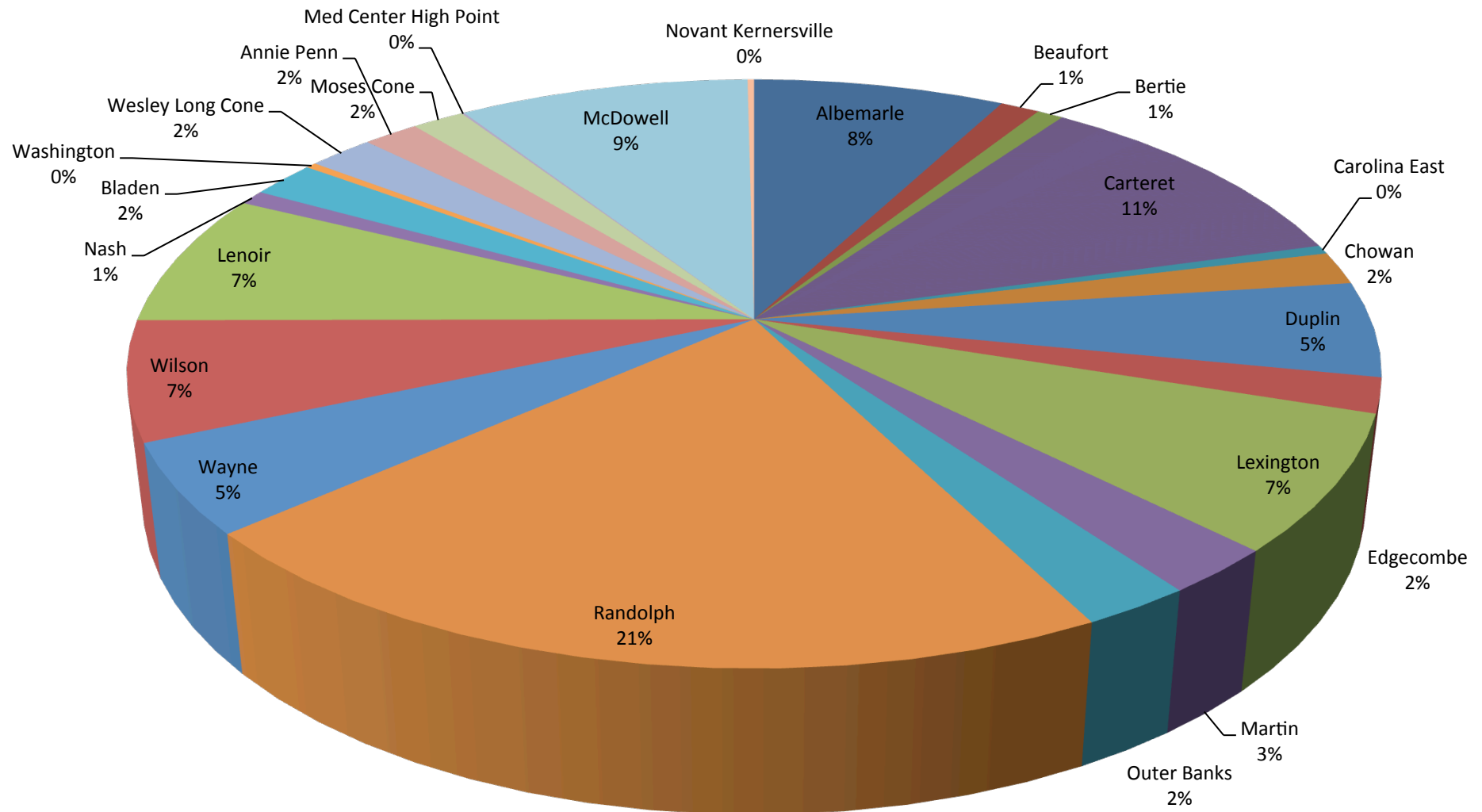


NC STeP Total Assessments by Hospital for Year 1 (11 Month Period)

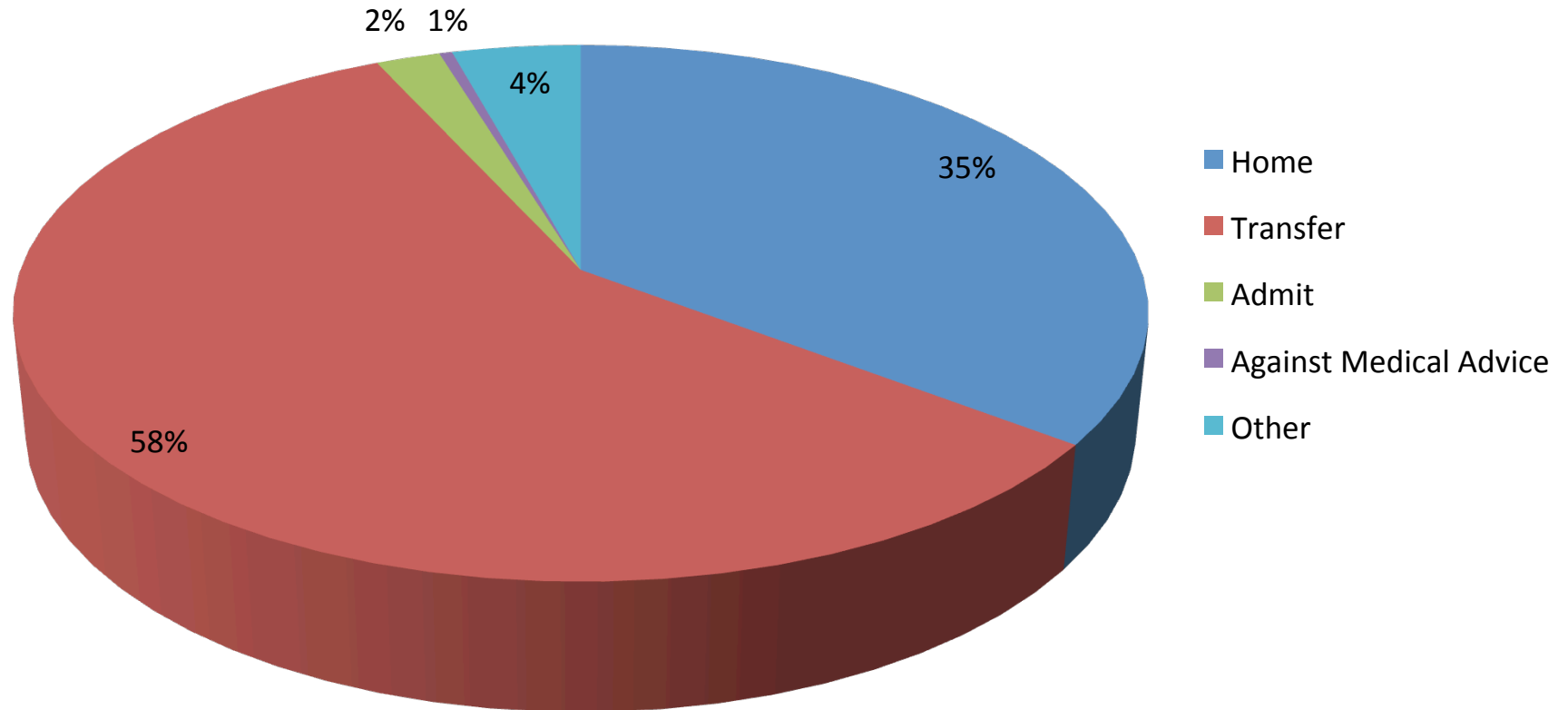


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Hospital EDs and Percent of Use - July - September 2014

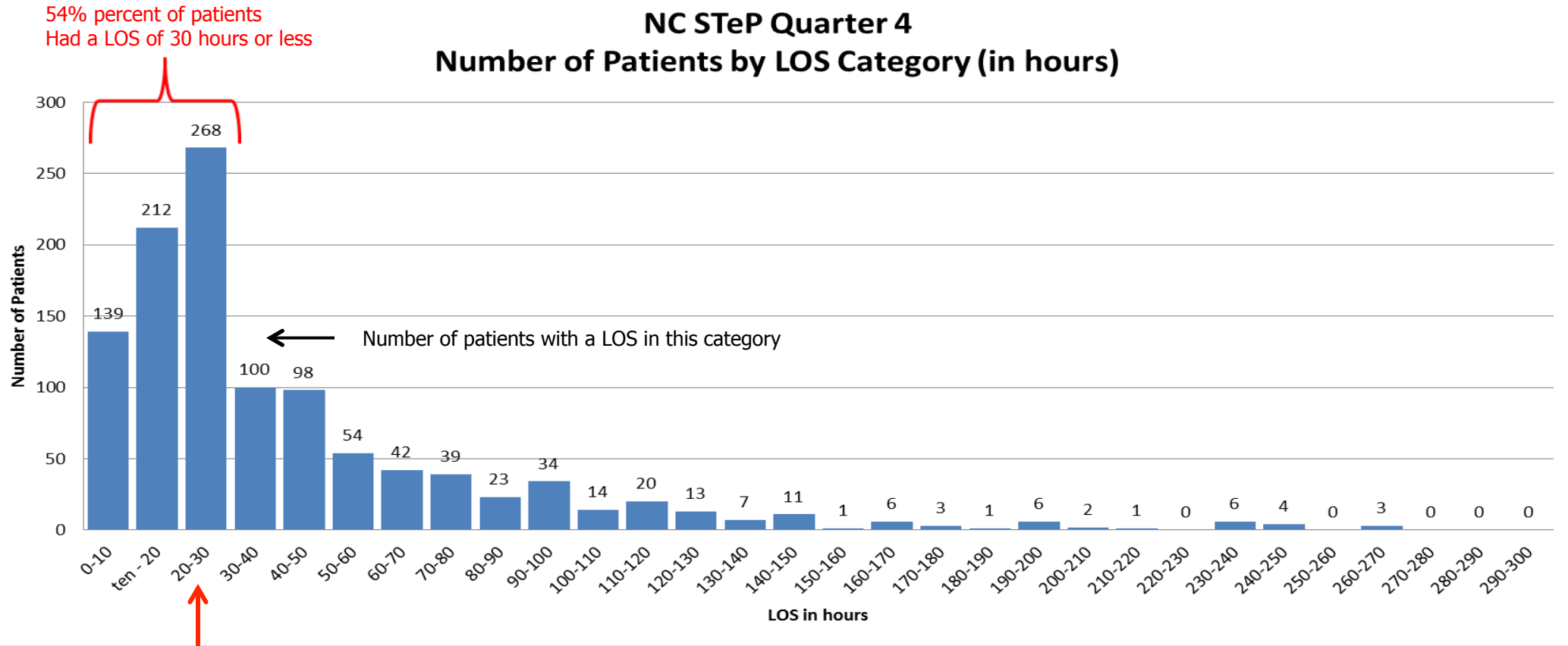


Percent of ED Telepsychiatry Patients by Discharge Disposition July - September 2014



NC STeP Quarter 4

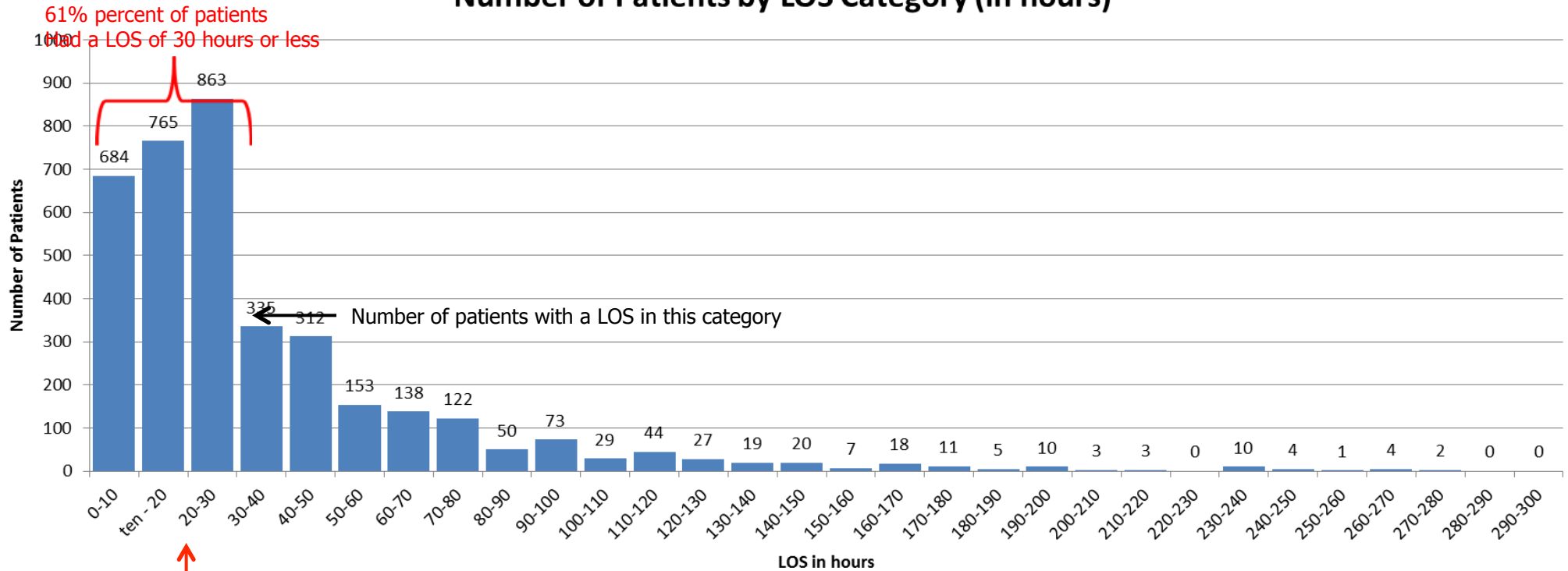
Number of Patients by LOS Category (in hours)



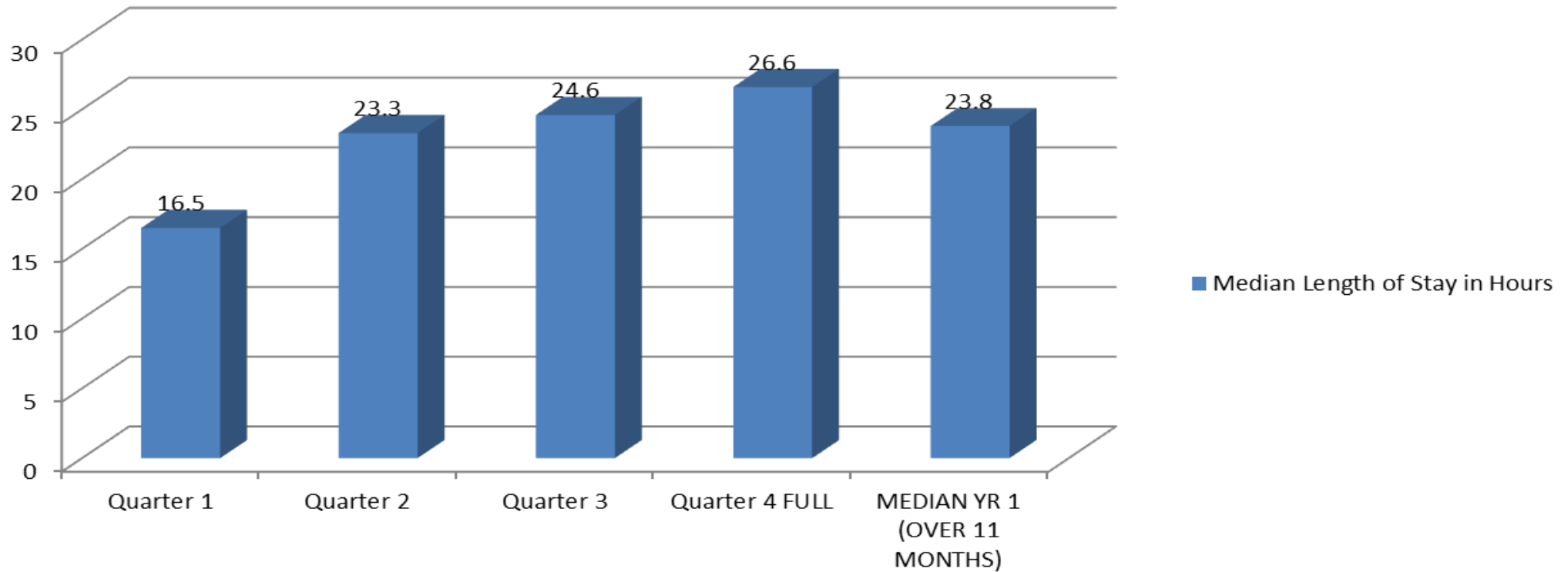
Median Length of Stay for Quarter 4 = 26.6 Hours



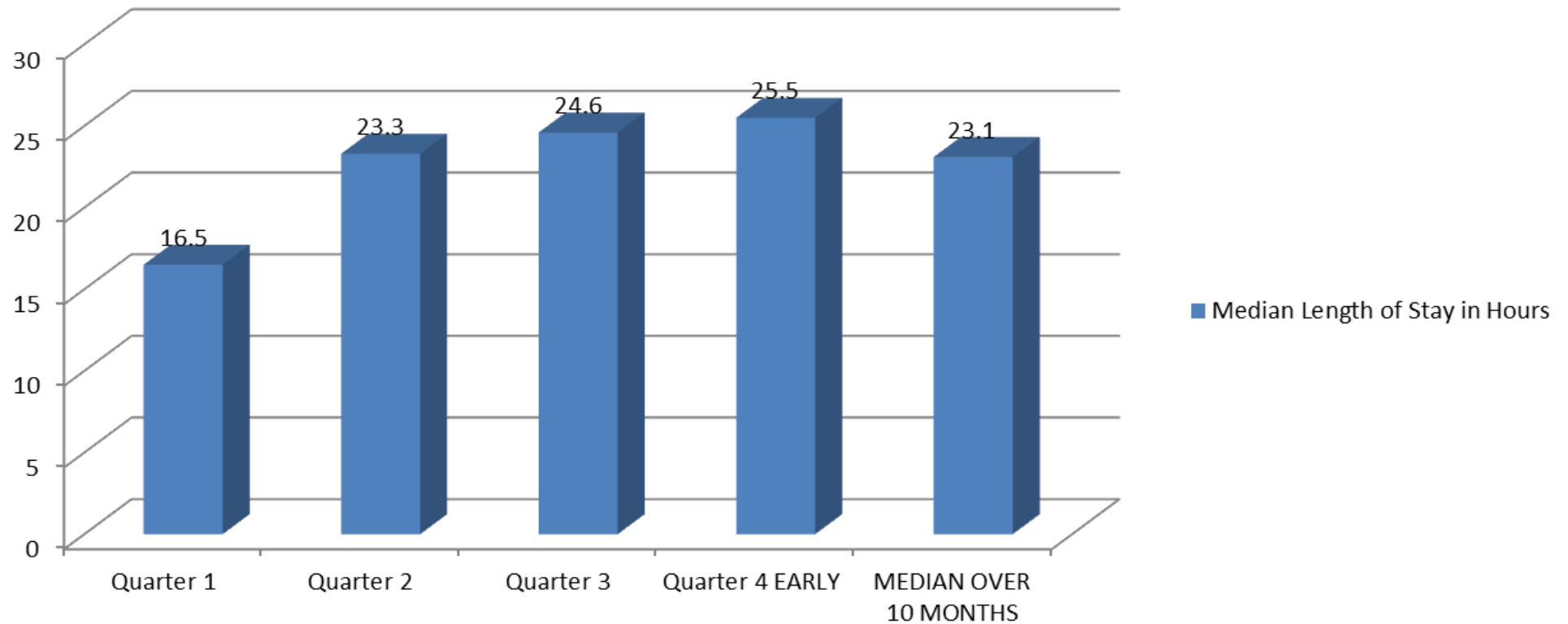
NC STeP Year 1 (11 Month Period) Number of Patients by LOS Category (in hours)



Median Length of Stay in Hours

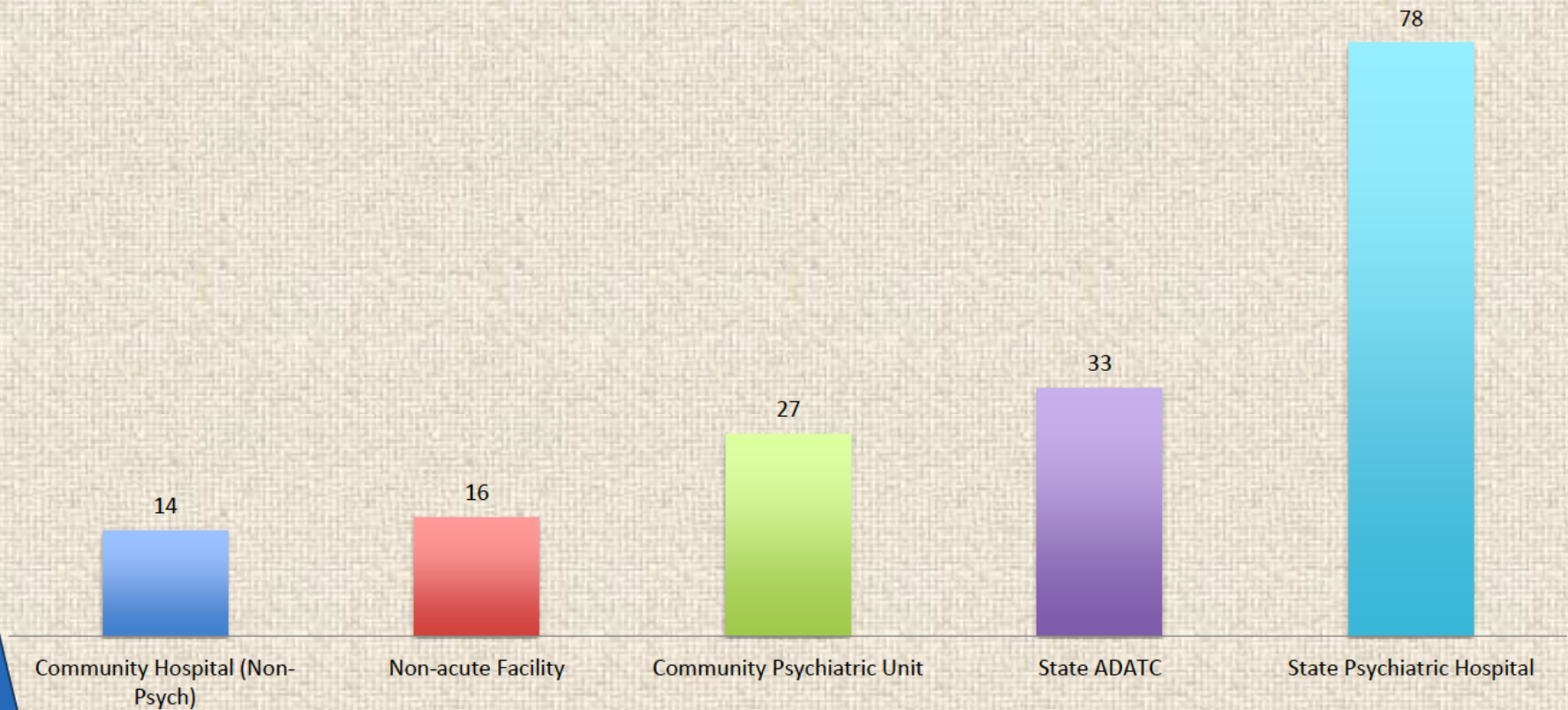


Median Length of Stay in Hours



How Long Does It Take to Place BH Patients From NC Hospital EDs?

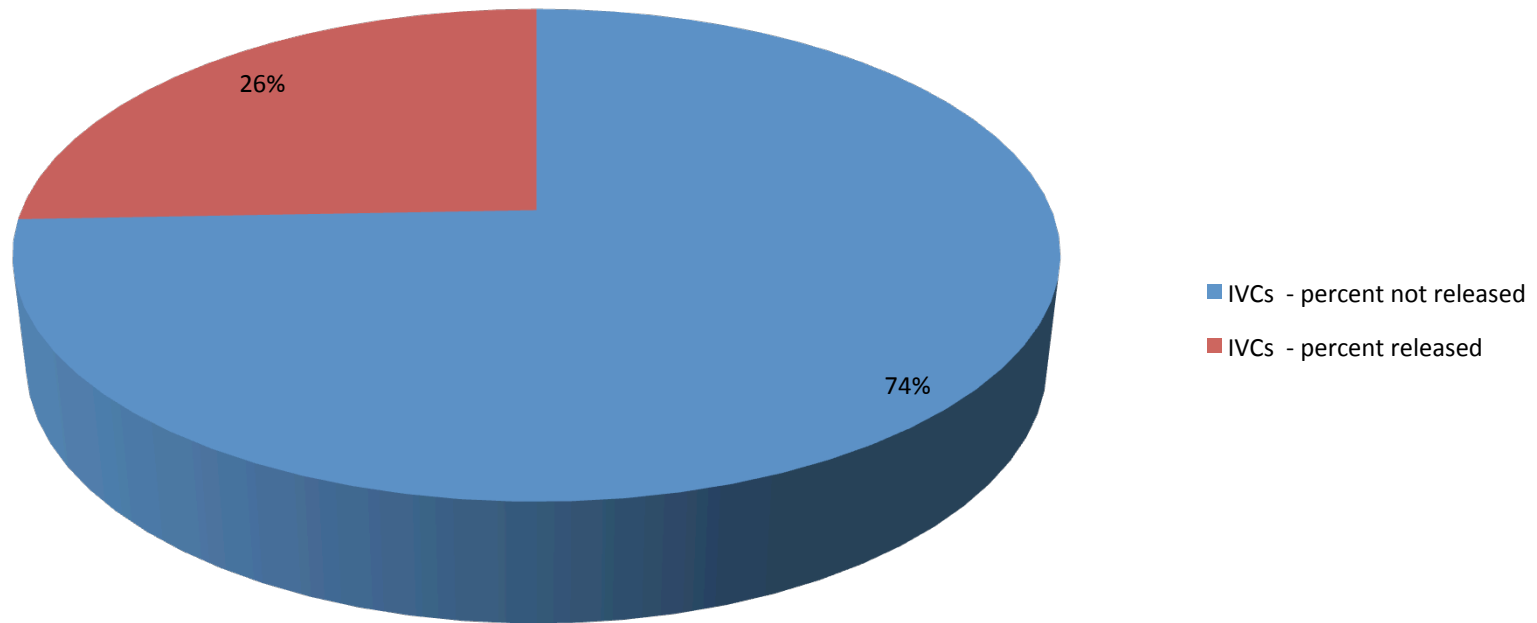
Average ED Length of Stay (ALOS) for Admitted Behavioral Health Patients



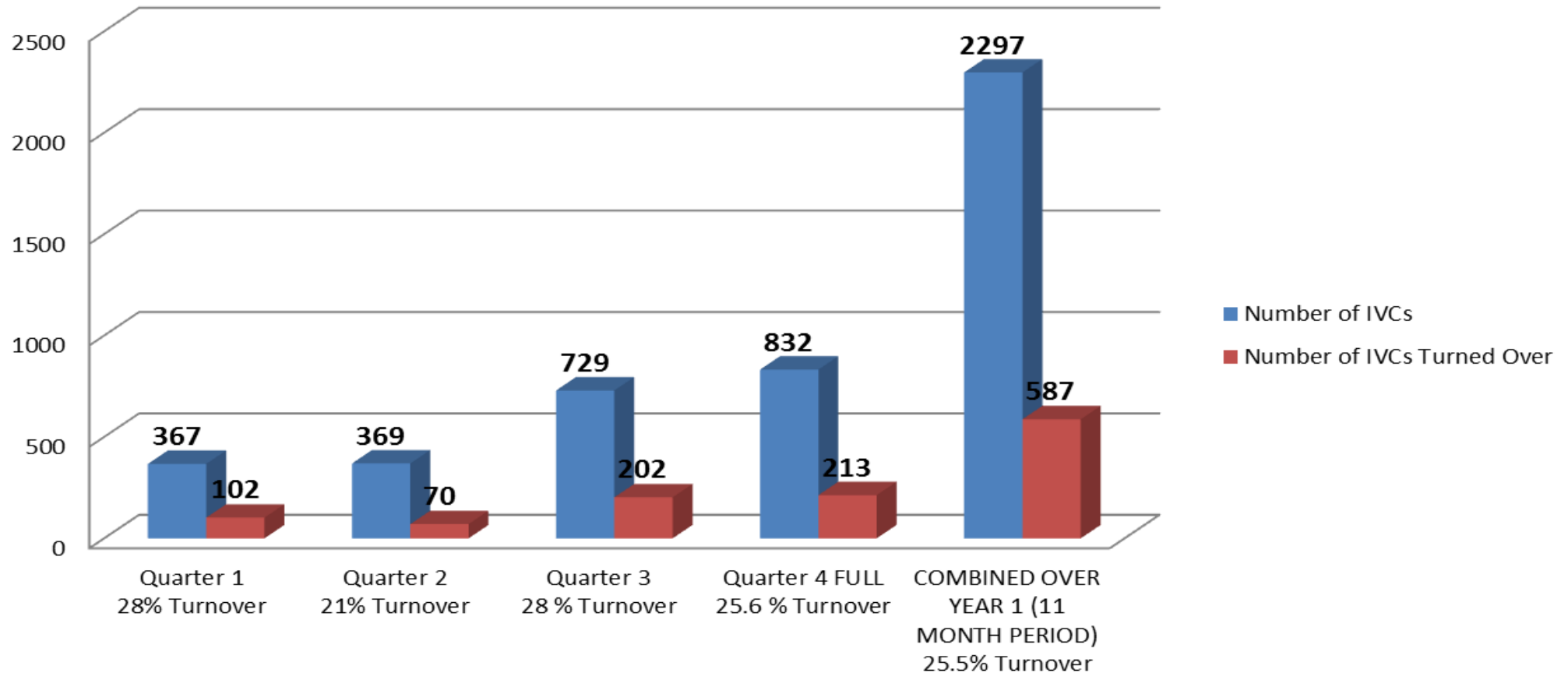
Source: NCHA ED Tracker. 2012 Data.

IVCs - By Release Status

July - September 2014



Number of IVCs for Participating Hospitals by Quarter and for 11 Months



Program Outcomes Summary

- NC-STeP is either ahead of schedule or on time with all of the legislatively defined timelines.
- 37 hospitals live (24 hospitals reporting during the period).
- 13 additional hospitals scheduled to go live in October 2014, contracts executed in equipment already in place.
- Over 6000 encounters since November 2013
- The median length of stay for all ED patients who received telepsychiatry services during this quarter was 23.8 hours



Program Outcomes Summary

- 2297 ED patients who received telepsychiatry services had an IVC in place during their ED stay.
 - 587 (25.55%) of these patients did not have an IVC at discharge.
- Of the ED patients who received telepsychiatry services, 35% were discharged to home. 58% were discharged to another facility.
 - This was an average; the percent varied quite a bit across different hospitals.



Sustaining NC-STeP Beyond Year-2



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COST / BENEFIT ANALYSIS

September 2014

	FY 2014 ACTUAL	FY 2015 BUDGET	FY 2016 BUDGET	FY 2017 BUDGET
Total Encounters & IVC's				
Total encounters	4,374	18,323	23,344	23,344
Total IVC's	1,341	5,618	7,157	7,157
% IVC's overturned	26%	26%	26%	26%
Payor Mix				
Self-pay %	40.55%	40.55%	40.55%	40.55%
Medicaid %	22.62%	22.62%	22.62%	22.62%
Commercial & Blue Shield %	16.12%	16.12%	16.12%	16.12%
Other %	1.19%	1.19%	1.19%	1.19%
Medicare %	19.52%	19.52%	19.52%	19.52%
Average Hospital Cost per IVC				
(1) Average cost per inpatient day	\$ 762	\$ 762	\$ 762	\$ 762
(2) LOS per IVC inpatient stay	5.0	5.0	5.0	5.0
Average hospital inpatient cost per IVC	\$ 3,808	\$ 3,808	\$ 3,808	\$ 3,808
Hospitalization Savings From Overturned IVC's				
Self-pay	534,181	2,237,723	2,850,927	2,850,927
Medicaid	297,978	1,248,253	1,590,312	1,590,312
Commercial & Blue Shield	212,340	889,509	1,133,261	1,133,261
Other	15,706	65,794	83,824	83,824
Medicare	257,189	1,077,383	1,372,618	1,372,618
Savings from IVC's overturned	1,317,395	5,518,662	7,030,941	7,030,941
Sheriff Dept Savings From Overturned IVC's				
(3) Sheriff cost per IVC \$ 289.94				
Sheriff dept. savings from IVC's overturned	\$ 100,319	\$ 420,244	\$ 535,404	\$ 535,404
Return On Investment				
Sustainability funding required			\$ (1,310,149)	\$ (1,709,149)
Net savings to delivery system			6,256,196	5,857,196

- (1) Average cost based on: 2013 DHHS Study Exploring the Cost and Feasibility of A New Psychiatric Facility \$600;
 Medicaid per diem \$1,196; LME/MCO prevailing rate \$500; IPRS 3 way bed rate \$750.
- (2) Per NCHA 2012
- (3) Sheriff depts. savings based on 2012 legislative oversight presentation. Pasquotank County data used as proxy.



SUSTAINABILITY BUDGET

September 2014

	FY 2014 ACTUAL	FY 2015 - BUDGET	FY 2016 - BUDGET	FY 2017 - BUDGET
	TOTAL	TOTAL	TOTAL	TOTAL
<u>REVENUE</u>				
Duke Endowment Grant	-	725,000	625,000	-
DHHS Contract	595,743	3,404,257	-	-
Hospital Subscription Fees	89,920	605,786	775,111	775,111
Hospital Placement Fees	23,553	78,040	-	-
FFS Reimbursement	71,555	1,111,301	1,094,989	1,094,989
(1) Indigent Cost Recovery	60,000	499,160	-	-
TOTAL REVENUE	840,771	6,423,545	2,495,099	1,870,099
<u>EXPENSE</u>				
Salaries	84,223	192,976	192,976	192,976
Benefits	20,572	47,424	47,424	47,424
ORHCC Admin Support	-	-	-	-
Staff Development	-	-	-	-
Equipment Purchase	130,435	974,472	5,000	5,000
Travel	9,491	26,450	10,000	10,000
WEB Portal HIE	-	1,513,668	290,000	290,000
Billing , Contracts, Credent.	104,747	304,958	385,523	385,523
Implement & Mgmt.	221,311	380,000	215,000	200,000
Professional Medical Svcs	332,040	1,524,125	1,923,326	1,923,326
Placement Services	57,936	75,000	-	-
Provider Support Services	54,865	468,331	521,000	510,000
Indigent care	-	499,160	-	-
Office space	-	15,000	15,000	15,000
Knowledge Creation & Dist.	-	200,000	200,000	-
TOTAL EXPENSE	1,015,620	6,221,564	3,805,249	3,579,249
NET	(174,849)	247,980	(1,310,149)	(1,709,149)

(1) indigent care projected by FY: FY2015 @ 32% = \$522,965; FY 2016 @ 47% = \$971,027; FY 2017 @ 47% = \$971,027

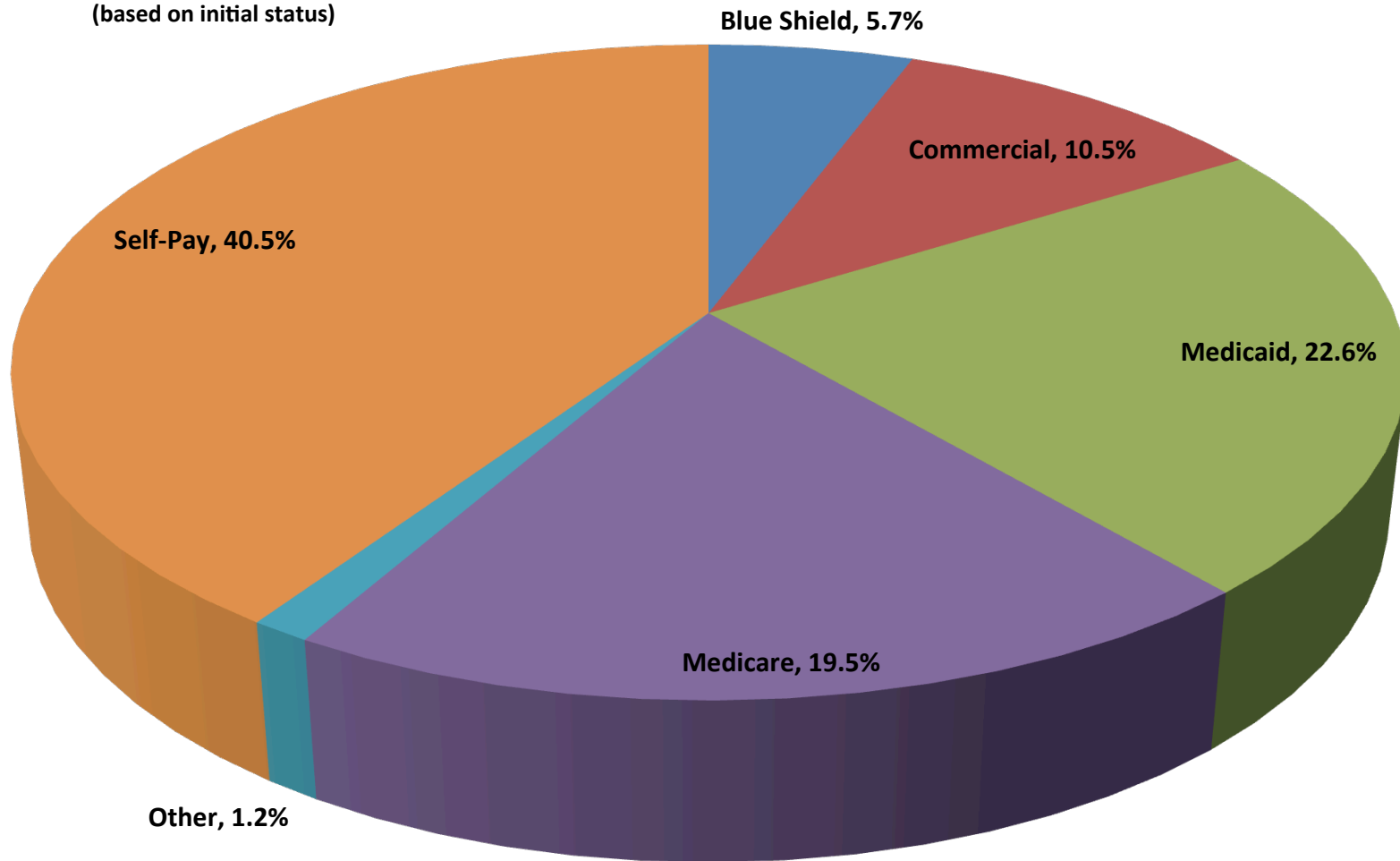
Administrative cost includes project direction & administration; patient claims management; credentialing; hospital & provider contract management including related legal, risk, compliance, billing and A/R, and MCO contract modifications.

Admin. % Total	42%	15%	22%	23%
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NC-STeP - Payor Mix

YTD August

(based on initial status)

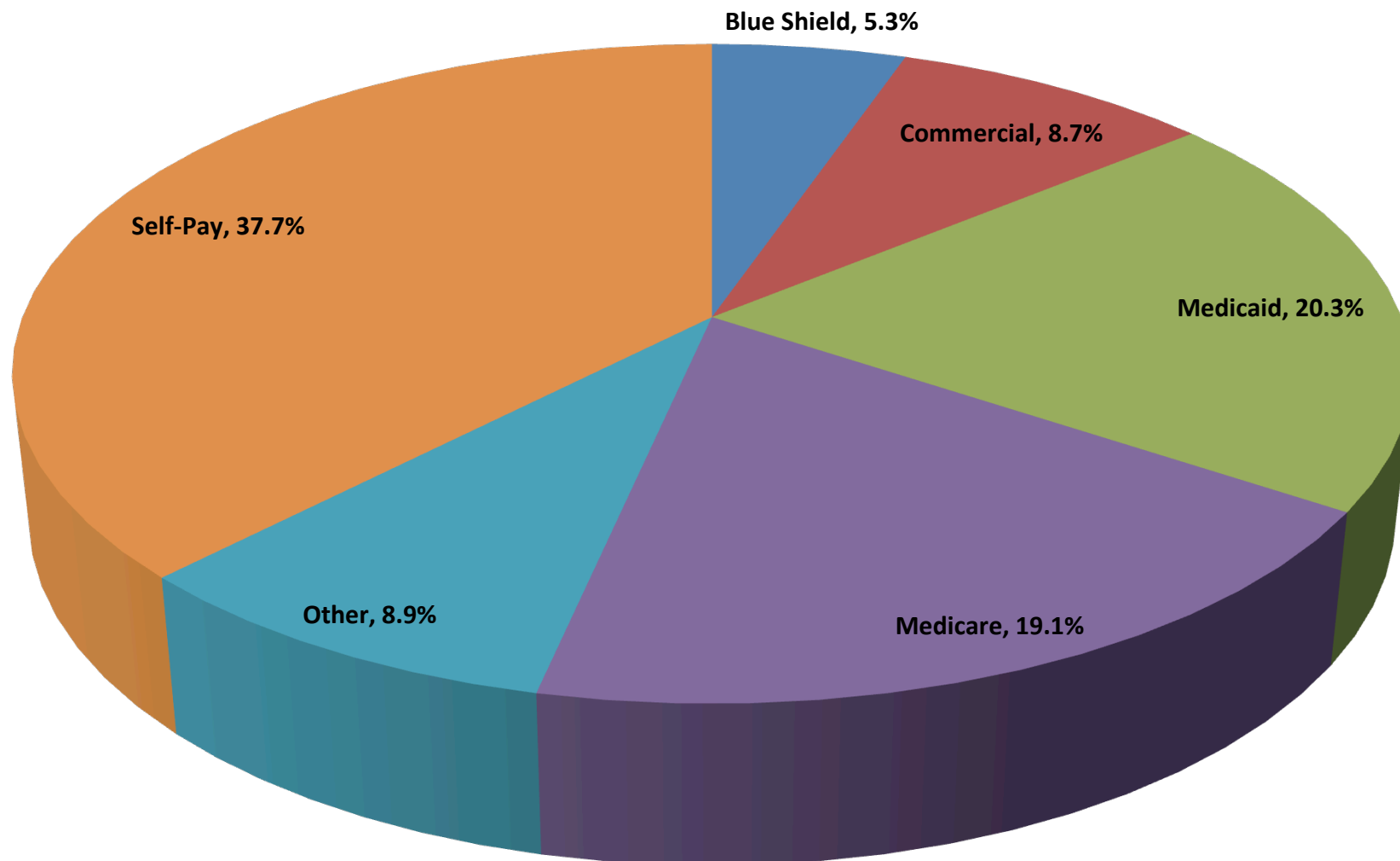


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NC-STeP - Payor Mix

YTD September

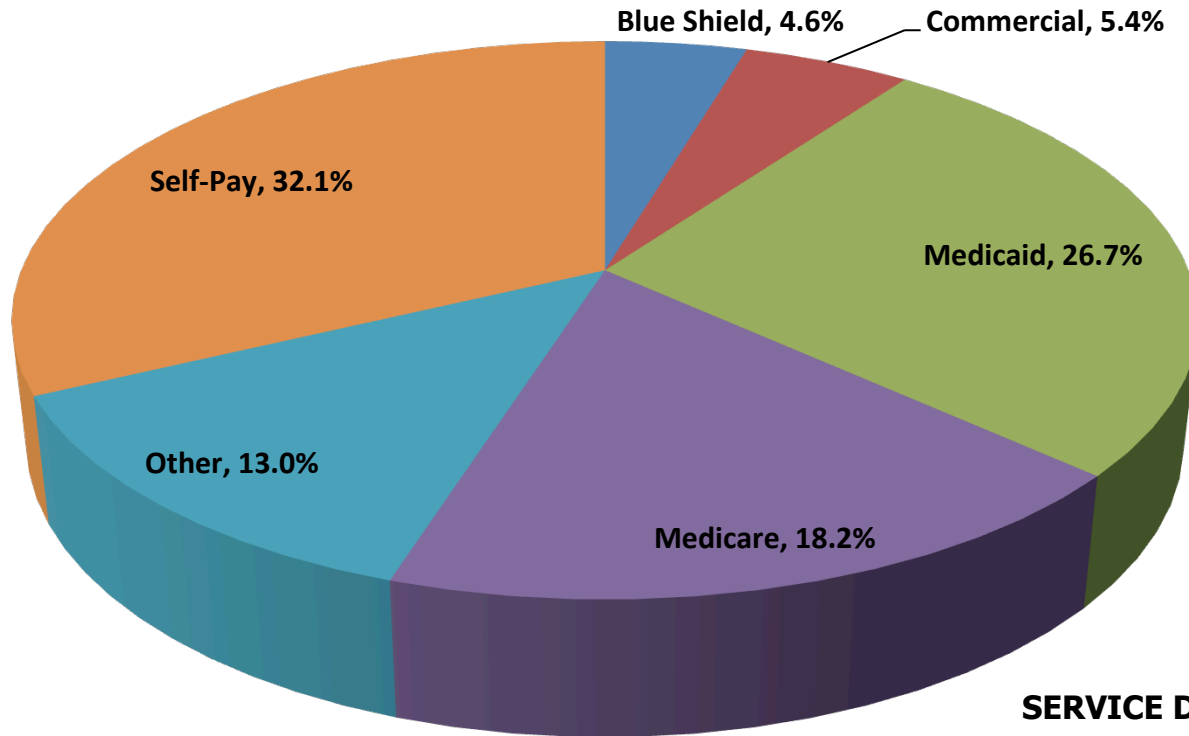
(based on initial status)



NC-STeP Payor Mix

FY 2015 - Quarter 1

(based on initial status)



SERVICE DATES 7/1/2014 to 9/30/2014

ORIGINAL PAYOR	CHARGES	%
Blue Shield	\$18,938.00	4.60%
Commercial	\$22,315.00	5.42%
Medicaid	\$109,961.00	26.69%
Medicare	\$75,158.00	18.24%
Other	\$53,471.00	12.98%
Self-Pay	\$132,175.00	32.08%
TOTAL CHARGES	\$412,018.00	

If you are a business and

40% of the people who purchased your product did not pay you anything,

AND

Another 40% paid you below your cost

Can you sustain your business?



Who are the beneficiaries?

(Who should pay for it?)

Entity	Cost Savings
Patients and Families	How to quantify reduced distress/disability, functional improvement, quality of life, gainful employment, etc.
Communities	How to quantify better "citizenship", reduced homelessness, crime reduction, more self reliance, etc.
NC-Medicaid + "Indigent Care" (? MCOs)	NC State projected cost savings from over turned IVC's for self-pay and Medicaid =\$4,441,239 Cost savings from reduced recidivism = ?
Third Party Payors	Projected cost savings from overturned IVC's = \$1,133,261 Cost savings from reduced recidivism + ?
Sheriff Department	Projected cost savings to Sheriff Department from overturned IVCs= \$535,404
Hospitals	Costs savings from increased throughput in the ED.
Clinical Providers?	Providers getting paid 90% of Medicaid!

Proposed Sustainability Model

Revenue Source	Amount
Revenue from Receipts	\$1,094,989
Hospitals Pay for increased throughput through subscription fees	\$775,111
State of North Carolina - MCOs pay for indigent care - Medicaid pays from the savings from the overturned IVCs and reduced recidivism	\$1,709,149
Total Funding	\$3,579,249
Total Expense	\$3,579,249

Opportunities

- While telepsychiatry makes it possible to transcend geographical boundaries and utilize workforce nationally, even globally, we'll never be successful in resolving NC workforce shortages if our MH workforce was located outside our geographical boundaries.
- We must build capacity for caring for these patients in our communities.
 - Creating collaborative linkages across continuums of care
- NC-STeP can be expanded to taking care of patients in community-based settings.



Opportunities

- NC-STeP is positioned well to create collaborative linkages and develop innovative models of mental health care:
 - EDs and Hospitals
 - Communities-based mental health providers
 - Primary Care Providers
 - FQHCs and Public Health Clinics
 - Others
- NC-STeP web portal, accessible by participating providers, as a central point for coordinated care.
- Evidence-based practices to make recovery possible.



Opportunities

- The current program is not funded for seizing the opportunities to build capacity by:
 - taking care of patients in community-based settings.
 - creating collaborative linkages across continuums of care
- NC-STeP has the capability, and workable models, to expand to the community-based settings, if funded.





NC-STeP

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Joint Legislative Oversight Committee on Health and Human Services October 14, 2014