

QUARTERLY REPORT
NORTHWEST ALABAMA MENTAL HEALTH CENTER
October 1 Through December 31, 2011
HCP PROJECT NO. 17239 (Revised: 1/30/2012)

1. Project Contact and coordination Information

- a. Project Leader:** Mr. Skip Newman, Executive Director,
Northwest Alabama Mental Health Center
- b. Address:** 1100 Seventh Avenue, Jasper, AL. 35501
Phone: 205/302-9017
Fax: 205/387-0599
Email: skip@nwamhc.com
- c. Responsible Organization:** Northwest Alabama Mental Health Center (NWAMHC)
- d. Regional and State Coordination:** The NWAMHC is coordinating implementation activities for its mental health network in northwestern Alabama. NWAMHC is keeping the Alabama Department of Mental Health informed relative to its project implementation activities.

2. Network Health Care Facilities

a. Network User Addresses:

NWAMHC Clinic sites to be served:

Fayette County Office – 123 Second Avenue NW, Fayette, AL. 35555, RUCA Code No. 7, Phone: 205/932-3216, Census Tract No. 020300.

Lamar County Office – 141 Second Avenue NW, Vernon, AL. 35592, RUCA Code No. 10, Phone: 205/695-9183, Census Tract No. 030100.

Marion County Office – 427 Smokey Bear Rd., Hamilton, AL 35570, RUCA Code No. 10, Phone: 205/921-2186, Census Tract No. 984400.

Marion County Office – 260 Baker Street, Winfield, AL. 35594, RUCA Code No. 10, Phone: 205/487-2124, Census Tract No. 984700

Winston County Office – 71 Carraway Drive, Haleyville, AL. 35565, RUCA Code No. 7, Phone: 205/486-4111, Census Tract No. 995700

Walker County Office & HQ – 1100 Seventh Avenue, Jasper, AL. 35501, RUCA Code No. 4, 205/302-9017, Census Tract No. 020200

Walker Baptist Medical Center- 3400 U.S. Highway 78 East, Jasper, AL. 35501, RUCA Code No. 4, 205/387-4000, Census Tract No. 020300

b. Participating Institutions

The Northwest Alabama Mental Health Center is a public non-profit corporation formed under Section 501 C 3 and is therefore an eligible entity under Section 254 of the 1996 act. The Walker Baptist Medical Center is a private non-profit corporation and is considered an eligible entity under Section 254 of the 1996 act.

3. Network Narrative

On June 17, 2010, Northwest signed an Ethernet Agreement with West Alabama TV Cable, Inc., which submitted the low bid for Northwest's proposed broadband network. After approving these materials, USAC issued its FY-2009 Funding Commitment Letter authorizing a total support not to exceed \$275,569.37. On August 30, 2010, Northwest sent its Notice to Proceed Letter to West Alabama TV Cable, Inc. This letter authorized WATVC to initiate its 90 day installation period.

The new Ethernet system was completed and became ready for use on November 17, 2010. The vendor initiated work on the permanent connection to the Vernon clinic during this period. The temporary connection to Vernon is now carrying Northwest's internet service to this site.

Northwest presently operates six video conferencing stations located at the Baptist Hospital in Jasper and at the Northwest clinics in Hamilton, Winfield, Fayette, Haleyville and Northwest's clinic and headquarters which is also located in Jasper. During this quarter, 30 telepsychiatry visits were made with patients at the above listed clinics resulting in \$ 2,706.00 in Medicare and \$260.00 in Medicare payments for these telepsychiatry visits. To date, Northwest physicians have conducted a total of 80 telepsychiatry visits over the new broadband network. Each telepsychiatry visit saves the doctor about 1.5 to 2.0 hours of travel time. The agency has recently installed video equipment in the Fayette, Jasper, Haleyville and Winfield clinics which became operational in early November, leaving the clinic at Vernon as the only network site not having video service. These new video connections have enabled Northwest to use the new network for staff training and agency staff meetings. During this quarter, Northwest conducted two staff training sessions for 24 staff members resulting in staff savings of \$150.00 and travel savings of \$210.00. One secretaries meeting for 33 staff members saved \$380.00 in staff time and \$185.00 travel costs. One Children's Service Coordinators meeting for 10 staff members saved \$200.00 in staff time and \$130.00 in travel costs. One meeting of 14 transportation staff members saved \$100.00 in staff costs and \$150.00 travel reimbursements. These video conferences are estimated to have saved Northwest \$1,505.00.

Earlier in 2011, VOIP telephone service was installed at the clinic in Haleyville. VOIP service is presently being installed at the Hamilton clinic with completion scheduled for late January 2012. Due to pending budget cuts the remaining video and VOIP systems will need to be installed in phases. The agency plans to install VOIP service at it Jasper clinic and headquarters as funds become available.

During this period Northwest submitted its third request to USAC for reimbursement for the recurring costs incurred for the four months extending from 6/17/11 to 10/17/2011.

Northwest T.V. Cable, Inc. the network vendor is working on installing temporary service to the Vernon clinic using VPN service over a DSL connection. No turn-on date is available from the vendor. In addition, the vendor has not provided a date on which permanent service will be available at the Vernon clinic.

The new network has enabled Northwest to cancel internet service at the clinics in Fayette, Winfield, Hamilton and Haleyville, resulting in a small monthly savings. These centers now receive internet service from the Jasper clinic and headquarters in Jasper, via the new network.

- a. **Describe the backbone of new network.** The new network is an MPLS network.
- b. **Explain how health care provider sites will connect to or access the network, including access technologies/services and transmission speeds.** It is an all fiber-optic network having 100 Mbp service at the Jasper clinic and 115 Mbp service at the clinic at Winfield. The remaining five network sites have 15 Mbp service. During this quarter a Service Substitution Letter was submitted and approved for the Winfield clinic which actually had 115 Mbp service as opposed to the 100 Mbps as previously reported.
- c. **Will network connect to Internet2 or NLR?** The network does not connect to either NLR or Internet2.
- d. **Number of miles of fiber construction, and it is buried or aerial?** All of the new fiber was installed above ground.
- e. **Special systems or services for network management or maintenance.** There are no special systems for network management or maintenance.

4. **List of Health Care Providers**

- a. The two network participants are the Northwest Alabama Mental Health Center and the Walker Baptist Medical Center which will provide telepsychiatry services over the network to Northwest's patients. The network will also be used to provide internet, voice, video and data services. Attached is a diagram of the proposed broadband network.
- b. Both network participants are eligible providers.
- c. All network connections use fiber-optic cable.
- d. All network connections are leased services.
- e. The network is a Metro-Ethernet.
- f. The network provides public internet service but is not connected to NLR or Internet2.
- g. Site equipment (e.g. router, switch, SONET ADM, WDM) including manufacturer name and model number. – HP E4500-48-PoE Switch, HP V1905-24-PoE Switch, HP E2520-24-PoE Switch.
- h. Attached is a diagram of the new network.

5. Quarterly Costs Incurred

USAC has budgeted a total of \$381,650.34 as the maximum grant amount that will be available during FY 2010 with a total project cost not to exceed \$449,000.00. USAC's August 26, 2010 Funding Commitment Letter for FY-2009 authorized total support in the amount of \$275,569.37, of which \$19,999.98 is dedicated to the payment of non-recurring costs.

During this period, Northwest submitted its third request for reimbursement for the recurring costs incurred during the period of 6/17/11 to 10/17/11 at all seven network sites. This third billing had a total vendor invoice amount of \$33,799.92. Northwest paid the vendor its 15 percent local match payment. USAC's payment is pending. All of the project's nonrecurring costs have been paid.

- a. Network Design – The Alabama Department of Economic and Community Affairs provided this service at no cost to the grantee and is therefore not a budgeted item.
- b. Network Equipment, including engineering and installation. – See item e. below.
- c. Infrastructure Deployment/Outside Plant. – See Item e. below.
- d. Internet2, NLR, or public internet connection. – Not a budgeted expense.
- e. Leased Facilities. – During this quarter, USAC reimbursed the grantee \$28,729.89 in budgeted recurring monthly recurring costs for the four monthly invoices extending from 6/17/11 to 10/17/11. As per its construction contract with the vendor and its USAC project budget, Northwest had paid \$20,000 to the vendor in non-recurring costs during the third quarter of 2010. Therefore, all non-recurring costs have been paid to the vendor and reimbursed by USAC.
- f. Network management, Maintenance, and operating costs. - Not budgeted expenses.
- g. Other non-recurring and recurring costs. All costs are reflected in Item e above.

6. Cost Allocation By Source

Northwest's Ethernet agreement with West Alabama TV Cable consists of a \$20,000.00 one time nonrecurring cost and an \$8,450.00 monthly recurring cost creating a total over a 36 month period. Northwest and the Walker Baptist Medical Center are both eligible users under this FCC program. However NWAMHC will pay all monthly recurring broadband costs incurred by Walker Baptist Medical Center. These costs will be paid from Northwest's general fund account. Northwest will only request FCC reimbursement for the FCC pro rata share of eligible recurring and non-recurring costs. The project budget contains no other grant or contributed funds. Since both participating entities are nonprofit corporations,

neither one would be financially able to undertake this project without the subsidies provided by this FCC program. The proposed health care network will enable these two entities to provide improved levels of service to rural patients at a reduced cost.

- a. Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants. - There no ineligible network participants. Northwest pays all network expenses.
- b. Describe the source of funds from eligible and ineligible network participants. – Northwest pays all network costs from its general fund account.
- c. Show contributions from all other sources. - No other local, state and federal funds are used by Northwest for the payment of project expenses.

7. Technical or Non-Technical Procedures For Ineligible Network Participants

No procedures have been developed to accommodate ineligible network users since no ineligible participants are presently included on the network or are expected to be included in the future.

8. Project Management Plan Update

On September 24, 2009, the NWAMHC Board met and rejected all of the bids it received in September since the low bid far exceeded the agency's construction budget established for this project. Additional local revenues were not available to fund the low bid. In addition, the Board authorized the submission of a revised bid containing lower minimum bandwidths and the deletion of the Walker Baptist Hospital if funds are not available. During the month of January, 2010, the revised RFP and Form 465 were posted to USAC web site. In addition, the bid proposal was also advertised in the Daily Mountain Eagle in an effort to comply with the Alabama bid law. All bids were due no later than 3:00 pm on February 5, 2010. Four bids were received and Northwest formed a Bid Review Committee to assess the bids and make a recommendation to the NWAMHC Board of Directors. After meeting on several occasions the committee identified West Alabama TV Cable Company, Inc. as the most qualified low bidder. On March 8th all four bids were reviewed at a meeting of the NWAMHC Board of Directors. At this meeting the board selected WATVC as the low bidder and asked Mr. Skip Newman, to meet with the WATVC and assess the adequacy of the 6.0 Mb temporary broadband connection to be extended to the Vernon Clinic as contained in the WATVC bid.

On March 12th at a meeting with WATVC's Mr. Kyle South, Mr. Newman's concluded that the proposed temporary service would enable Northwest to fully implement broadband services at its facility in Vernon. Mr. Newman also authorized Mr. South to draft a contract that could be reviewed by Northwest. WATVC completed work on the installation of the proposed broadband network in December of 2010 and service was initiated on December 17, 2010. In January, Northwest transferred the agency's internet service to the new broadband network which will save Northwest \$50.00 per site per month. The agency continues its efforts to convert its medical records to a digital format.

- a. There have been no changes in the project's current leadership or management structure since the submission of the last quarterly report.
- b. Listed below is a current project schedule.

Project Schedule

Pre-bid Conference	November 12, 2008
Advertise Broadband Network RFP	February 4, 2010
Select Low Broadband Network Bidder	March 8, 2010
Broadband Service Agreement with WATVC	June 17, 2010
USAC 2009 Funding Commitment letter	August 26, 2010
Initiate Broadband Network Installation	August 30, 2010
Complete Broadband Network Installation	December 17, 2010
Initiate Broadband Network Service to all 7 Sites	December 17, 2010
Initial Request for Reimbursement	April 25, 2011
Installation of video units at the clinics in Jasper, Fayette, Hamilton, Winfield and Fayette	November 1, 2011
Installation of VOIP system at Jasper Clinic	June 1, 2012
Transmission of electronic medical records over the network	June 15, 2012
Completion of 36 Month FCC Assistance Period	December 17, 2013
Project Close Out	February 1, 2014

9. Network Sustainability

A new network sustainability plan was completed. The new plan indicates that at the end of the third year of operation the new broadband network will have generated substantial cost savings as a result of reduced intercompany long distance phone calls, the reduced number of telephone lines as well as reduced travel costs incurred by staff psychiatrists and other NWAMHC staff. When these savings were combined with increased psychiatric billings the network's annual operating costs are estimated to decline from \$55,800.00 in the first year to zero by the end of the third year of operation. A revised network budget was submitted to USAC on November 10, 2010.

FCC/USAC Sustainability Issues

USAC Project Scenario. Through its RFP, Northwest has identified West Alabama TV Cable Co. as low cost provider of the requested broadband service. Therefore, this service is considered to be an Indefeasible Right of User (IRU), as a long-term lease of specified bandwidths, as defined in USAC Scenario No. 1.

Source of 15% Local Match. Northwest will pay the project's 15% local match from its General Fund Budget. The agency has sufficient revenues to pay the required 15% local match. It also has sufficient general fund revenues to continue purchasing these services once the FCC subsidy expires.

Commitments From Network Members. NWAMHC will pay all monthly recurring costs incurred by its network partner the Walker Baptist Medical Center. Walker Baptist Medical Center is considered to be a permanent member of the proposed broadband network as per verbal agreements made by hospital representatives to Mr. Skip Newman, Northwest's executive director.

Sustainability Period. The new broadband service will be sustainable during the three years in which USAC subsidizes the cost but will only be marginally sustainable after the three year USAC subsidy expires.

Budget Attached to Sustainability. Without the USAC subsidy, in years four through ten Northwest's annual operating costs are expected to vary from \$58,886 to \$84,870.00 annually as indicated in the attached 10 year budget.

Network Management. Mr. Skip Newman will have overall responsibility for managing the new network. Mr. Newman expects to devote one percent of his time to this task. The agency's MIS Director is expected to devote 10 percent of her time on network management activities resulting in an estimated annual cost of \$5,000.00. Annual broadband network management costs are estimated at \$6,700.00. All of these network management costs will be paid from the organization's general fund account.

Continued RHC Funding. As indicated in Item 9 above, the NWAMHC will have the financial resources to enable it to network's annual operating costs when FCC assistance expires. The estimated annual savings and increased psychiatric service billings should bring network operating costs to zero at the end of the third year of operations.

State and Federal Funding. Northwest does not expect to need additional Federal or state assistance in order to continue operating this new network, as a result of previously referenced annual cost savings and revenue increases.

Prepaid Lease Option. There are no prepaid leases involved in this project.

10. Network Benefits

The primary goal of this project is to use FCC assistance to install a broadband network that will facilitate the delivery of telepsychiatry and other related services on a real time basis. When completed the new broadband network will also provide telephone, internet, data, and video services to the six rural mental health clinics. Psychiatric services will be able to be Baptist Medical Center also in located in Jasper. The new network will further enable Northwest to greatly increase the amount of psychiatric services it delivers due to reduced travel times resulting from the implementation of this project. Maximum use of the new network is contingent upon Northwest's ability to install VOIP service at the other four clinics and to load its digital medical records onto the network which is expected to occur in June of 2012.

- a. How has the network achieved the grantee's goals and objectives?** The new network has enabled Northwest to consolidate its access to the internet using only one carrier which has reduced the cost of this service by \$300.00 per month. All six clinics now receive internet service via the new broadband network. A VOIP telephone system has been installed at the Hamilton clinic however the Jasper clinic will also have to convert its phone system to VOIP before even limited service can be transported over the new network. Through the fourth quarter of 2011, 80 telepsychiatry visits have been made by Dr. Aftab from his office in the Baptist Medical Center in Jasper to patients in the NWAMHC clinic in Hamilton eliminating 1.5 to 2.0 hours of travel time per visit. Network utilization is expected to increase significantly during the next quarter when new video equipment installed at the clinics in Jasper, Fayette, Winfield and Haleyville become operational. So, the new network is beginning to achieve Northwest's project goals as enumerated in its original pilot grant application.
- b. Explain how the network has brought innovative telehealth and telemedicine services to areas where these services are needed.** The new network is enabling Northwest to attract qualified health professionals due to the new telepsychiatry services which reduces travel time and increases the number of patient visits that can be made. Northwest is hiring a nurse practitioner for the clinics in Vernon and Fayette, who will assist with collaborative video consults when video equipment is installed at these two clinics.
- c. How has the network enabled patients to access to critically needed medical specialists?** The network is enabling Northwest to reach more mentally ill patients. It plans to use the network to provide child psychiatry services which is a new service that the agency has begun providing. Northwest will also hire a certified nurse practitioner who will also conduct patient visits over the new video equipment.
- d. How has the network opened up service to research institution, and public and private health care institutions that are repositories of medical expertise and information?** Telepsychiatry services are presently being provided from Baptist Medical Center in Jasper to patients located at the rural community mental health clinic in Jasper. The new network is enabling Northwest to access the highly skilled medical personnel available at the medical center to deliver much needed services to its patients who reside in five very rural west Alabama counties.
- e. Explain how the network has allowed health care professionals to monitor critically ill patients at multiple locations around the clock, provide access to advanced applications in continuing education and research, and/or enhanced the health care community's ability to provide rapid and coordinated response in the event of a national crisis.** When additional video systems are installed in the other five clinics its video conferencing capabilities will be used to conduct staff training activities. The new network could be used by local, state and federal agencies in the event of a national crisis.

11. Network Compliance With HHS Health IT Initiative

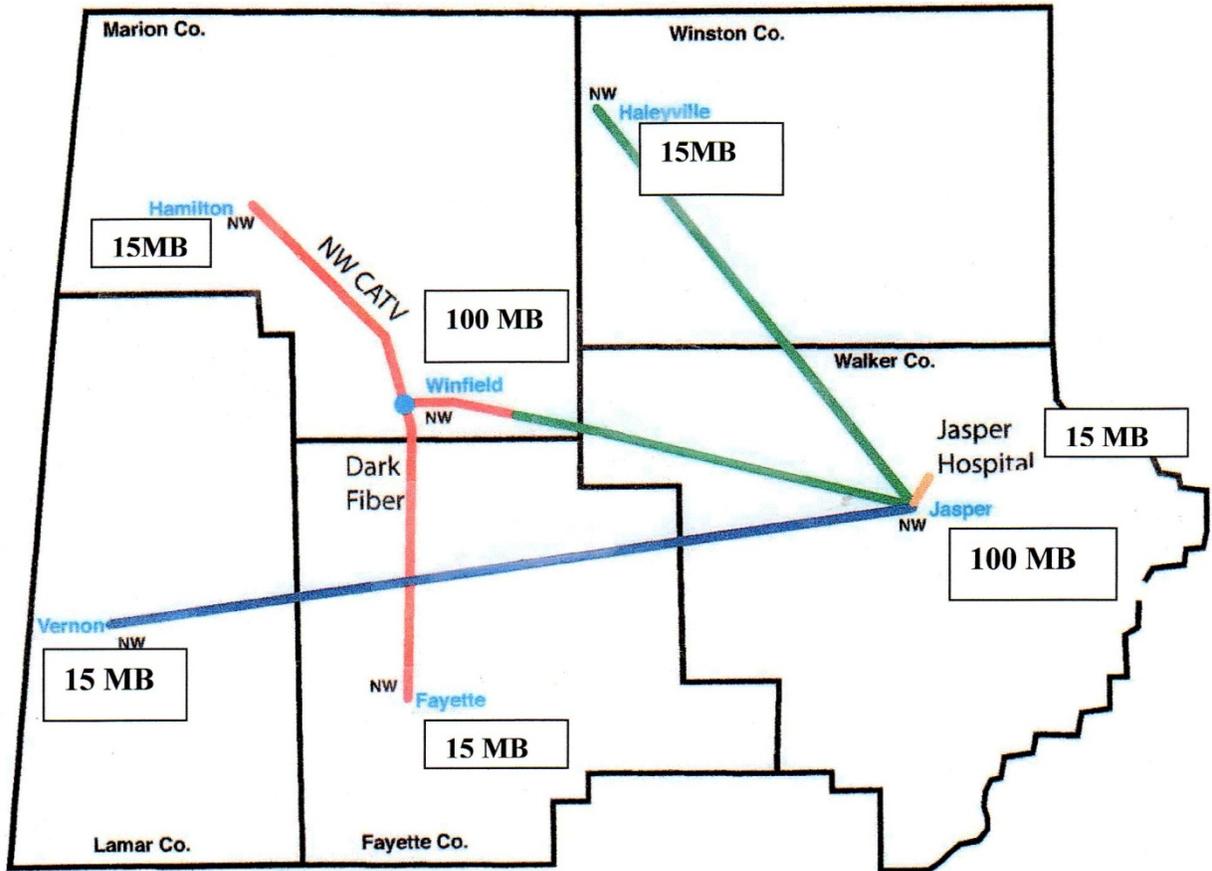
Network compliance with HHS standards. (1) Functionality. The proposed broadband network will consist of various fiber-optic lines that provide Northwest with sufficient bandwidth to support a number of health IT functions such as telerpsychiatry, video conferencing, the transmission of electronic health records as well as other HHS IT functions. (2) Security - When the network becomes operational, Northwest will restrict its use to agency IT staff and to a limited number of health professionals. When the new network is completed, a high level of network security is anticipated since this will be a stand-alone broadband network that will not interconnect with other networks. (3) Interoperability – The proposed broadband network will be a stand-alone network however, it will have the capacity to interconnect with other related networks.

Electronic Medical Records. Northwest has contracted with Lavender and Wyatt Systems, Inc. (LWSI) for the conversion of the agency's paper medical records into a digital format. This conversion process is still underway. On October 13, 2011, LWSI obtained EHR certification for its Essentia V6 program for its Ambulatory EHR clients which include NWAMHC. This certification will enable Northwest to qualify for incentive payments from Medicare.

12. Coordination with HHS, CDC, Local Public Health and EMA Agencies

The participant will coordinate with HHS, CDC as well as state and county public health and emergency management agencies. Northwest will make the network available to these agencies during national, state or local emergencies.

FUTURE MENTAL HEALTH NETWORK FOR NORTHWEST ALABAMA MENTAL HEALTH



Legend

- Existing
- NW Northwest Mental Health

