

Telemed Financial Template  
Telehealth Cart

Comments to:

31-Mar-06  
mafa@gci.net

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Documentation for model is in Appendix A of "Telehealth Business Models..." available by using a title search at www.iser.uaa.alaska.edu  
INTRODUCTION

[Introduction - Financial Template Overview](#)

Potential Applications for Template:

Two Node Scenario	<a href="#">Patient Travel Only</a>
	<a href="#">Patient + Specialist Travel</a>
Three Node Scenario	<a href="#">Patient + Specialist Travel</a>

General Notes:

<a href="#">Incremental Analysis - What's included, what's excluded</a>
<a href="#">Total System Perspective - elimination of due to/due from</a>
<a href="#">Spreadsheet labeling conventions</a>
<a href="#">Description of Financial Template Structure</a>

ILLUSTRATIVE CASES

Case Study Notes	Graphic Results	Assumptions	Financial Results Data	Referrals	+Time Value
<b>Remote Rural</b>					
Primary Care Provider	PCP				
Specialist	Spec				
Primary Care Provider + Specialist	PCP+Spec				
Travel Payer	Travel				
Patient	Patient				
Health Coverage	Health Coverage				
Universal Service Fund	USF				
Total System Costs	TSC	Assumptions	Results	Referrals	TSC+Time Value
<b>Underserved Population</b>					
Primary Care Provider	PCP				
Specialist	Spec				
Primary Care Provider + Specialist	PCP+Spec				
Travel Payer	Travel				
Patient	Patient				
Health Coverage	Health Coverage				
Universal Service Fund	USF				
Total System Costs	TSC	Assumptions	Results	Referrals	TSC+Time Value
<b>Itinerant Specialist</b>					
Primary Care Provider	PCP				
Specialist	Spec				
Primary Care Provider + Specialist	PCP+Spec				
Total System Costs	TSC	Assumptions	Results	Referrals	
<b>Recapture Local Bypass</b>					
Primary Care Provider	PCP				
Specialist	Spec				
Primary Care Provider + Specialist	PCP+Spec				
Total System Costs	TSC	Assumptions	Results	Referrals	

SENSITIVITY ANALYSIS

Scale Sensitivity Analysis

	4.5	7.3	14	Increase Capital Attribution
Primary Care Potential Telehealth encounters per week				
Patient Travel to Specialist, No Bypass	38	39	40	41
Patient Travel to Specialist, Small Bypass Recapture	42	43		
Patient Travel to Specialist, Medium Bypass Recapture		44		
Specialist Travel to Primary Care, No Bypass	45	46		
Specialist Travel to Primary Care, Small Bypass Recapture		47		
Specialist Travel to Primary Care, Medium Bypass Recapture		48		

ASSUMPTIONS + RESULTS (a.k.a. "template driver's seat")

[Modify Assumptions & Review Results](#)

INCREMENTAL CASH FLOW CALCULATIONS

[Summary of Incremental Cash Flows](#)

[Referral Pattern Statistics \(Detail\)](#)

[Referral Pattern Statistics \(Projected 5 years\)](#)

[Primary Care Provider Revenue & Cost Detail](#)

[Primary Care Revenue/Cost Tables](#)

[Specialist Revenue & Cost Detail](#)

[Specialist Revenue/Cost Tables](#)

[Telecom USAC Support Detail](#)

[Travel Payer \(Insurance/Health Coverage\)](#)

[Summary of Incremental Cash Flows + Patient Wait Time](#)

[Patient Time Value Estimates](#)

# Telemed Financial Template

## Telehealth Cart

31-Mar-06

[mafa@gci.net](mailto:mafa@gci.net)

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### INTRODUCTION - FINANCIAL TEMPLATE OVERVIEW

The financial template is designed to organize and quantify the changes in referral patterns and associated changes in revenues and costs from the perspective of primary care providers, specialists, payers (insurance/patients) and patients (time value) that may result from the introduction of specialist telemedicine consultations to enhance primary care evaluation and management. This template assumes the use of store and forward telemedicine modalities, e.g., dermatology, ENT.

In addition to the direct cash revenues and expenses associated with changes in how service is provided, the financial template allows users to consider economic value estimates of the savings patients and parents of patients experience as a result of more efficient use of their time - including reduced lost time associated with unnecessary travel and reduced time waiting for an appointment with a specialist.

The most flexible and analytically robust approach to assessing the financial sustainability of an investment in a new service is to use a discounted cash flow approach, where cash revenue and expenses are projected based on best available estimates and discounted back to the present on a "net present value" basis.

In the development of the discounted cash flow financial template we have adopted the following general rules:

- 1 Only cash flow is relevant
- 2 Always estimate cash flows on an incremental basis
  - a. Include opportunity costs (compare with and without, not before/after)
  - b. Forget sunk costs
  - c. Beware of allocated overhead costs, identify and include those costs that vary directly as a result of introducing the change described
- 3 Be consistent in the treatment of inflation; we have adopted the convention of using real \$ without inflation

In addition, we have not incorporated any consideration of potential tax implications.

The illustrative case studies have been built using anecdotal data collected primarily from interviews. They have been reviewed for general reasonableness, but without significant quantitative analysis of the reliability and potential variation in the assumptions provided by interviewees.

The financial template has been audited by verifying calculations and reviewing the results with reviewers for consistency with expectations as input parameters are varying individually. We were unable to find sufficiently robust data describing a "with" and "without" telehealth case to enable us to form statistical judgements about the distribution and range of input parameters.

We remind template users that after they develop their assumptions with the *best available data pertinent to their local situation, e.g., payer mix, current and projected procedure reimbursement rates, wages, telecommunications equipment and circuit costs, etc.*, they need to apply their best judgment and consider how those assumptions might change going into the future.

Finally, we believe the financial template may be most useful in helping those who are planning a telehealth project to organize their development of financial projections by thinking through how changes in referral patterns and work flow will change their prospective revenues and cost \*and\* allow financial analysts to monitor how the actual changes brought about by telehealth are tracking their projections.

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31-Mar-06  
mafa@gci.net

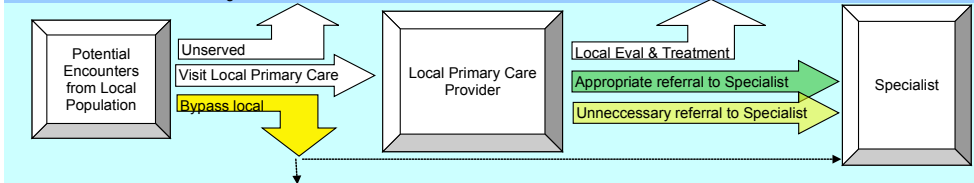
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Potential Change in Referral Patterns

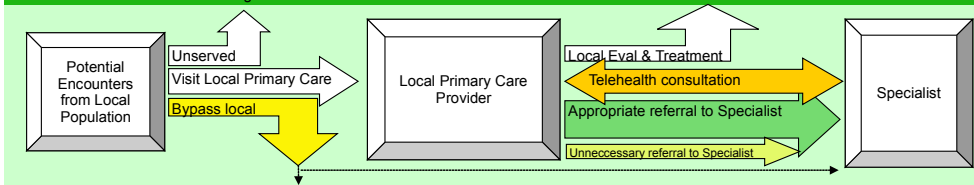
Two Node Scenario

PATIENT TRAVEL ONLY

Without Telehealth Eval & Management Consults



With Telehealth Evaluation & Management Consults



NARRATIVE

	Remote Community (rc)	Hub Community (hc)
	Primary Care (p)	Specialist Care (s)

Base Case - Without Telehealth

Patient Travel Only	Primary Care evaluation <sub>prc</sub> , treatment <sub>prc</sub>	Patient travels to hub for evaluation <sub>shc</sub> , treatment <sub>shc</sub> , management <sub>shc</sub>
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Telehealth - Connect Patient to Specialist

Patient Travel Only - Potential Changes in Encounter Patterns		
Evaluation	<p>Primary Care provides access to telemed specialist evaluation consults</p> <p>Potential increase in evaluation encounters due to reduced bypass since patient perceives improvement in specialist access at primary care provider with telemed access (quality perception associated with specialist access, reduced wait time for virtual appointment)</p>	<p>Specialist provides telemed evaluation<sub>shc</sub> consults</p> <p>Specialist reduces time associated with evaluation<sub>shc</sub>, increase in time associated with telemed consults</p> <p>Net gain in specialist time available due to increased productivity associated with telemed consults vs. in-person evaluation process</p> <p>Net gain in specialist productivity can be used to reduce patient backlog, reduce specialist requirements, or expand service to underserved populations</p>
Treatment	<p>Potential increase in treatment procedures due to higher overall volume of encounters seeking access to specialist</p>	<p>Potential increase in higher priority treatment procedures made possible by improved triage &amp; productivity gains</p> <p>Higher priority treatment procedures typically have higher revenue/procedure and revenue/hour, may or may not have higher revenue/cost ratio</p>
Case Management	<p>Primary Care provides access to telemed specialist case management consults</p> <p>Potential increase in evaluation encounters due to reduced bypass since patient perceives improvement in specialist access at primary care provider with telemed access</p>	<p>Specialist provides telemed case management<sub>shc</sub> consults</p> <p>Specialist reduces time associated with case management<sub>shc</sub>, increase in time associated with telemed consults</p> <p>Net gain in specialist time available due to increased productivity associated with telemed consults vs. in-person case management process</p>

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Telehealth Cart

31-Mar-06  
mafafa@gqi.net

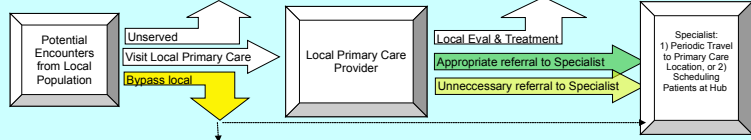
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Potential Change in Referral Patterns

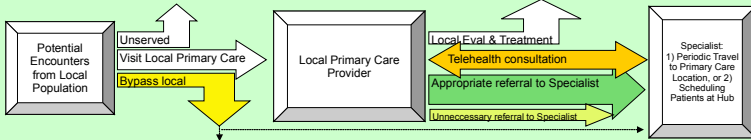
Two Node Scenario

PATIENT + SPECIALIST TRAVEL

Without Telehealth Eval & Management Consults



With Telehealth Evaluation & Management Consults



NARRATIVE	Remote Community (rc)	Hub Community (hc)
	Primary Care (p)	Specialist Care (s)

Base Case - Without Telehealth	Remote Community (rc)	Hub Community (hc)
Patient + Specialist Travel	Specialist travels to clinic for evaluation <sub>rc</sub> , treatment <sub>rc</sub> , management <sub>rc</sub>	Patient travels to hub for treatment <sub>hc</sub>

Telehealth - Connect Patient to Specialist

Patient + Specialist Travel - Potential Changes in Encounter Patterns	Remote Community (rc)	Hub Community (hc)
<b>Evaluation</b>	<p>Primary Care provides teled evaluation consults</p> <p>Potential increase in evaluation encounters due to reduced bypass since patient perceives improvement in specialist access at primary care provider with teled access (quality perception associated with specialist access, reduced wait time for virtual appointment)</p>	<p>Specialist provides teled evaluation<sub>hc</sub> consults</p> <p>Specialist reduces time associated with evaluation<sub>hc</sub>; increase in time associated with teled consults</p> <p>Net gain in specialist time available due to increased productivity associated with teled consults vs. in-person evaluation process</p> <p>Net gain in specialist productivity can be used to reduce patient backlog, reduce specialist requirements, or expand service to underserved populations</p>
<b>Specialist Travel to Remote Clinic</b>	<p>If specialist travel is a set requirement, i.e., set number of remote clinics per year: Primary care facility retains facility fees associated with remote clinic procedures</p> <p>If specialist travel is <b>flexible</b>: Shift in primary care evaluation encounters from in-person to teled</p>	<p>Teled consults can improve specialist productivity at remote clinics (pre-screen for higher priority cases)</p> <p>Specialist reduces time associated with remote clinic (travel expense, travel time); more specialist time available for efficient teled consults, higher priority cases</p>
<b>Treatment</b>	<p>Potential increase in less intensive treatment procedures due to higher overall volume of encounters and specialist identification of higher priority cases</p>	<p>Potential increase in higher priority treatment procedures made possible by specialist productivity gains</p> <p>Higher priority treatment procedures typically have higher revenue/procedure and revenue/hour; may or may not have higher revenue/cost ratio</p>
<b>Case Management</b>	<p>Primary Care provides access to teled specialist case management consults</p> <p>Potential increase in evaluation encounters due to reduced bypass since patient perceives improvement in specialist access at primary care provider with teled access</p>	<p>Specialist provides teled case management<sub>hc</sub> consults</p> <p>Specialist reduces time associated with case management<sub>hc</sub>; increase in time associated with teled consults</p> <p>Net gain in specialist time available due to increased productivity associated with teled consults vs. in-person case management process</p>
<b>Specialist Travel to Remote Clinic</b>	<p>If specialist travel is a set requirement, i.e., set number of remote clinics per year: Primary care facility retains facility fees associated with remote clinic procedures</p> <p>If specialist travel is <b>flexible</b>: Shift in primary care management encounters from in-person to teled</p>	<p>Teled consults can improve specialist productivity at remote clinics (pre-screen for higher priority cases)</p> <p>Specialist reduces time associated with remote clinic (travel expense, travel time); more specialist time available for efficient teled consults, higher priority cases</p>

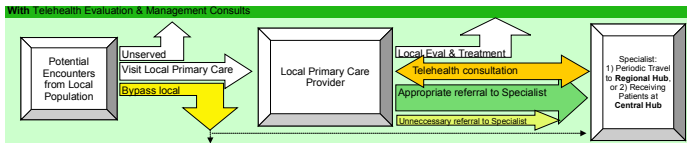
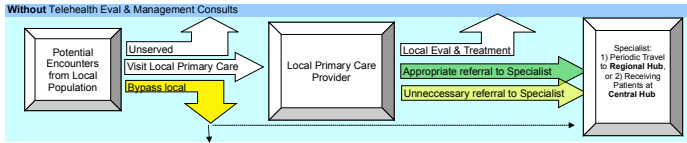
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mafa@qci.net

**Potential Change in Referral Patterns**

**Three Node Scenario**  
**PATIENT + SPECIALIST TRAVEL**



	Remote Community (r)	Regional Hub (r)	Central Hub (r)
	Primary Care (p)	Primary Care (p) / Specialist Care (s)	Specialist Care (s)
<b>Base Case - Without Telehealth</b>	Patient + Specialist Travel Patient travels to regional hub; Specialist travels to regional hub clinic		

<b>Telehealth - Connect Patient to Specialist</b>			
<b>Patient + Specialist Travel - Potential Changes in Encounter Patterns</b>			
Evaluation	Primary Care provides teled evaluation consults		Specialist provides teled evaluation <sub>te</sub> consults
	Potential increase in evaluation encounters due to reduced bypass since patient perceives improvement in specialist access at primary care provider with teled access (quality perception associated with specialist access, reduced wait time for virtual appointment)		Specialist reduces time associated with evaluation <sub>te</sub> increase in time associated with teled consults
<b>Specialist Travel to Remote Clinic</b>			
If specialist travel is a set requirement, i.e., set number of remote clinics per year	Primary care facility retains facility fees associated with remote clinic procedures		Teled consults can improve specialist productivity at remote clinics (pre-screen for higher priority cases)
If specialist travel is flexible	Shift in primary care evaluation encounters from in-person to teled		Specialist reduces time associated with remote clinic (travel expense, travel time); more specialist time available for efficient teled consults, higher priority cases
Treatment	Potential increase in treatment procedures due to higher overall volume of encounters and specialist identification of higher priority cases	Potential competition between regional hub and central hub over cases not treated at remote community primary care	Potential increase in higher priority treatment procedures made possible by specialist productivity gains
			Higher priority treatment procedures typically have higher revenue/procedure and revenue/hour; may or may not have higher revenue/cost ratio
Case Management	Primary Care provides access to teled specialist case management consults		Specialist provides teled case management <sub>cm</sub> consults
	Potential increase in evaluation encounters due to reduced bypass since patient perceives improvement in specialist access at primary care provider with teled access		Specialist reduces time associated with case management <sub>cm</sub> increase in time associated with teled consults
<b>Specialist Travel to Remote Clinic</b>			
If specialist travel is a set requirement, i.e., set number of remote clinics per year	Primary care facility retains facility fees associated with remote clinic procedures		Teled consults can improve specialist productivity at remote clinics (pre-screen for higher priority cases)
If specialist travel is flexible	Shift in primary care management encounters from in-person to teled		Specialist reduces time associated with remote clinic (travel expense, travel time); more specialist time available for efficient teled consults, higher priority cases

Notes:

# Telemed Financial Template

## Telehealth Cart

Comments to:

31-Mar-06  
[mafa@gci.net](mailto:mafa@gci.net)

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### NOTES

#### 1 Incremental Cash Flow Analysis

Included Items	Excluded Items
Operating Cash Flows Incremental revenues Incremental costs (labor - clinical, admin, support, training; telecom)	Existing Cash Flows Not Affected by Project Under Consideration
Spillover Cash Flows New revenues to other business segments Cannabilization of existing revenues	Finance Related Items Interest Principal Payments Dividends
Capital Cash Flows Investment Required Salvage value of equipment if material	Accrual-based Items Revenues earned but not received Accrual Expenses (depreciation)
<b>Patient / Payer Costs</b> Travel Costs - Patients + Parents	Tax accounting implications

#### 2 Incremental Cash Flow Analysis + Estimated Value of Patient Time

Included Items	Excluded Items
Operating Cash Flows Incremental revenues Incremental costs (labor - clinical, admin, support, training; telecom)	Existing Cash Flows Not Affected by Project Under Consideration
Spillover Cash Flows New revenues to other business segments Cannabilization of existing revenues	Finance Related Items Interest Principal Payments Dividends
Capital Cash Flows Investment Required Salvage value of equipment if material	Accrual-based Items Revenues earned but not received Accrual Expenses (depreciation)
<b>Patient / Payer Costs</b> Travel Costs - Patients + Parents Patient/parent <b>lost time</b> due to travel out of town <b>optional</b> Patient <b>wait time</b> for specialist consult	Tax accounting implications

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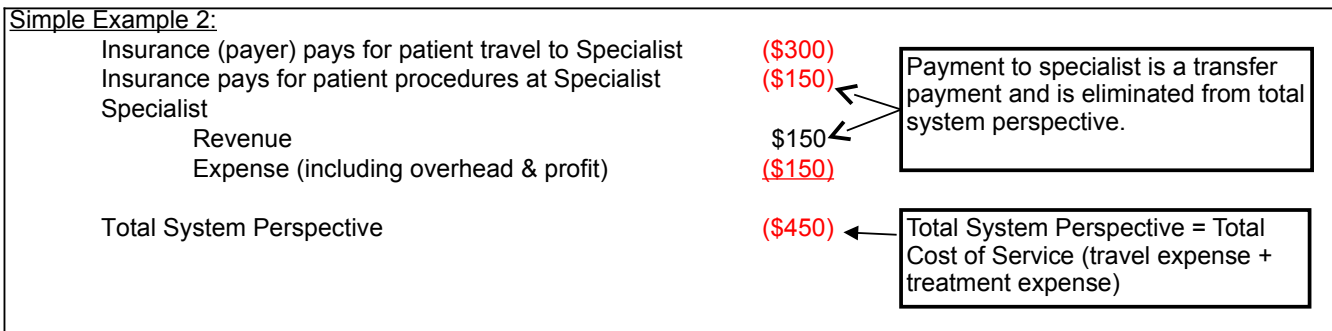
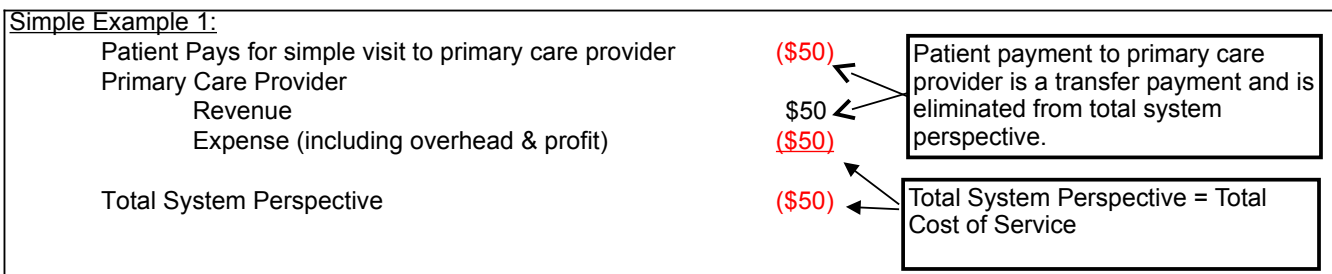
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**NOTES**

## Eliminations

In order to roll-up the net incremental cost from a multitude of perspectives into a Total System Perspective, a.k.a. "total system cost of service", offsetting *revenues and expenses are eliminated*.



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Comments to: 31-Mar-06  
[mafa@gci.net](mailto:mafa@gci.net)

## INDEX **NOTES**

### Spreadsheet conventions

- 1 Blue shading at top date line = highlights financial template version
- 2 [Blue font underlined = hyperlink](#)
- 3 Blue Font = assumption to be provided or modified as appropriate by user
- 4 Back font = spreadsheet calculation, not to be modified except under supervision
- 5 Purple Shading = potential enhancement not yet linked
- 6 Yellow = key assumptions / key changes in results
- 7 Without Telehealth Blue
- 8 With Telehealth Green



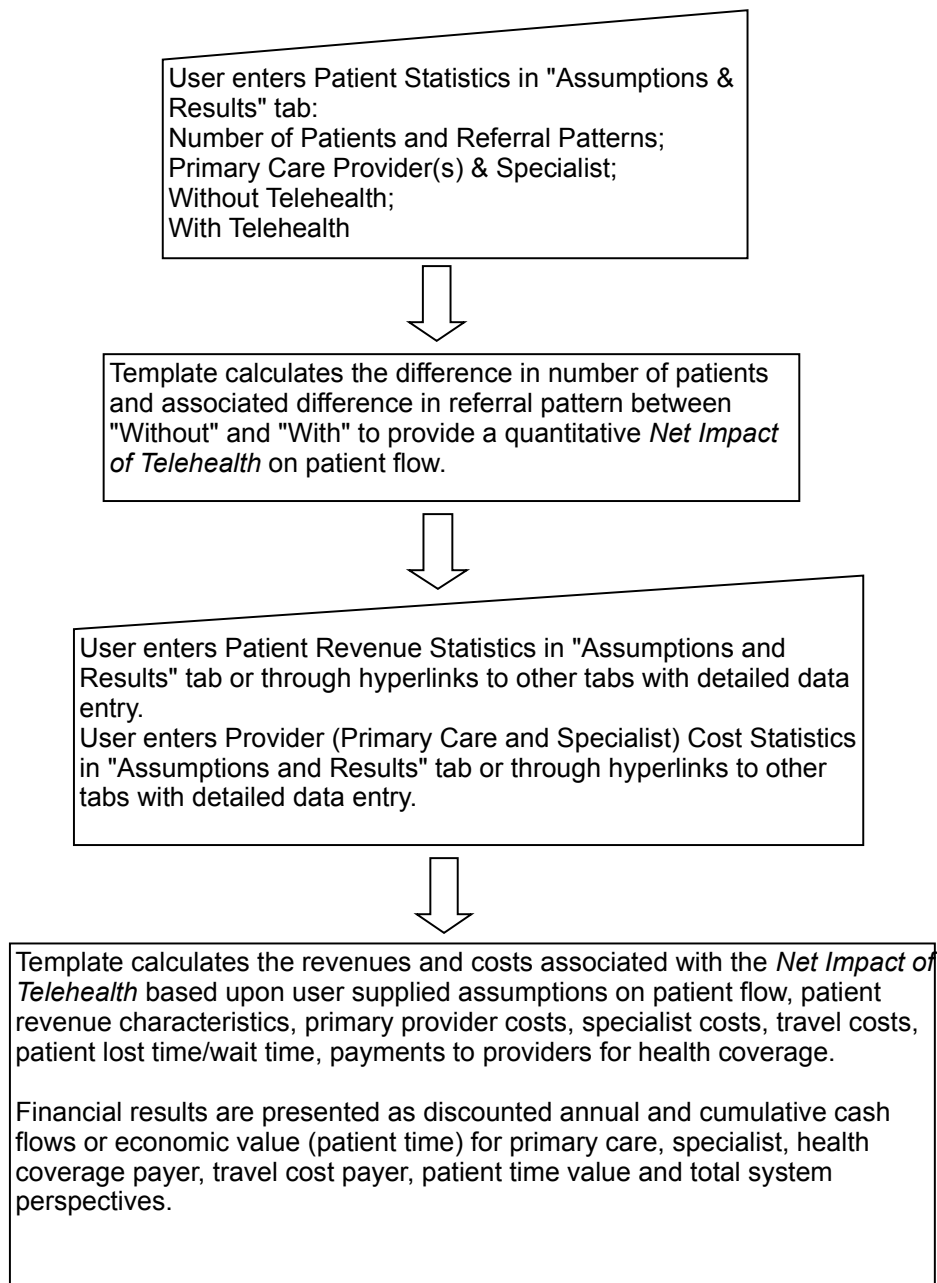
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**NOTES**

### Financial Template Basic Data Flow



## Telemed Financial Template Telehealth Cart

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31-Mar-06  
[mafa@gci.net](mailto:mafa@gci.net)

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### CASE STUDY NOTES

#### General Observations

Some of the **best opportunities for telehealth to create value** appear to arise when:

1 The existing patient population that has specialty care needs that are not being met

2 The patient population would otherwise incur high travel costs to see a specialist for evaluation and case management

3 Specialists are incurring high travel costs to see patients in remote communities where logistics are challenging and specialist productivity is diminished due to travel time, delayed or missed flights, variable patient no-show rates in small communities (overbooking not an option)

The direct economic value of telemed consults depends in large measure upon anticipated changes in referral patterns:

**To what extent is the existing population underserved** - and telemed consults will  
1 expand services available to patient at or near home, generating new cases for primary care provider **and** new cases for specialist

2 To what extent will telemed consults *substitute* for evaluation referrals

3 To what extent will existing evaluation referrals to specialist be lost to improved triage on the part of the primary care provider

4 To what extent can post-treatment, telehealth case reviews substitute for in-person case management by specialist

#### Additional Considerations:

How much time / repetitions do people require with a new telehealth process to become proficient

How much training/retraining do people require with a new telehealth process in order to keep current and incorporate its use into daily workflow.

If a specialist is operating with large backlog and existing in-person primary care triage at the first point of entry into the system is not as effective as it should be, telemed evaluation consults may provide an opportunity to improve triage and shorten the specialist backlog

If specialist treatment procedures or telemed consults provide higher margin than evaluation, then telemed consults may provide an opportunity for improved margins - both from the consults and from the treatment referrals generated

#### Single Specialist Practice

The "no show" rate for in-person encounters with specialists may provide "spare capacity" for telemed consults if the practice has not previously adjusted its practice and overbooked to balance the no shows

Capital investment allocation could approach 100% in a specialist office with only one telemed line of business

Quality of broadband internet with encrypted data vs. managed telecom network may be a consideration from **both** the perspective of the primary care provider generating cases and the specialists receiving consult cases

Higher volumes tend to be required to cover the fixed costs associated with equipment investments

#### Group Practice - Specialists

The no show rate may provide "spare capacity" for telemed consults

"On-call" specialists with time in between calls may provide "spare capacity" for telemed consults

Capital investment for individual telehealth modalities can be shared with other practice modalities and administrative functions

Financial break-even may be achieved at lower volumes due to increased opportunities for sharing fixed costs

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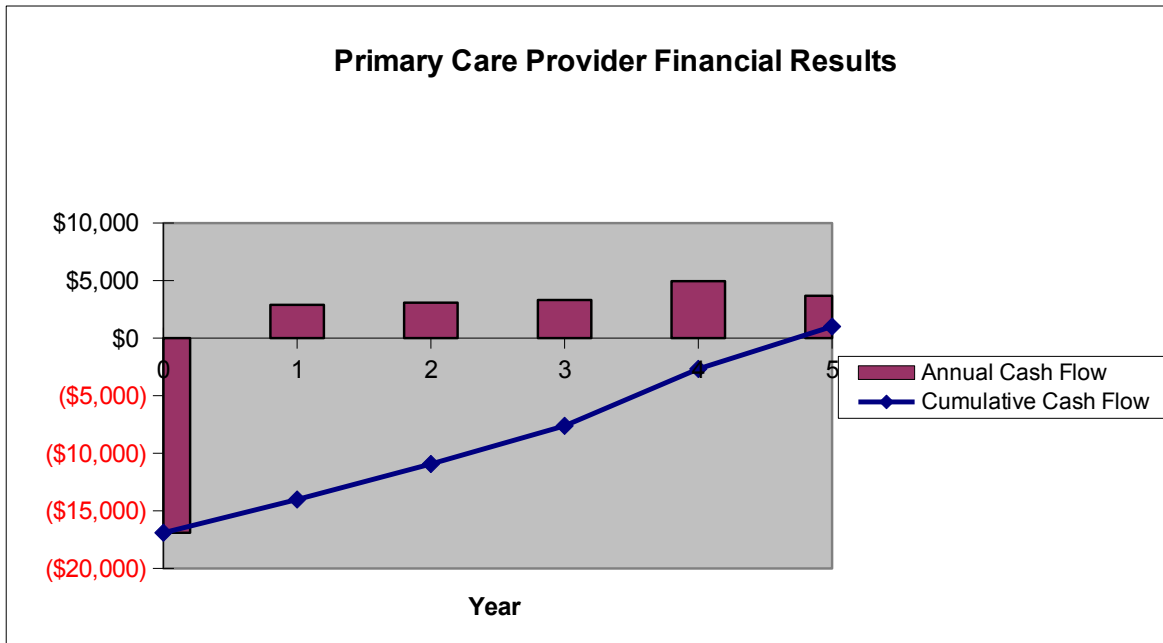
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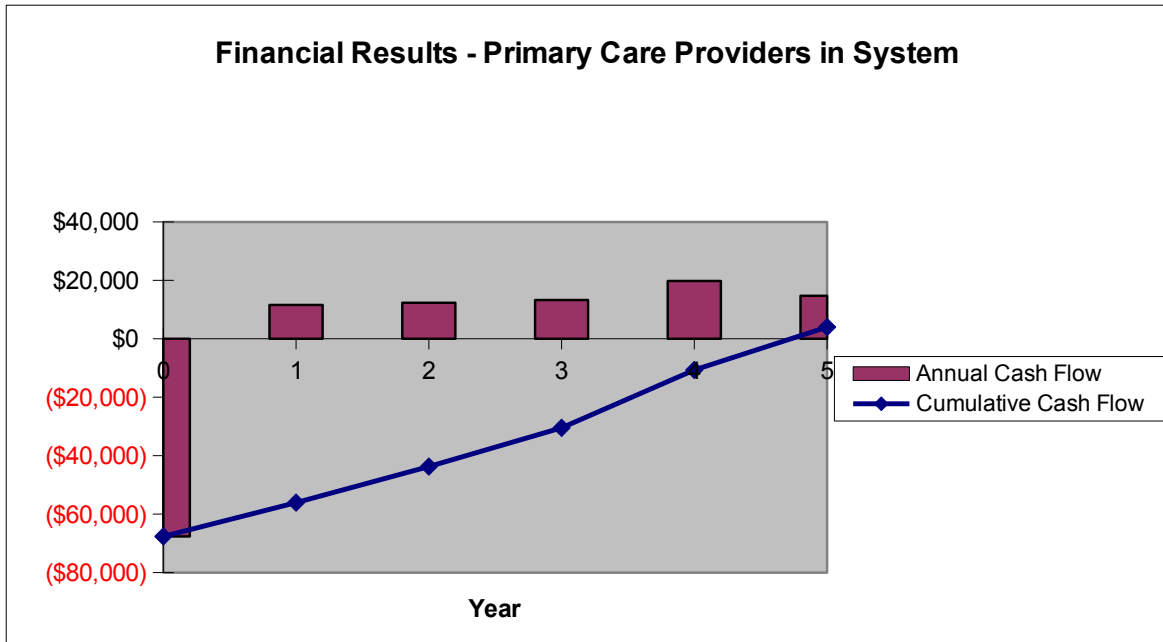
## Illustrative Business Cases

### Remote Rural - At Primary Care Provider Break-Even Patient Volumes

#### Primary Care Provider (Individual)



#### Primary Care Providers (All primary providers provider referrals to the specialist)



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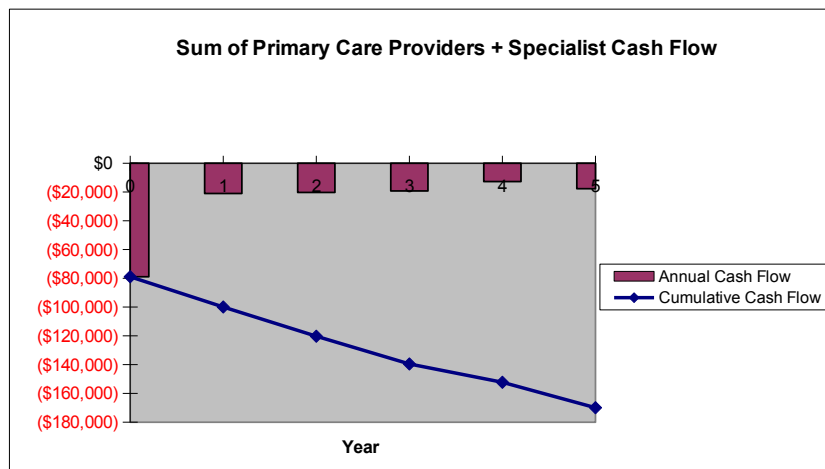
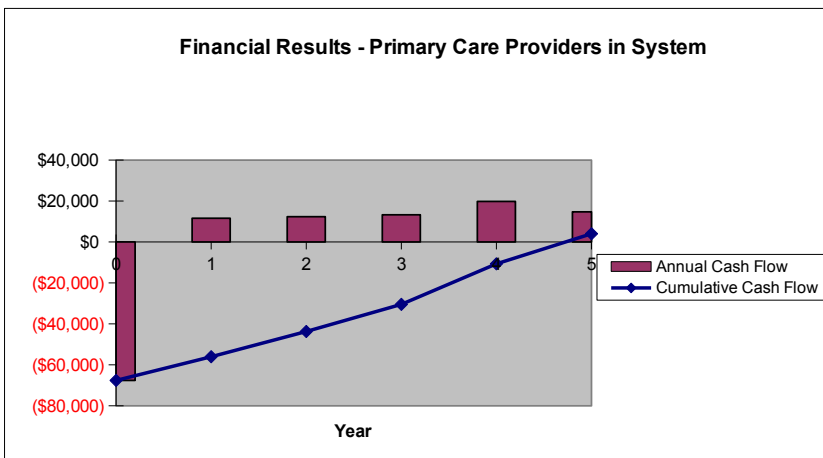
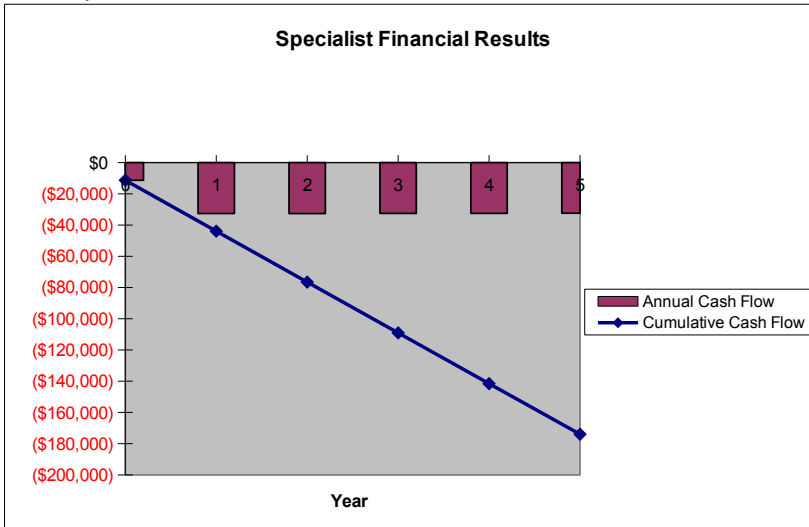
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Illustrative Business Cases

Remote Rural (Primary Care Provider "Break-Even", Specialist near capacity, Accepting Bypass)  
Specialist



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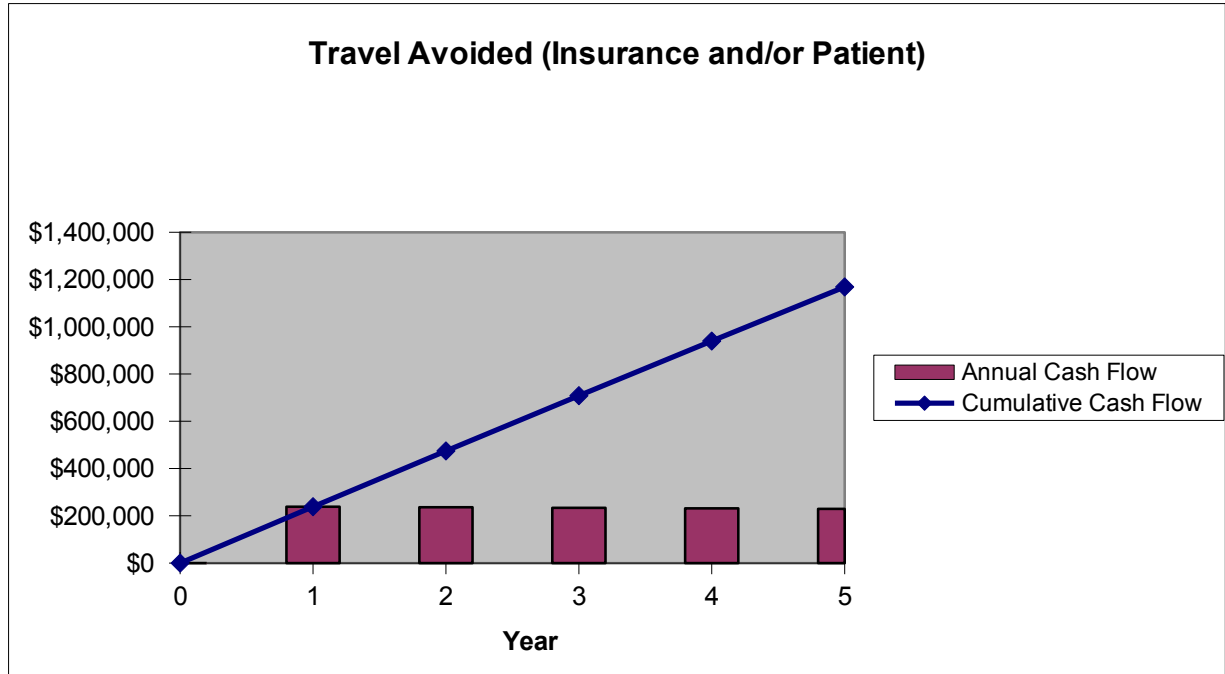
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## Illustrative Business Cases

### Remote Rural

Travel Payer (Insurance and/or patient)



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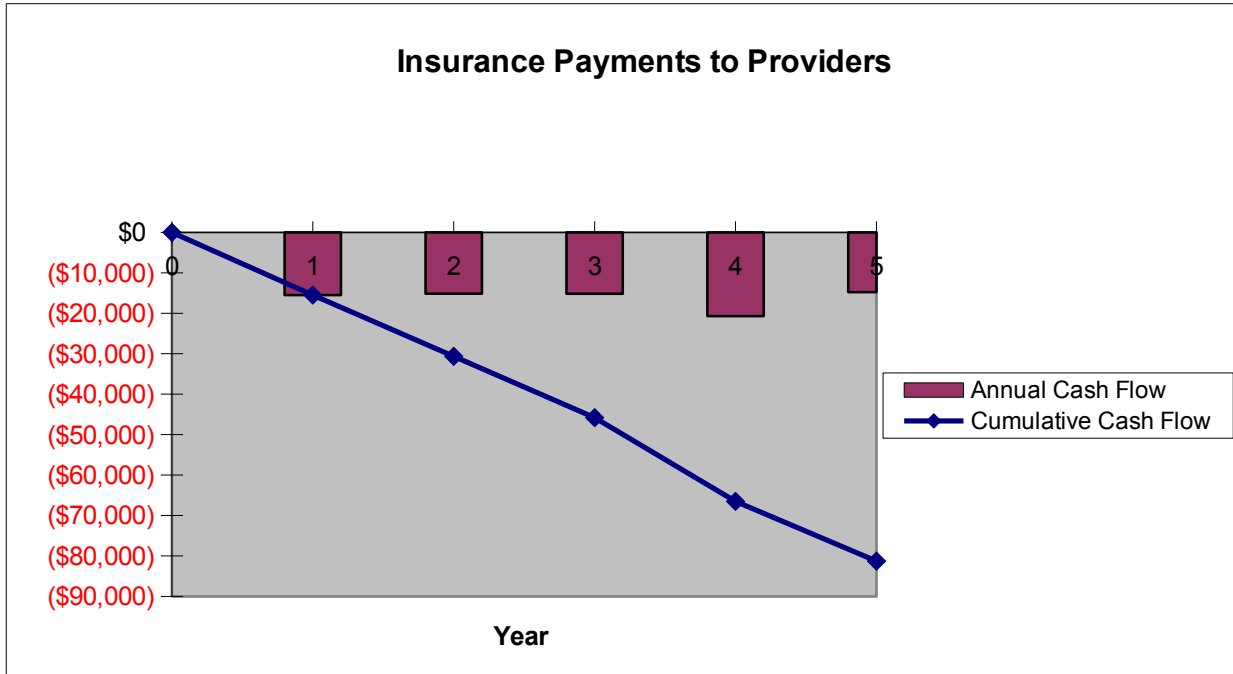
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## Illustrative Business Cases

### Remote Rural Health Coverage



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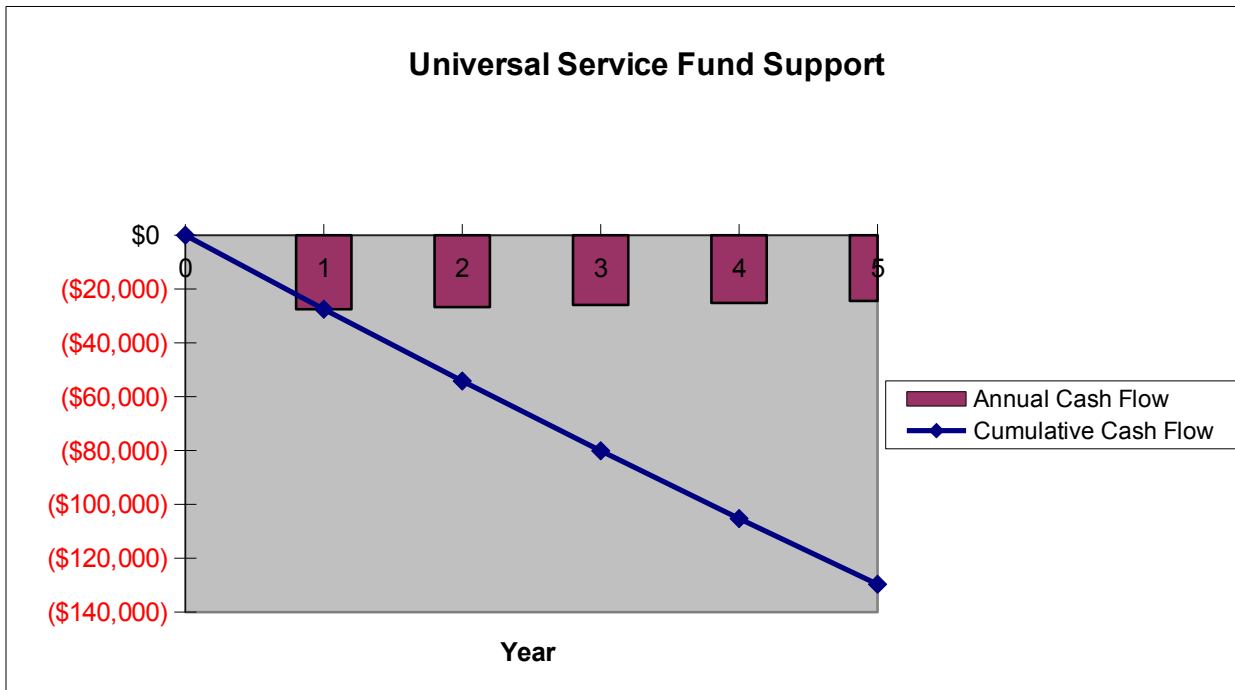
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## Illustrative Business Cases

### Remote Rural Universal Service Fund



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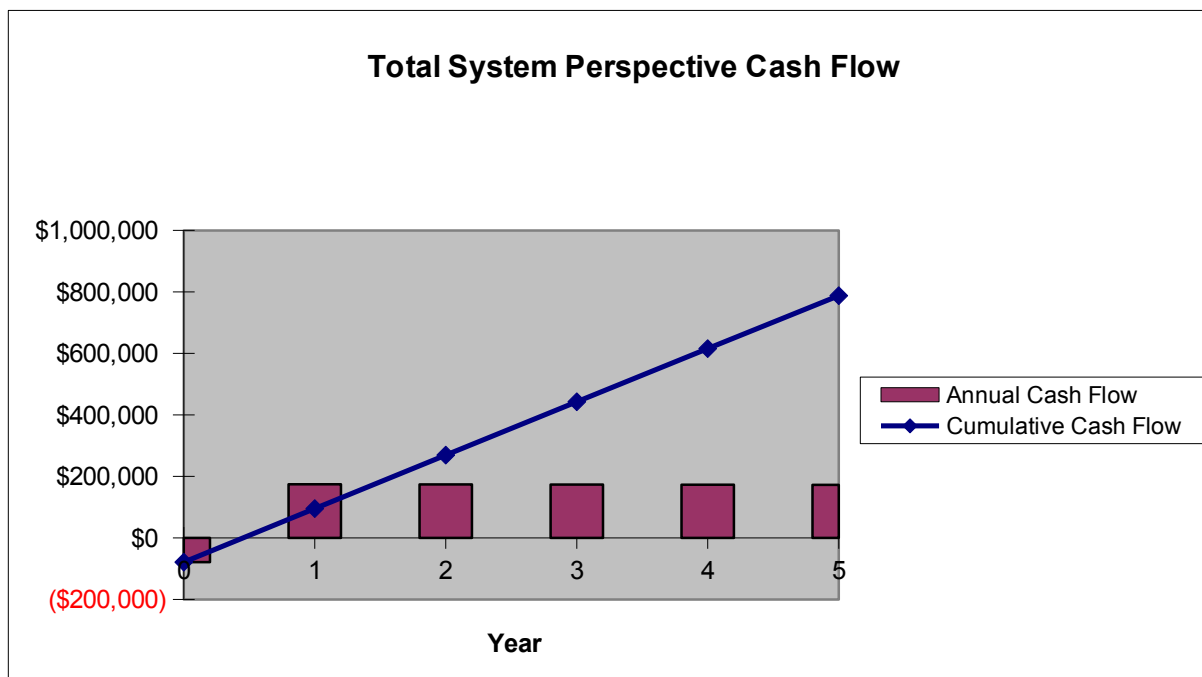
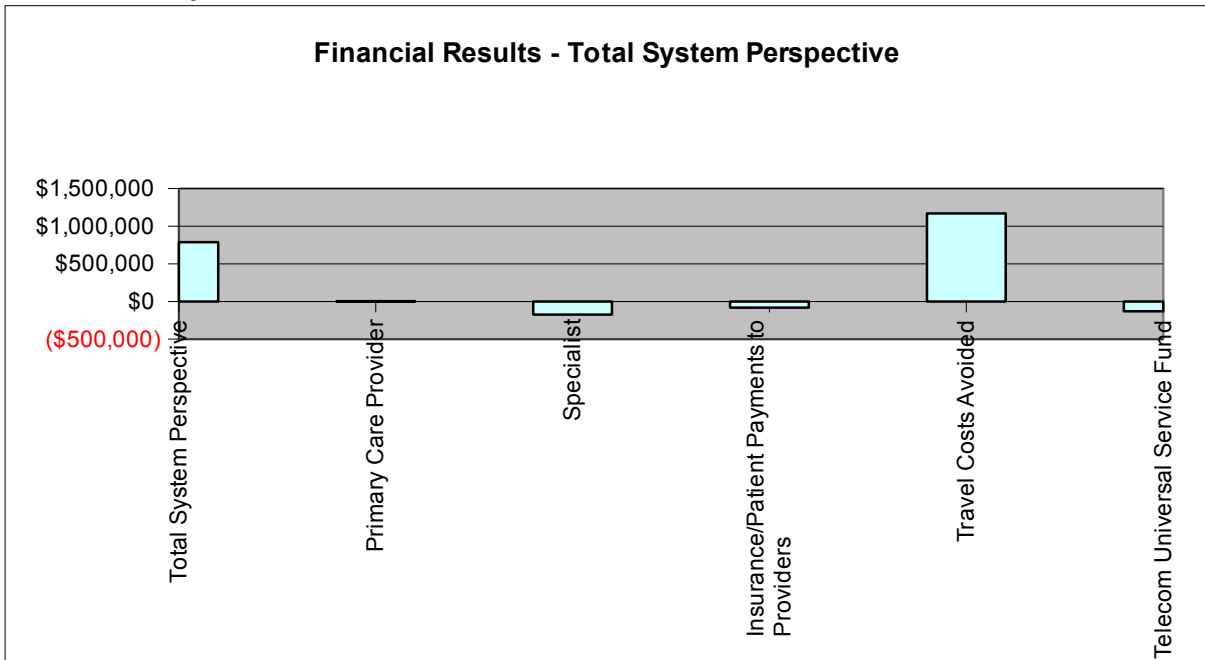
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## Illustrative Business Cases

### Remote Rural Total System





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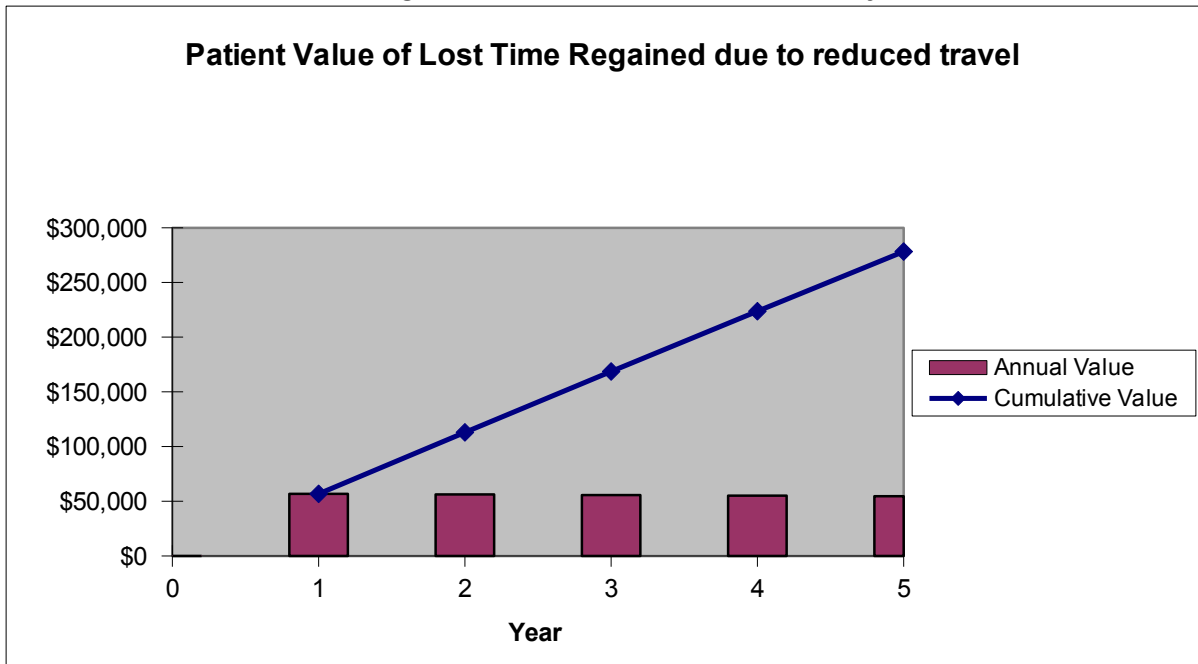
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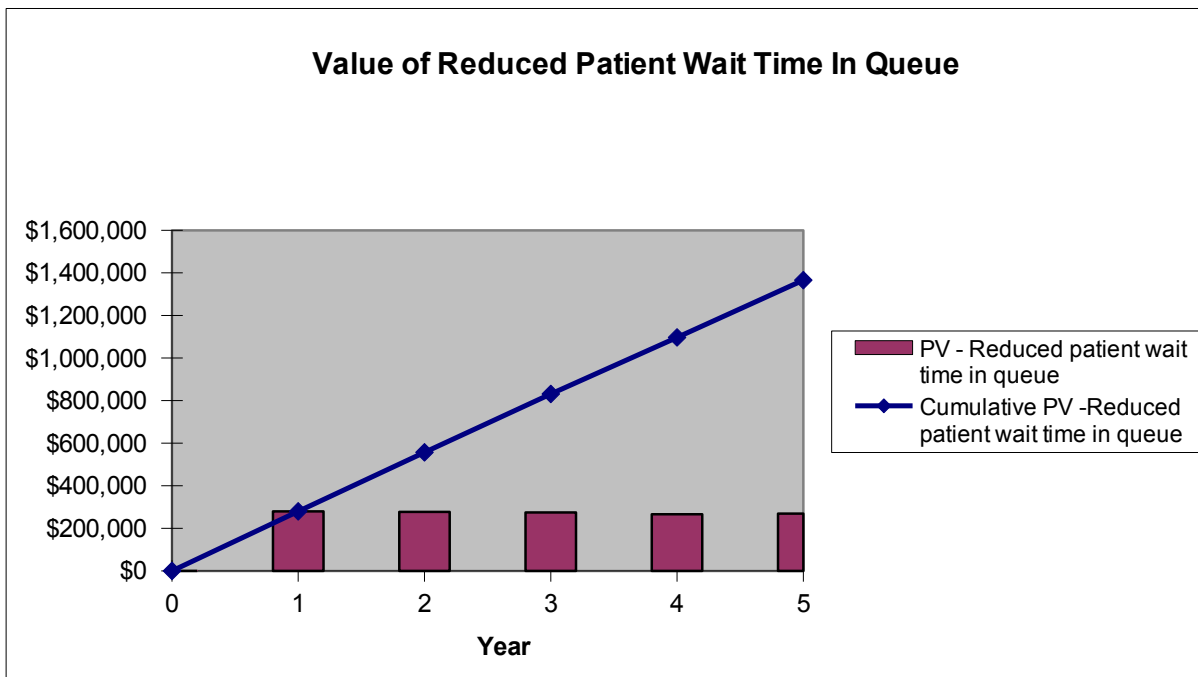
## Illustrative Business Cases

### Remote Rural

#### Value of Patient Time Regained due to reduction in Unnecessary Travel



Value of Reduced Patient Time in Queue waiting to see specialist



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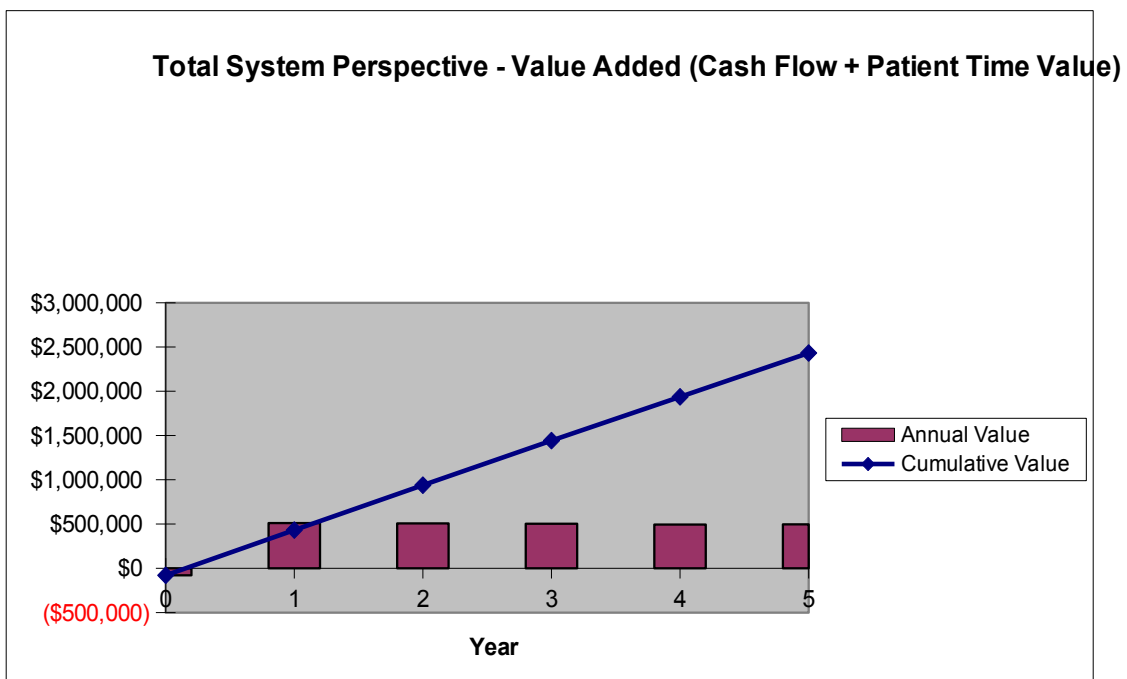
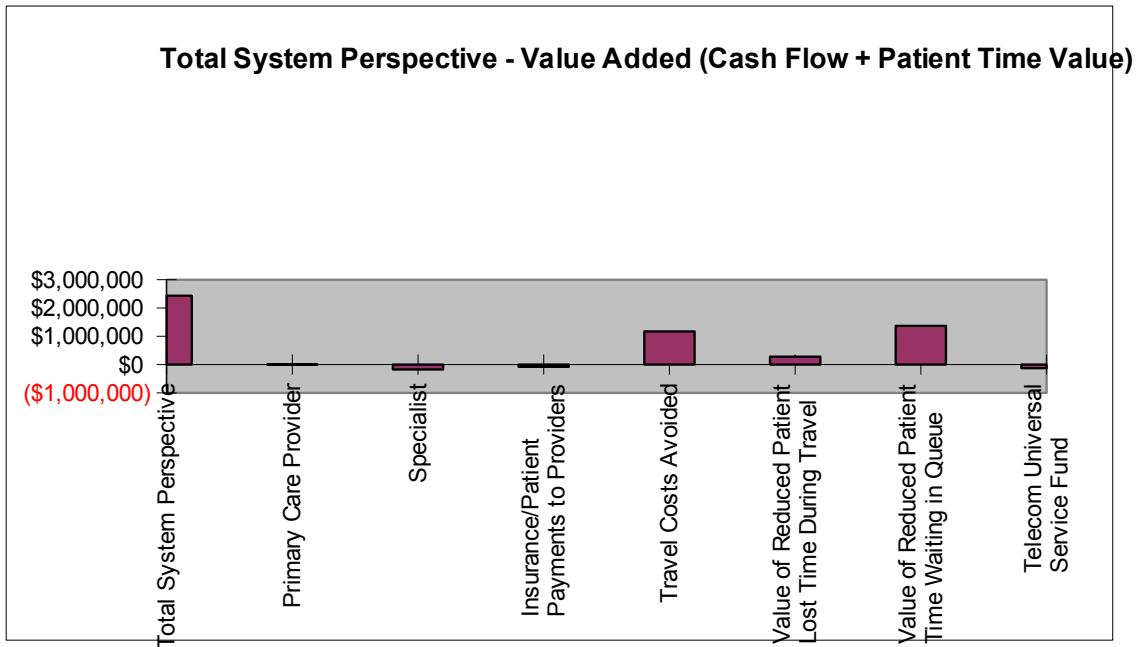
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## Illustrative Business Cases

### Remote Rural

#### Total System Perspective (including patient time value)



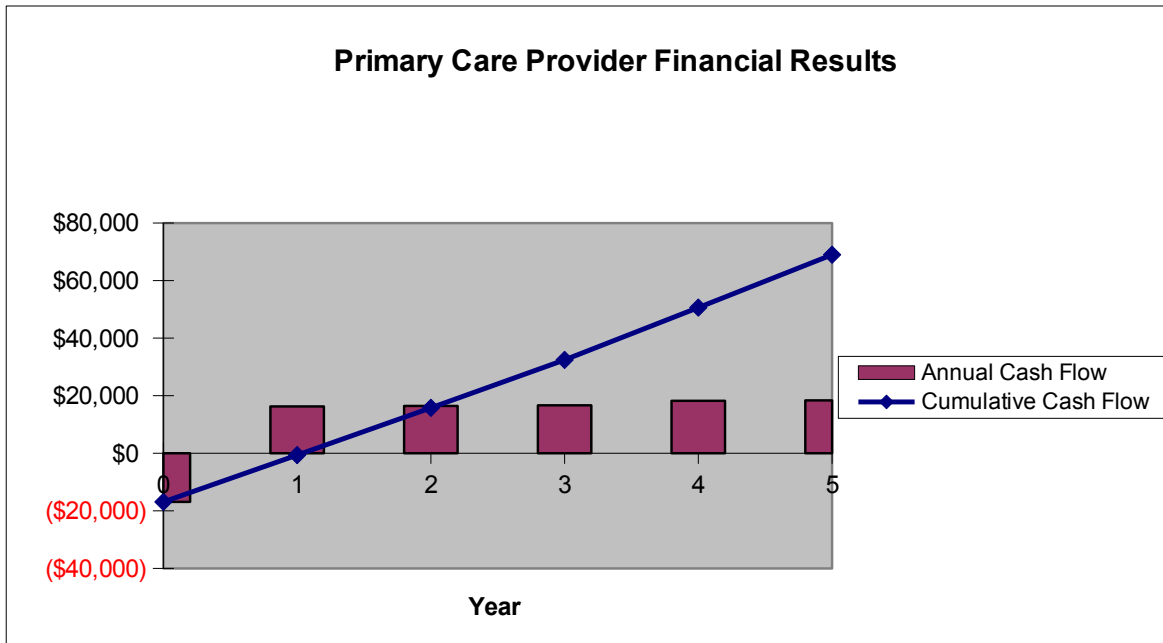
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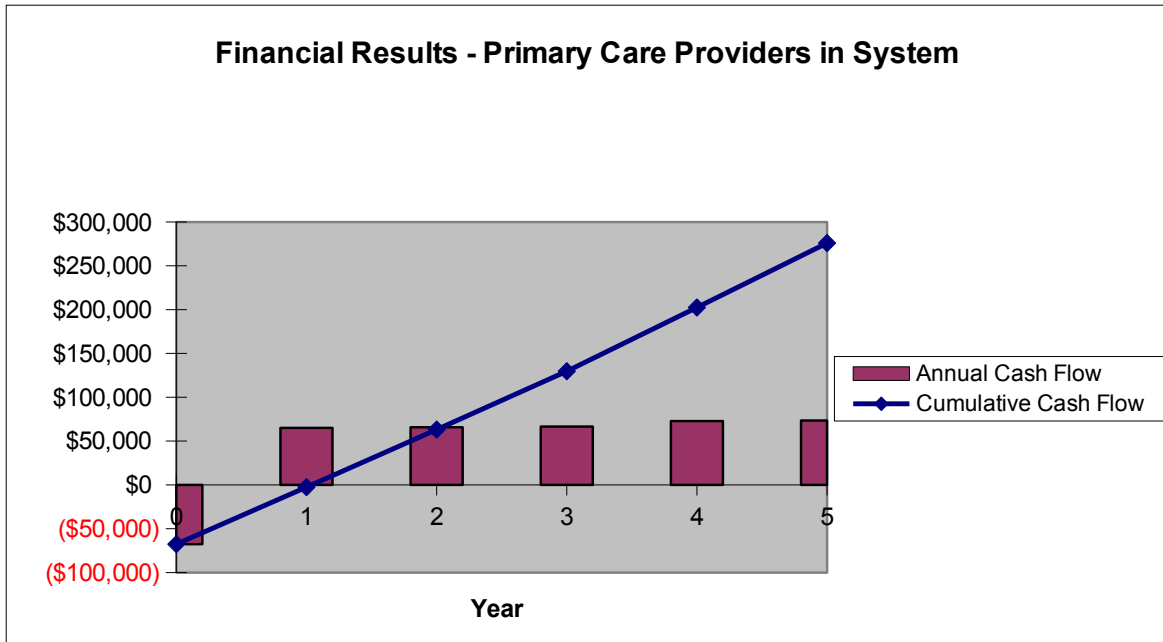
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Underserved Population

Primary Care Provider (Individual)



Primary Care Providers (All primary providers provider referrals to the specialist)



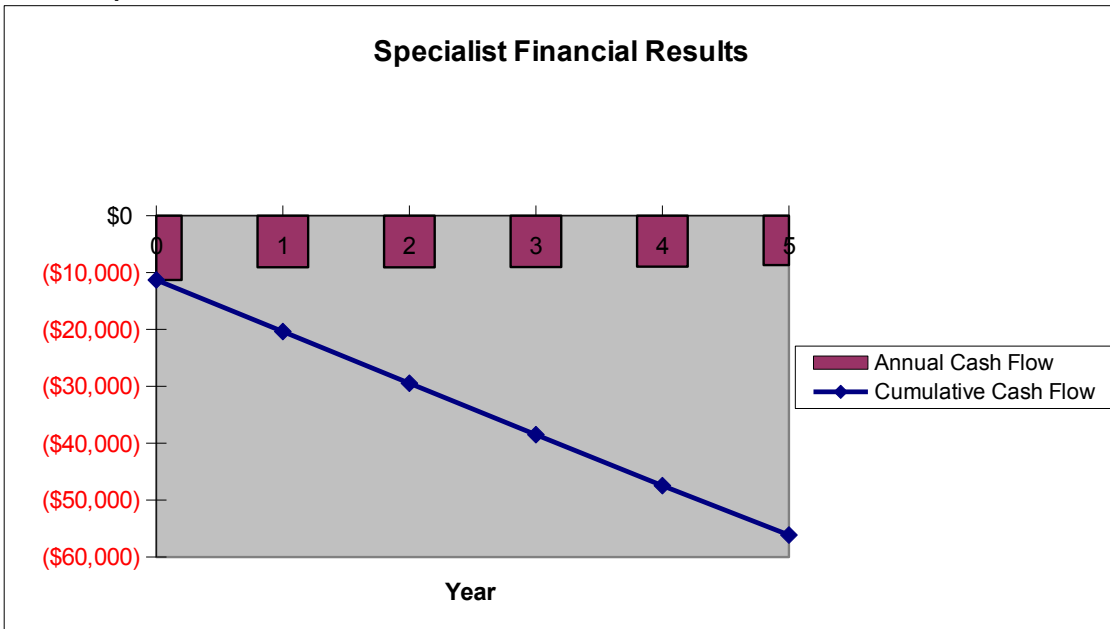
Telemed Financial Template  
Telehealth Cart

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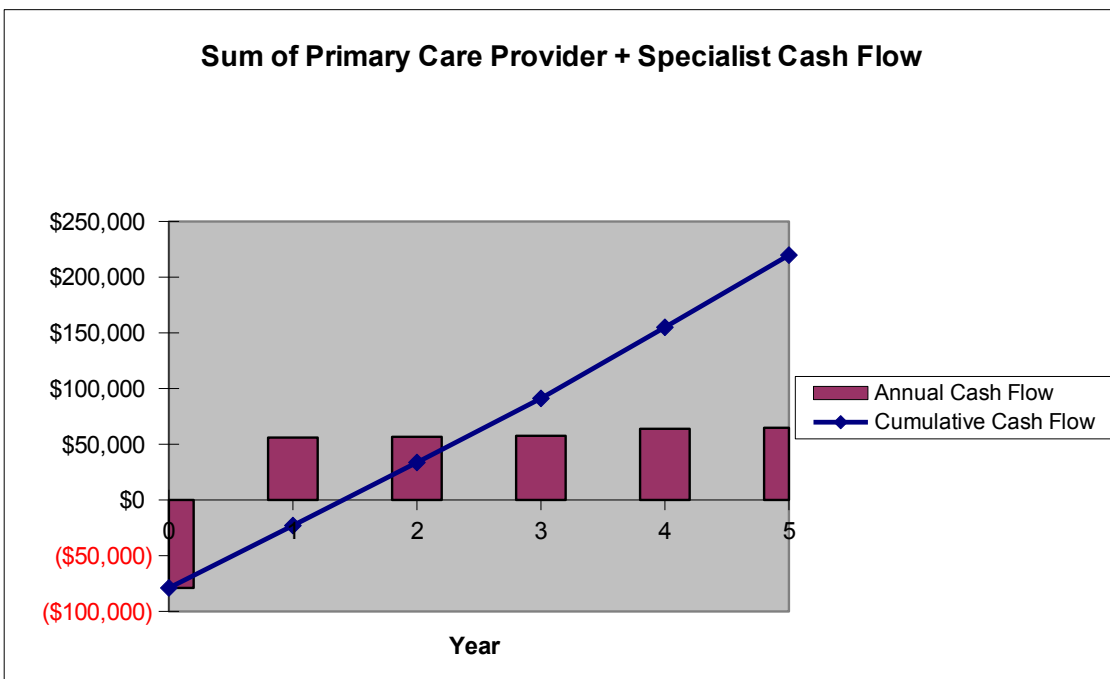
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Illustrative Business Cases

Underserved Population  
Specialist



Sum of Specialist + Primary Care Referrals



# Telemed Financial Template Telehealth Cart

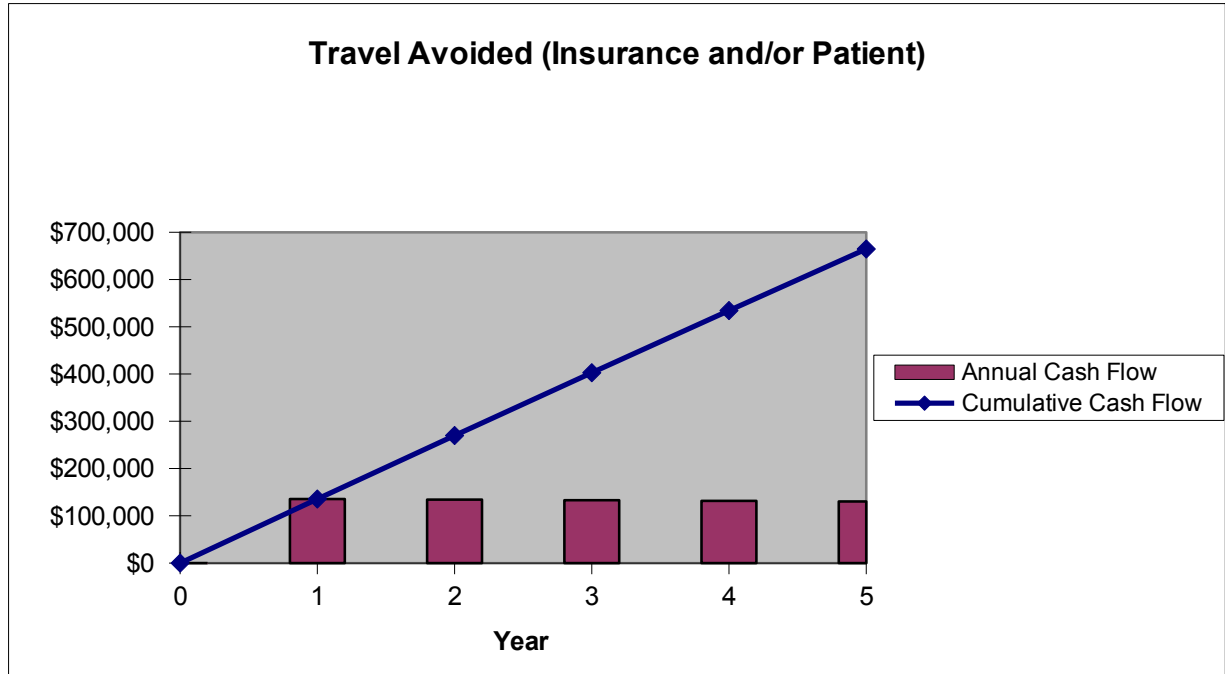
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## Illustrative Business Cases

### Underserved Population Travel Payer (Insurance and/or patient)



# Telemed Financial Template Telehealth Cart

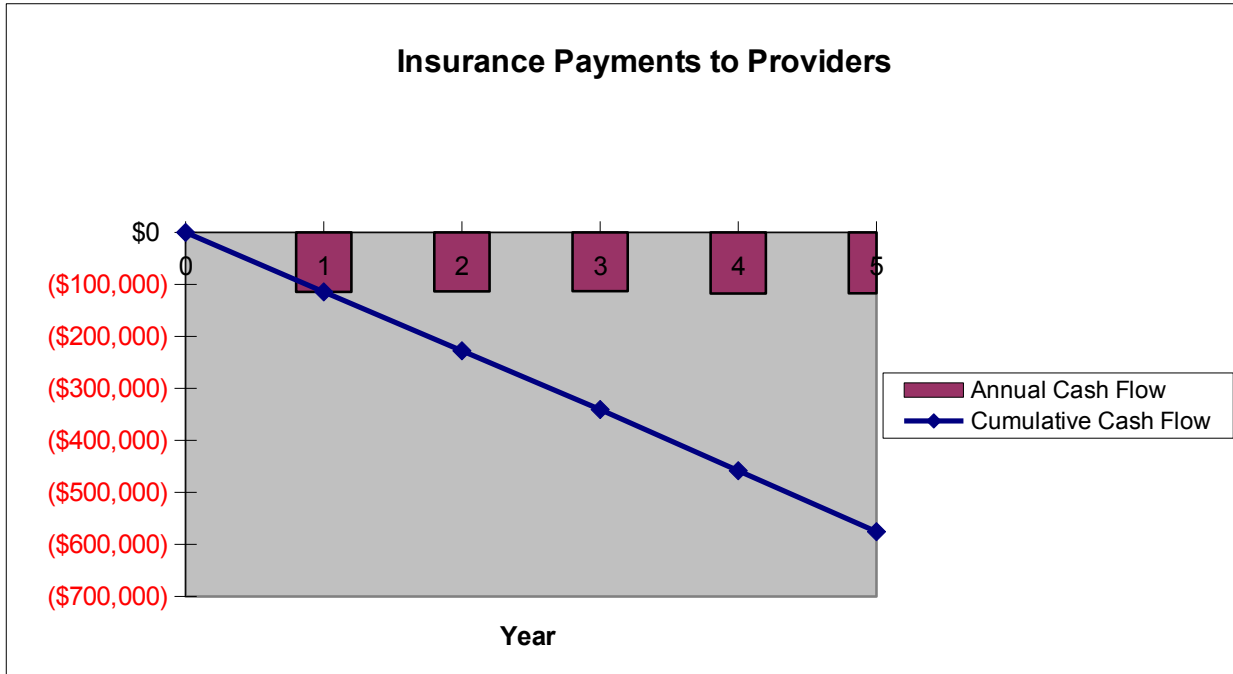
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## Illustrative Business Cases

### Underserved Population Health Coverage



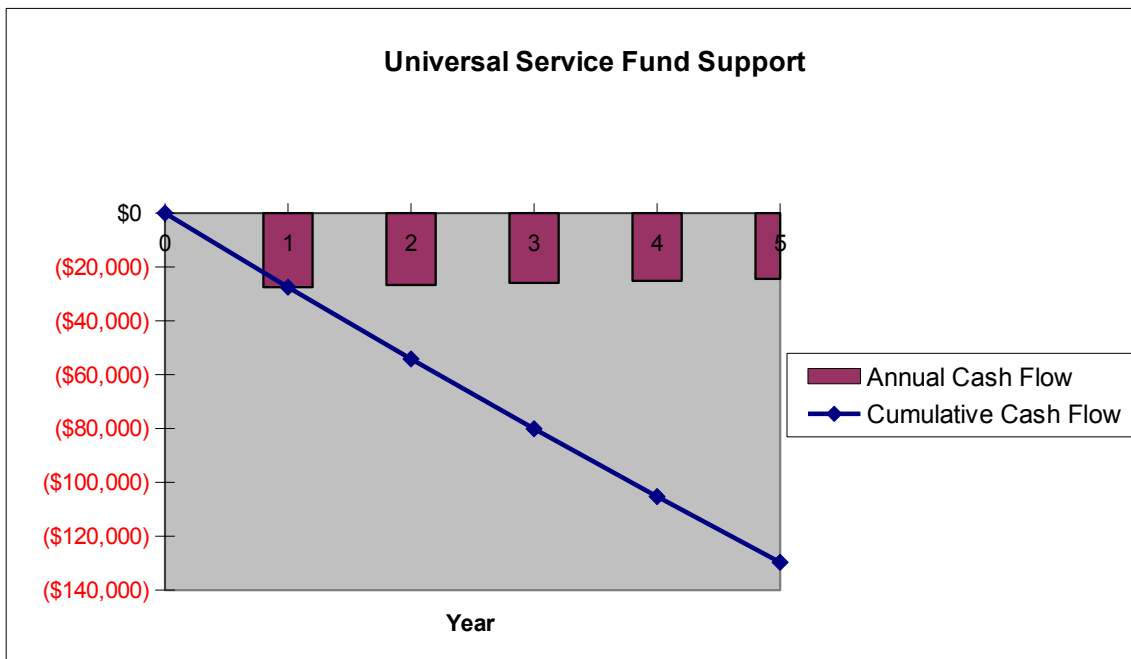
# Telemed Financial Template Telehealth Cart

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## Illustrative Business Cases

### Underserved Population Universal Service Fund



# Telemed Financial Template Telehealth Cart

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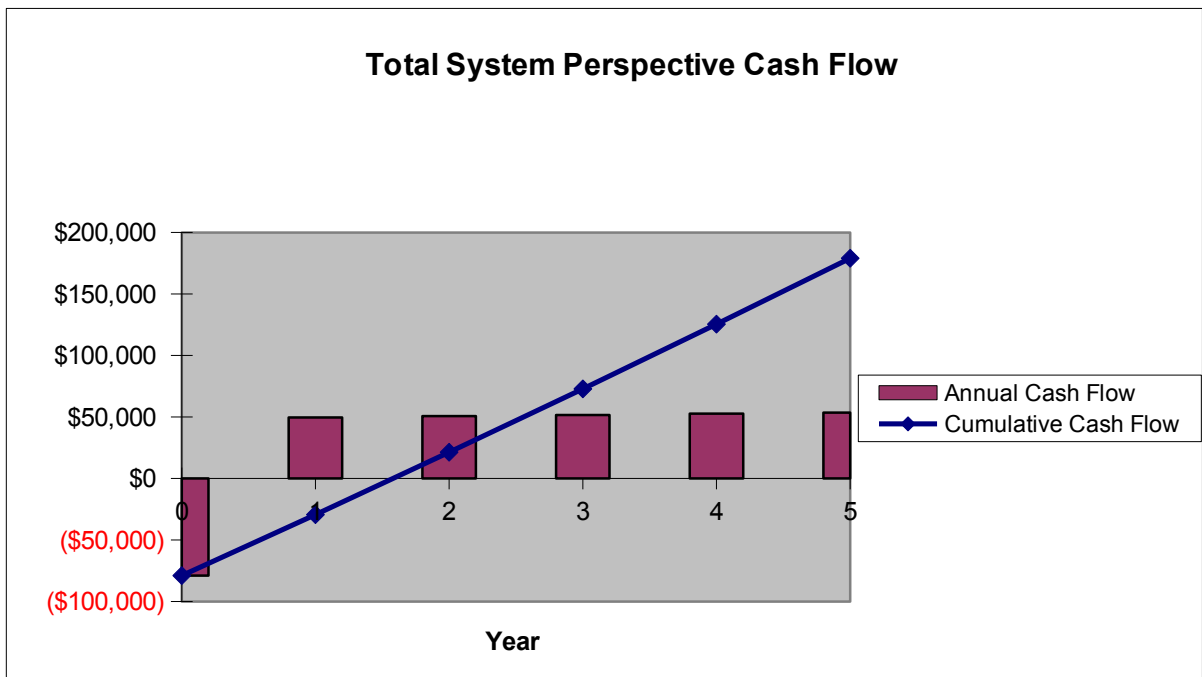
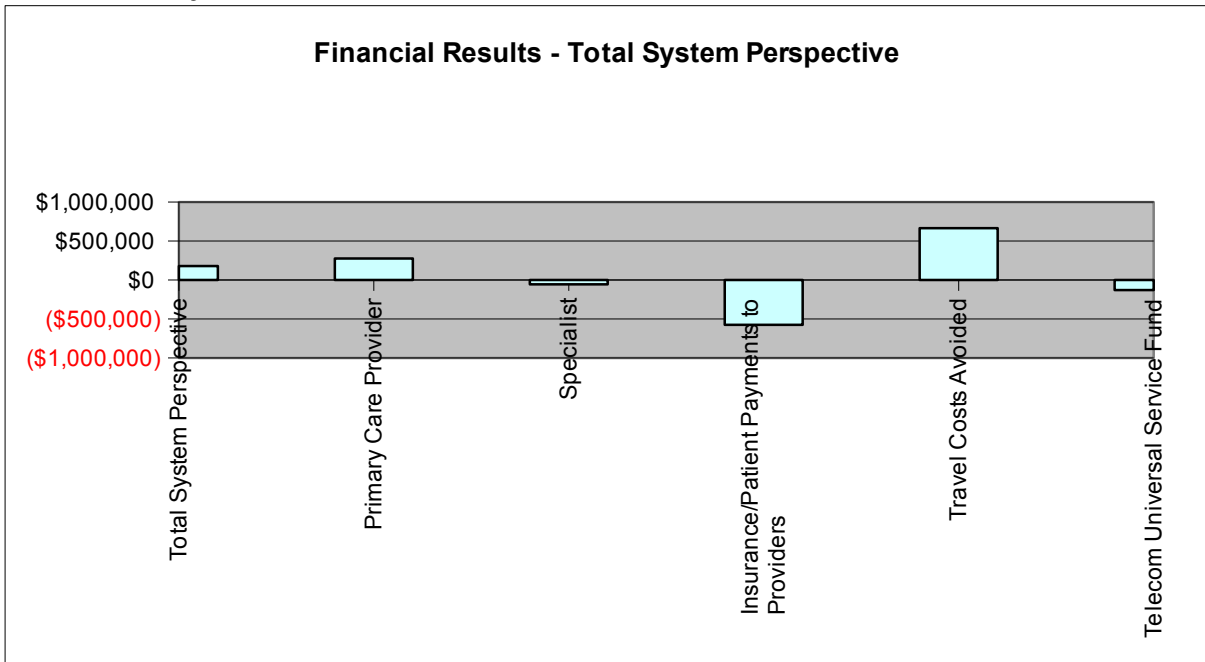
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## Illustrative Business Cases

### Underserved Population Total System





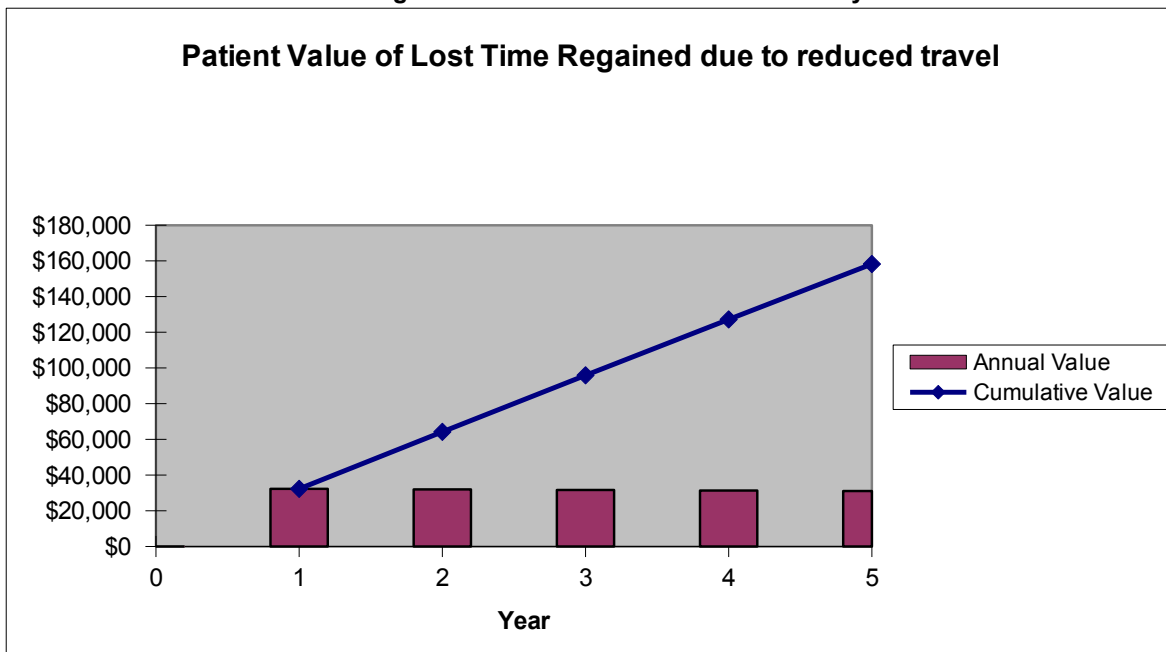
Telemed Financial Template  
Telehealth Cart

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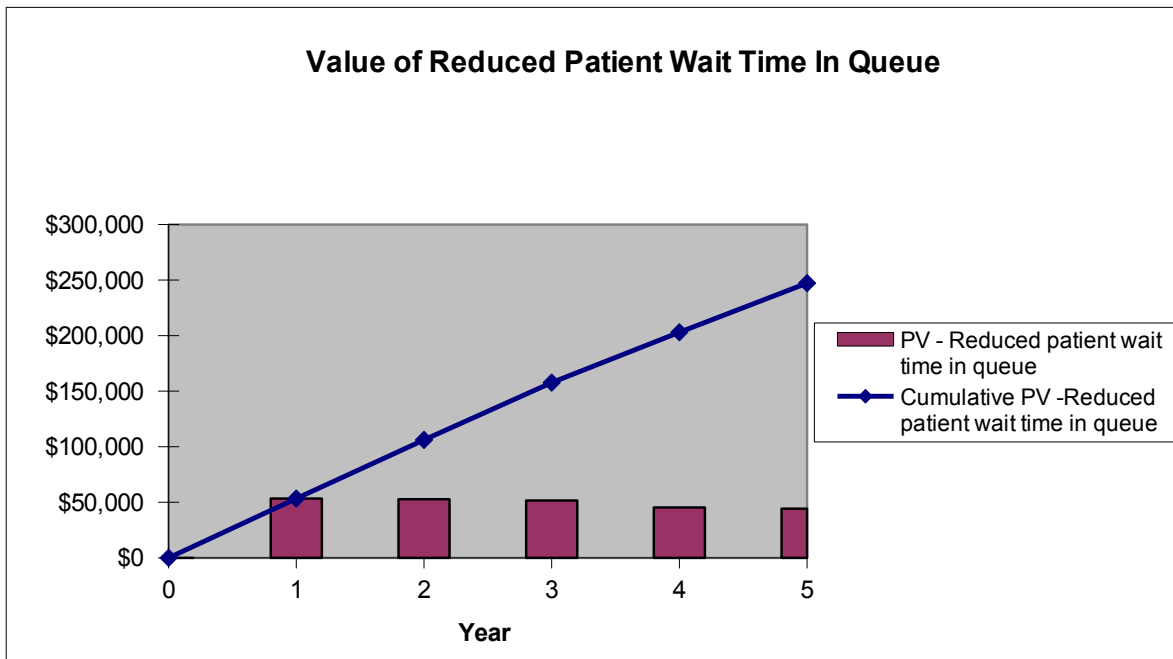
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Illustrative Business Cases

Underserved Population  
Value of Patient Time Regained due to reduction in Unnecessary Travel



Value of Reduced Patient Time in Queue waiting to see specialist



# Telemed Financial Template Telehealth Cart

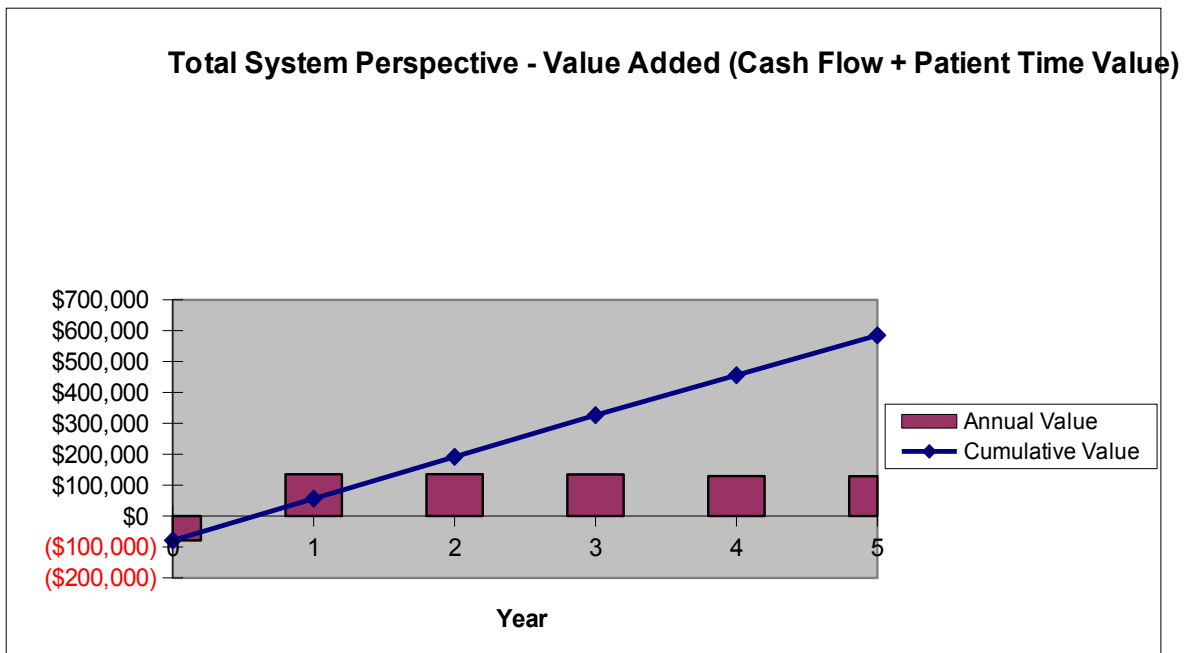
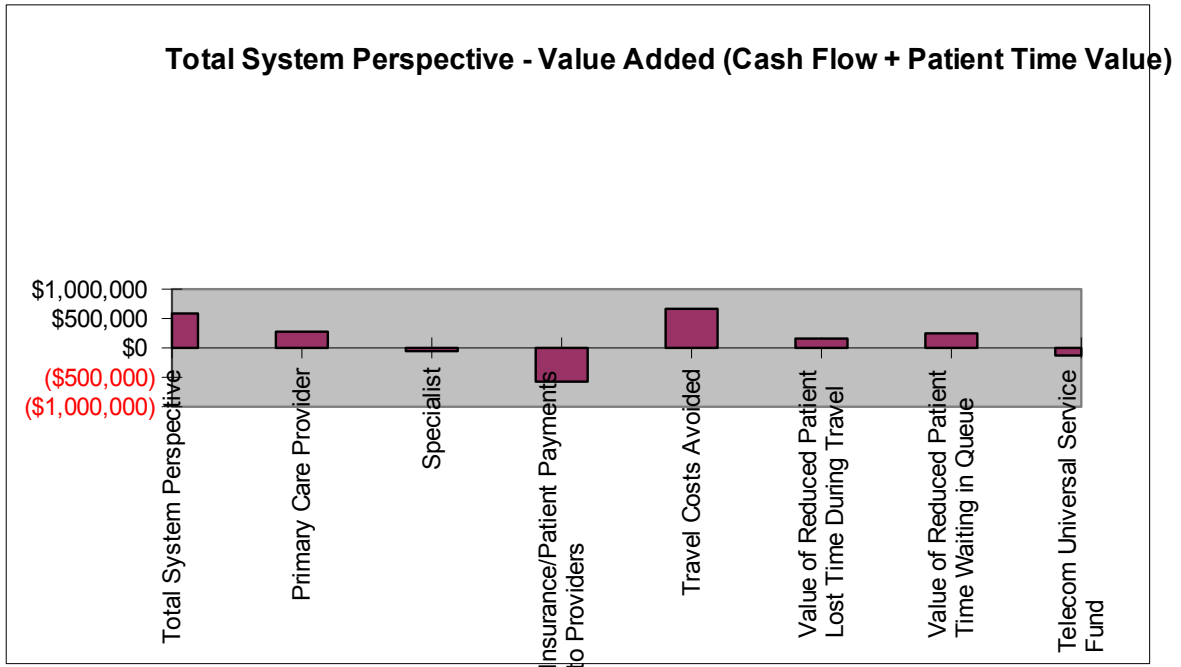
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## Illustrative Business Cases

### Underserved Population

#### Total System Perspective (including patient time value)



Telemed Financial Template  
Telehealth Cart

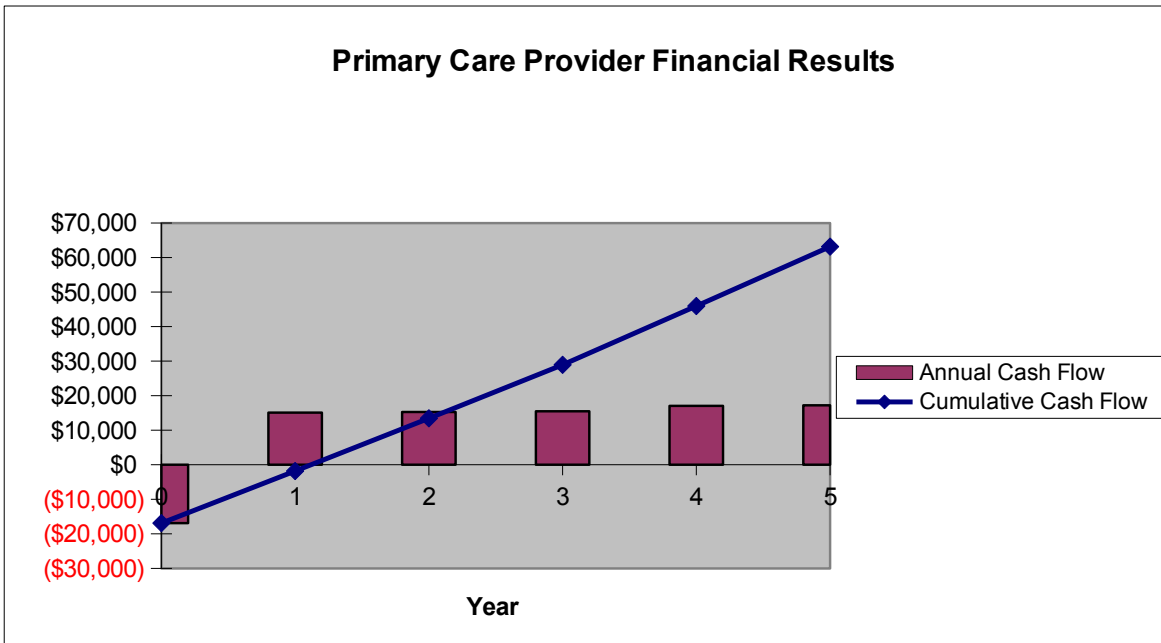
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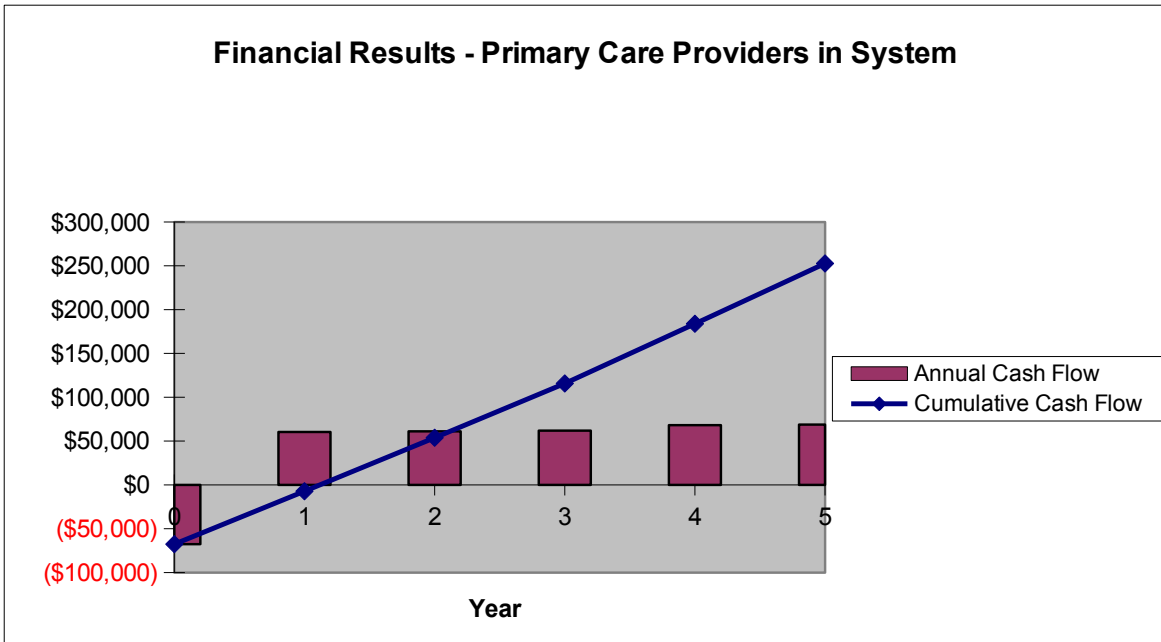
Illustrative Business Cases

Reduce Itinerant Specialist Travel to Rural Primary Care Clinics; Substitute telehealth consults

Primary Care Provider (Individual)



Primary Care Providers (All primary providers provider referrals to the specialist)



Telemed Financial Template  
Telehealth Cart

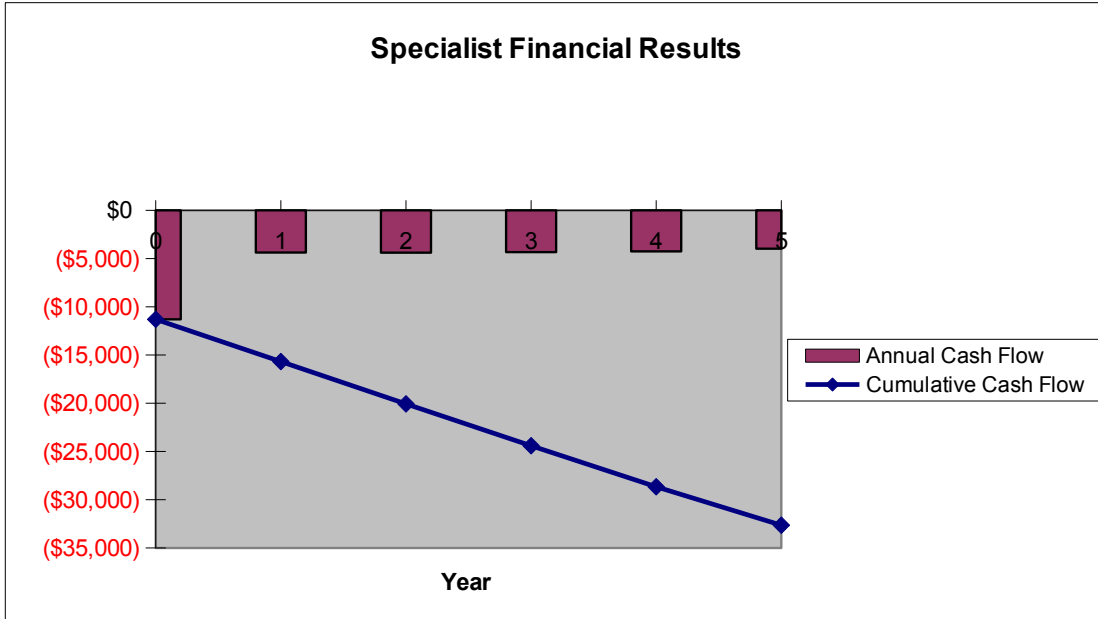
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mafa@gci.net

Comments to:

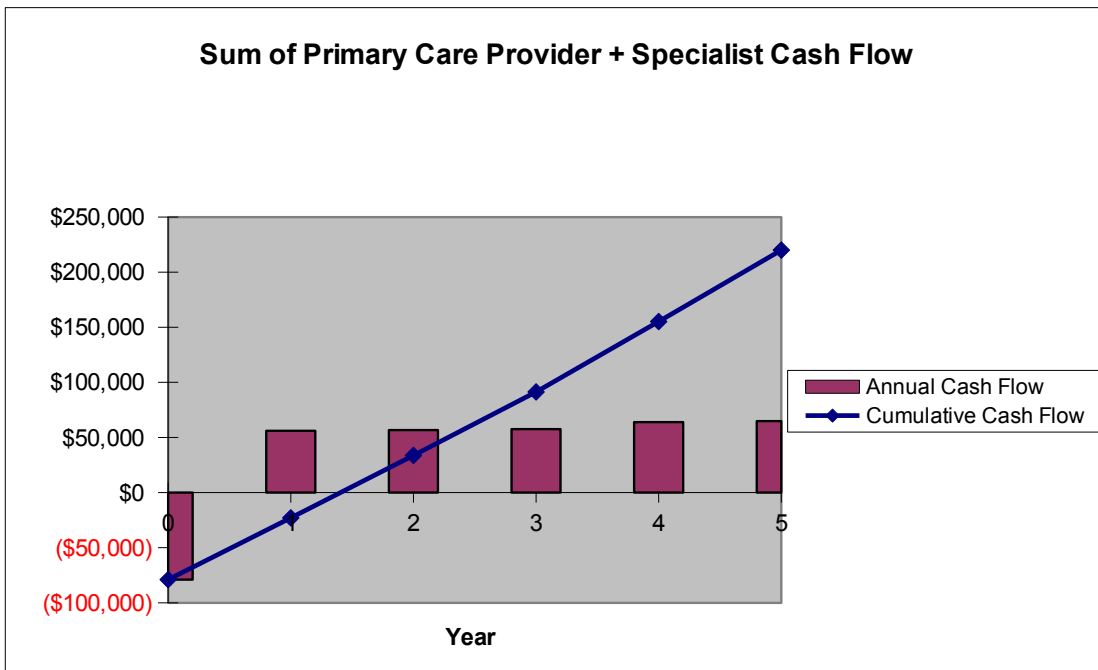
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Illustrative Business Cases

Reduce Itinerant Specialist Travel to Rural Primary Care Clinics; Substitute telehealth consults  
Specialist



Sum of Specialist + Primary Care Referrals



# Telemed Financial Template Telehealth Cart

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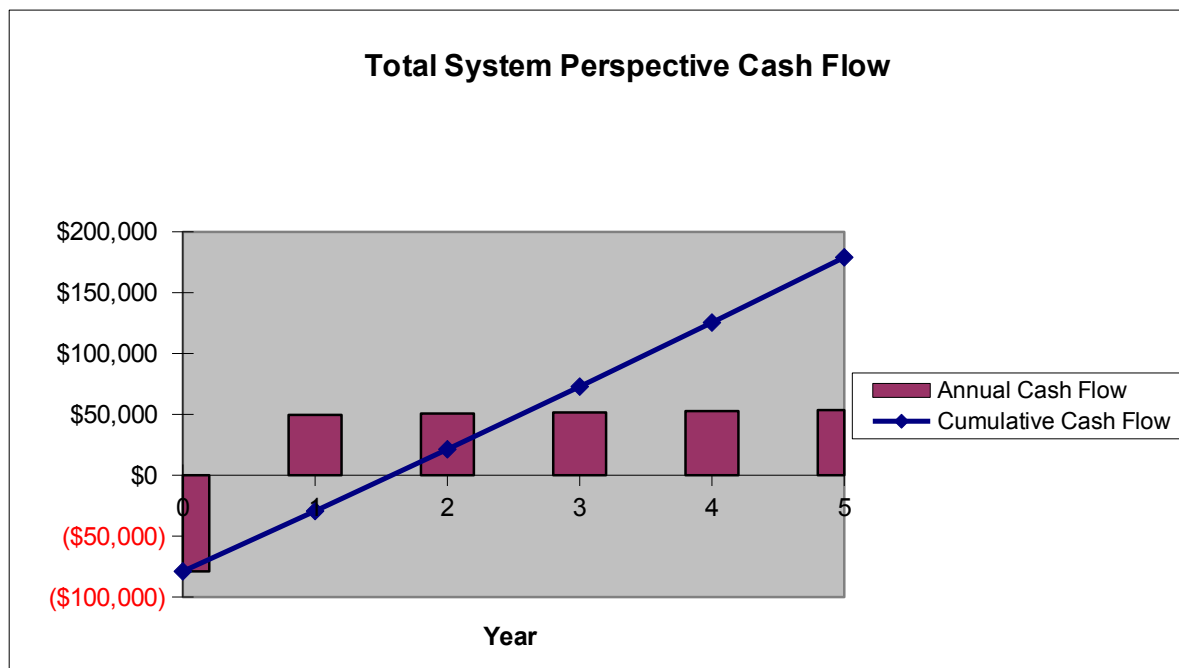
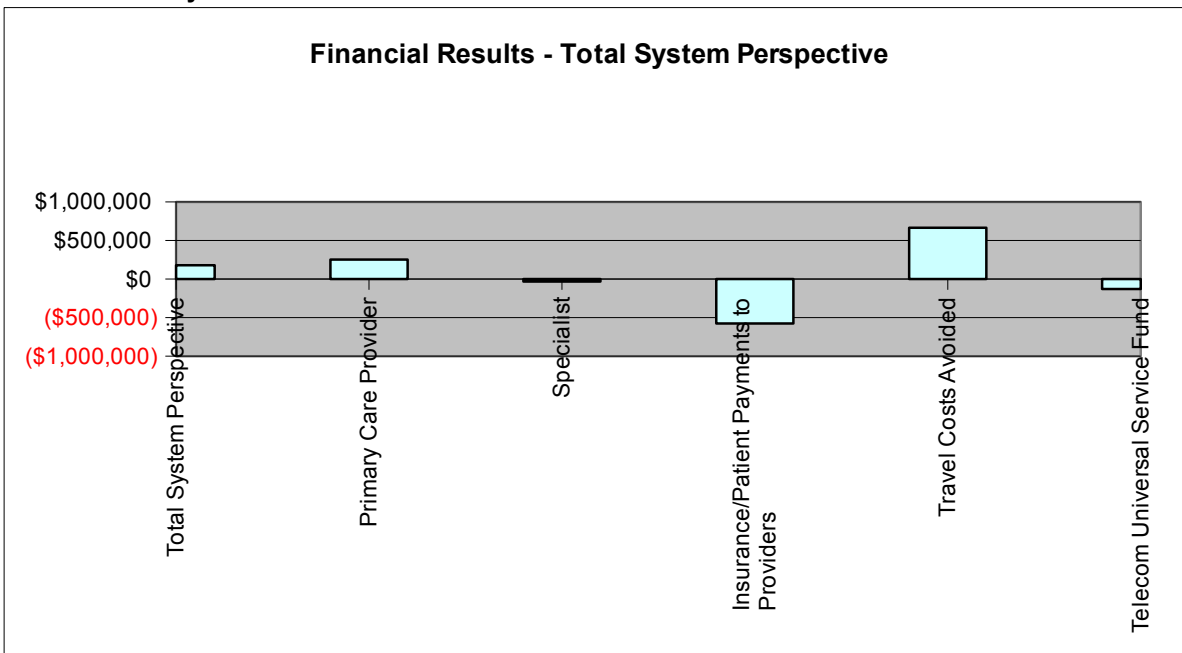
Comments to:

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## Illustrative Business Cases

### Reduce Itinerant Specialist Travel to Rural Primary Care Clinics; Substitute telehealth consults Total System



Telemed Financial Template  
 Telehealth Cart

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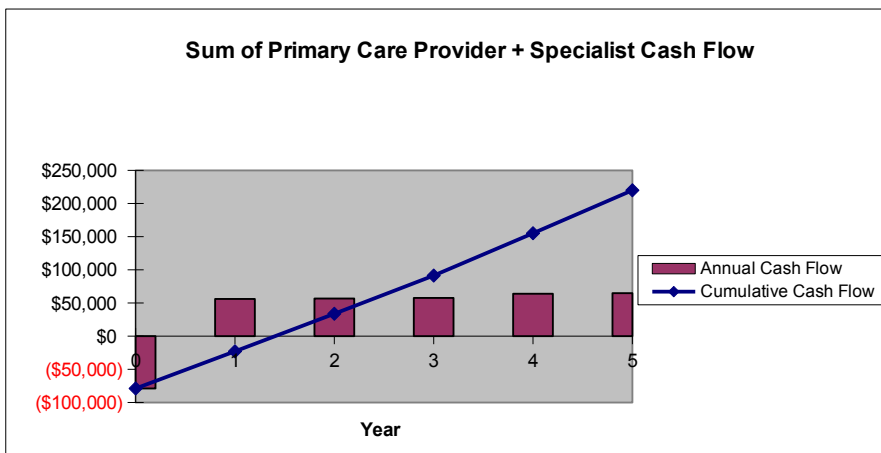
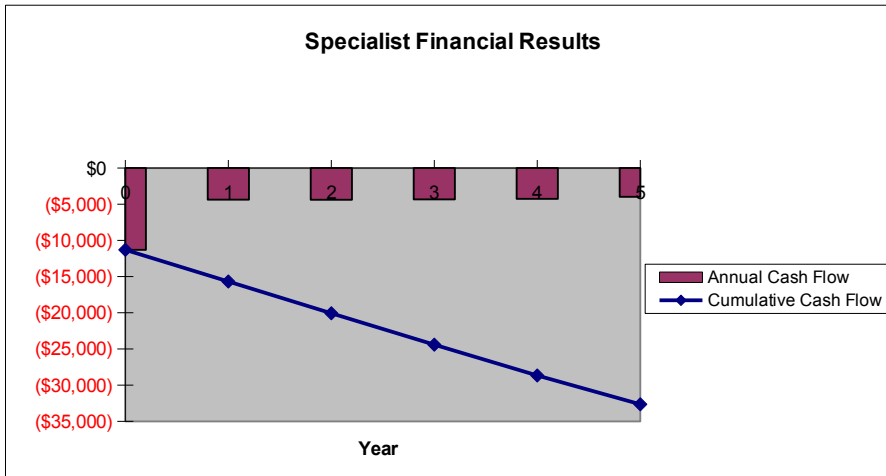
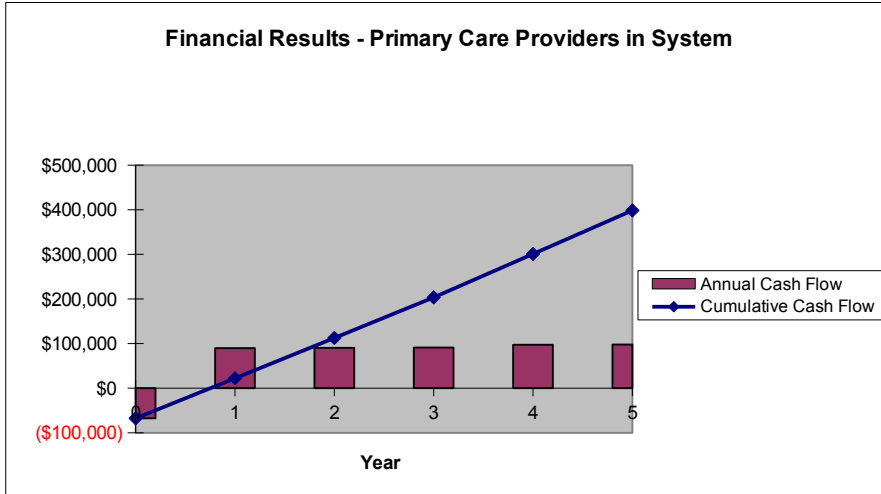
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**Illustrative Business Cases**

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**Recapture Local Bypass (Specialist with 20% share of pre-existing bypass)**



# Telemed Financial Template Telehealth Cart

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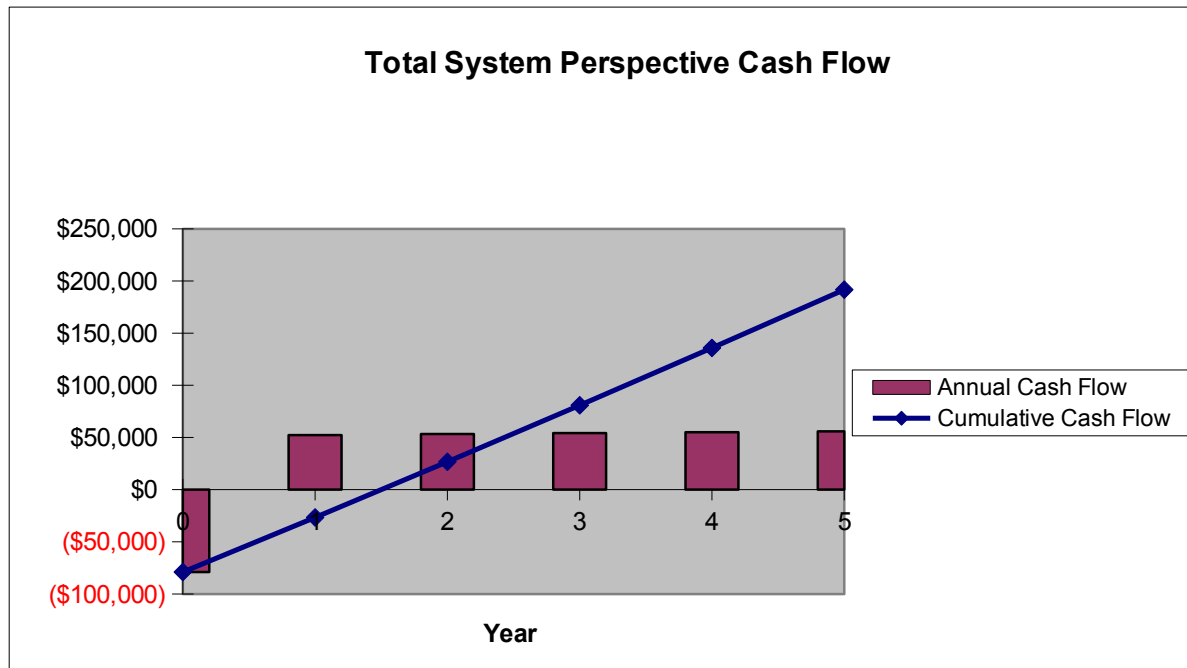
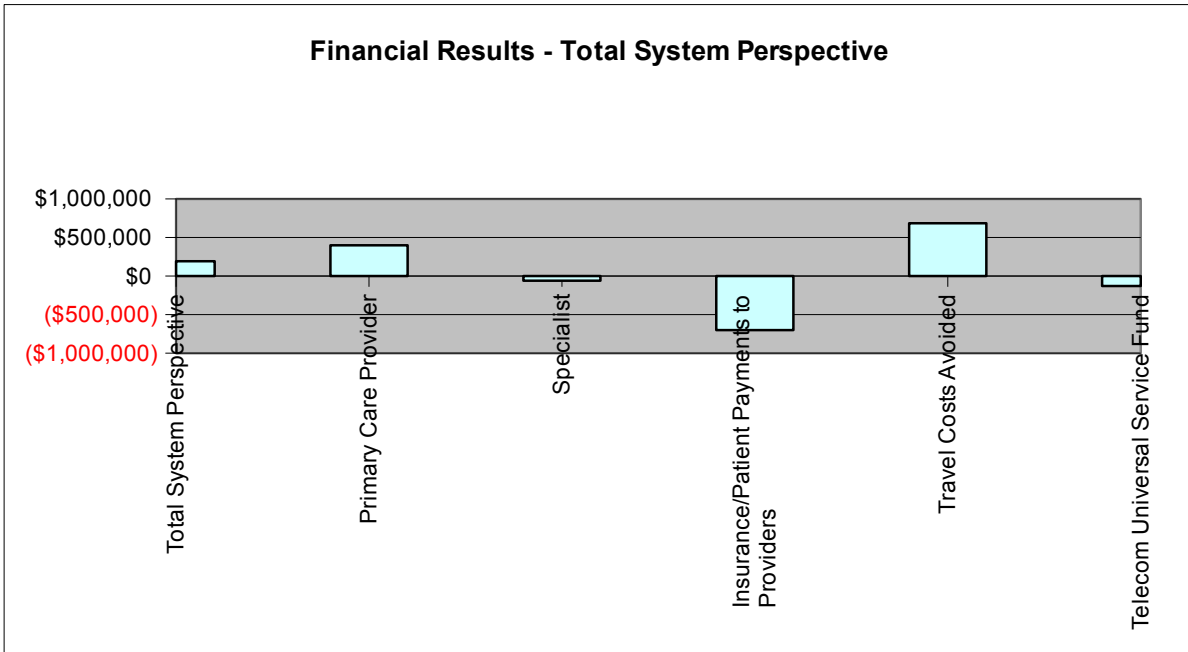
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## Illustrative Business Cases

### Recapture Local Bypass (Specialist with 20% share of pre-existing bypass)



Telemed Financial Template  
Telehealth Cart

Comments to:

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mafa@gci.net

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Scale Analysis

Start with Initial Investment & Fixed Operating Costs (i.e., training) and scale up in search of "break-even"

Patients travel to Specialists		4.5 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						232		
8 Primary Care Facilities										
1 Specialist										
No change in 12% bypass of local primary care facility										
60% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)										
Cost Attribution (Medium Low)										
Net Present Value										
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Patients travel to Specialist)										
Base Case = Start with Initial Investment & Fixed Costs		(\$721,372)	(\$16,641)	\$0	\$0	(\$245,242)	(\$983,256)	na	(\$738,013)	\$0
Telemed Consults #/week										
20%	10.3 Telemed consults	(\$697,298)	(\$17,643)	(\$23,073)	\$185,109	(\$245,242)	(\$798,146)	\$522	(\$714,940)	\$162,036
40%	20.7 Telemed consults	(\$673,223)	(\$18,298)	(\$46,493)	\$370,219	(\$245,242)	(\$613,037)	\$261	(\$691,521)	\$323,726
60%	31.0 Telemed consults	(\$649,149)	(\$18,840)	(\$70,024)	\$555,328	(\$245,242)	(\$427,928)	\$174	(\$667,989)	\$485,304
70%	36.2 Telemed consults	(\$637,111)	(\$19,499)	(\$81,403)	\$647,883	(\$245,242)	(\$335,373)	\$149	(\$656,610)	\$566,480
75%	38.8 Telemed consults	(\$631,093)	(\$19,630)	(\$87,290)	\$694,160	(\$245,242)	(\$289,096)	\$139	(\$650,723)	\$606,870
80%	41.4 Telemed consults	(\$625,074)	(\$19,898)	(\$93,041)	\$740,438	(\$245,242)	(\$242,818)	\$131	(\$644,972)	\$647,397
85%	44.0 Telemed consults	(\$619,056)	(\$20,134)	(\$98,824)	\$786,715	(\$245,242)	(\$196,541)	\$123	(\$639,189)	\$687,891
90%	46.5 Telemed consults	(\$613,037)	(\$20,301)	(\$104,676)	\$832,992	(\$245,242)	(\$150,263)	\$116	(\$633,338)	\$728,317
95%	49.1 Telemed consults	(\$607,018)	(\$20,772)	(\$110,223)	\$879,270	(\$245,242)	(\$103,986)	\$110	(\$627,791)	\$769,047
100%	51.7 Telemed consults	(\$601,000)	(\$20,879)	(\$116,135)	\$925,547	(\$245,242)	(\$57,709)	\$104	(\$621,879)	\$809,412
<p>*Also note that if specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a <i>relatively high rate of referrals</i> to cause the work load to exceed capacity and generate or enlarge the queue.</p>										
Notes:										
Incremental Evaluation & Management Revenue		0	-							
In-person consult		0	-							
Telemed consult		+	+							
Incremental Treatment Revenue		+	-							

Patients travel to Specialists		4.5 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						232		
8 Primary Care Facilities										
1 Specialist										
No change in 12% bypass of local primary care facility										
80% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)										
Cost Attribution (Medium Low)										
Net Present Value										
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Patients travel to Specialist)										
Base Case = Start with Initial Investment & Fixed Costs		(\$721,372)	(\$16,641)	\$0	\$0	(\$245,242)	(\$983,256)	na	(\$738,013)	\$0
Telemed Consults #/week										
20%	10.3 Telemed consults	(\$686,705)	(\$55,950)	\$4,641	\$370,219	(\$245,242)	(\$613,037)	\$522	(\$742,654)	\$374,860
40%	20.7 Telemed consults	(\$652,037)	(\$95,747)	\$9,771	\$740,438	(\$245,242)	(\$242,818)	\$261	(\$747,784)	\$750,208
60%	31.0 Telemed consults	(\$617,370)	(\$135,675)	\$15,031	\$1,110,656	(\$245,242)	(\$127,491)	\$174	(\$753,045)	\$1,125,688
70%	36.2 Telemed consults	(\$600,036)	(\$155,225)	\$17,248	\$1,295,766	(\$245,242)	\$312,510	\$149	(\$755,261)	\$1,313,014
75%	38.8 Telemed consults	(\$591,369)	(\$164,929)	\$18,285	\$1,388,321	(\$245,242)	\$405,065	\$139	(\$756,298)	\$1,406,606
80%	41.4 Telemed consults	(\$582,702)	(\$174,741)	\$19,430	\$1,480,875	(\$245,242)	\$497,619	\$131	(\$757,443)	\$1,500,305
85%	44.0 Telemed consults	(\$574,035)	(\$184,877)	\$20,899	\$1,573,430	(\$245,242)	\$590,174	\$123	(\$758,912)	\$1,594,329
90%	46.5 Telemed consults	(\$565,368)	(\$194,712)	\$22,067	\$1,665,985	(\$245,242)	\$682,729	\$116	(\$760,080)	\$1,688,052
95%	49.1 Telemed consults	(\$556,702)	(\$204,725)	\$23,413	\$1,758,539	(\$245,242)	\$775,284	\$110	(\$761,426)	\$1,781,952
100%	51.7 Telemed consults	(\$548,035)	(\$214,738)	\$24,759	\$1,851,094	(\$245,242)	\$867,838	\$104	(\$762,773)	\$1,875,853
<p>*Also note that if <i>primary care</i> is at or near capacity (e.g., 3% spare), there is the potential for an increase in local treatment effort (instead of a referral to a specialist clinic) to cause the work load to exceed capacity and generate or enlarge the queue.</p>										
Notes:										
Incremental Evaluation & Management Revenue		0	--							
In-person consult		0	---							
Telemed consult		+	+							
Incremental Treatment Revenue		+	---							



Telemed Financial Template  
Telehealth Cart

Comments to:

31-Mar-06  
mafa@gci.net

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Scale Analysis

Start with Initial Investment & Fixed Operating Costs and scale up in search of "break-even"

Patients travel to Specialists		7.3	Primary Care Encounters per week <i>potentially suitable for telemed consult</i>					381			
8 Primary Care Facilities											
1 Specialist											
No change in 12% bypass of local primary care facility											
60% Specialist Referral Rate (Without Telehealth)											
40% Specialist Referral Rate (With Telehealth)											
Cost Attribution (Medium Low)											
			5%								
			Net Present Value								
			Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Patients travel to Specialist)											
Base Case = Start with Initial Investment & Fixed Costs			(\$603,121)	(\$10,444)	\$0	\$0	(\$259,417)	(\$872,982)	na	(\$613,565)	\$0
Telemed											
Consults	#/week										
20%	10.3	Telemed consults	(\$561,142)	(\$11,605)	(\$40,818)	\$322,654	(\$259,417)	(\$550,328)	\$248	(\$572,747)	\$281,835
40%	20.7	Telemed consults	(\$519,163)	(\$13,163)	(\$81,239)	\$645,307	(\$259,417)	(\$227,674)	\$124	(\$532,326)	\$564,068
60%	31.0	Telemed consults	(\$477,184)	(\$15,449)	(\$120,932)	\$967,961	(\$259,417)	\$94,979	\$83	(\$492,633)	\$847,029
70%	36.2	Telemed consults	(\$456,195)	(\$15,815)	(\$141,556)	\$1,129,288	(\$259,417)	\$256,306	\$71	(\$472,009)	\$987,732
75%	38.8	Telemed consults	(\$445,700)	(\$16,052)	(\$151,813)	\$1,209,951	(\$259,417)	\$336,970	\$66	(\$461,752)	\$1,058,138
80%	41.4	Telemed consults	(\$435,205)	(\$16,244)	(\$162,115)	\$1,290,615	(\$259,417)	\$417,633	\$62	(\$451,450)	\$1,128,499
85%	44.0	Telemed consults	(\$424,710)	(\$16,609)	(\$172,245)	\$1,371,278	(\$259,417)	\$498,296	\$58	(\$441,320)	\$1,199,033
90%	46.5	Telemed consults	(\$414,216)	(\$17,102)	(\$182,247)	\$1,451,941	(\$259,417)	\$578,960	\$55	(\$431,318)	\$1,269,694
95%	49.1	Telemed consults	(\$403,721)	(\$17,681)	(\$192,163)	\$1,532,605	(\$259,417)	\$659,623	\$52	(\$421,402)	\$1,340,442
100%	51.7	Telemed consults	(\$393,226)	(\$17,934)	(\$202,405)	\$1,613,268	(\$259,417)	\$740,287	\$50	(\$411,160)	\$1,410,863
Notes:			*Also note that if specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a <i>relatively high rate of referrals</i> to cause the work load to exceed capacity and generate or enlarge the queue.								
Incremental Evaluation & Management Revenue			0	-							
In-person consult			0	-							
Telemed consult			+	+							
Incremental Treatment Revenue			+	-							

Patients travel to Specialists		7.3	Primary Care Encounters per week <i>potentially suitable for telemed consult</i>					381			
8 Primary Care Facilities											
1 Specialist											
No change in 12% bypass of local primary care facility											
80% Specialist Referral Rate (Without Telehealth)											
40% Specialist Referral Rate (With Telehealth)											
Cost Attribution (Medium Low)											
			5%								
			Net Present Value								
			Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Patients travel to Specialist)											
Base Case = Start with Initial Investment & Fixed Costs			(\$603,121)	(\$10,444)	\$0	\$0	(\$259,417)	(\$872,982)	na	(\$613,565)	\$0
Telemed											
Consults	#/week										
20%	10.3	Telemed consults	(\$542,671)	(\$79,766)	\$8,871	\$645,307	(\$259,417)	(\$227,674)	\$248	(\$622,436)	\$654,179
40%	20.7	Telemed consults	(\$482,221)	(\$148,888)	\$17,544	\$1,290,615	(\$259,417)	(\$417,633)	\$124	(\$631,109)	\$1,308,158
60%	31.0	Telemed consults	(\$421,770)	(\$217,793)	\$25,998	\$1,935,922	(\$259,417)	\$1,062,940	\$83	(\$639,563)	\$1,961,920
70%	36.2	Telemed consults	(\$391,545)	(\$252,402)	\$30,382	\$2,258,576	(\$259,417)	\$1,385,594	\$71	(\$643,947)	\$2,288,958
75%	38.8	Telemed consults	(\$376,433)	(\$270,114)	\$32,982	\$2,419,902	(\$259,417)	\$1,546,921	\$66	(\$646,547)	\$2,452,884
80%	41.4	Telemed consults	(\$361,320)	(\$287,676)	\$35,431	\$2,581,229	(\$259,417)	\$1,708,248	\$62	(\$648,996)	\$2,616,660
85%	44.0	Telemed consults	(\$346,208)	(\$304,716)	\$37,359	\$2,742,556	(\$259,417)	\$1,869,574	\$58	(\$650,924)	\$2,779,915
90%	46.5	Telemed consults	(\$331,095)	(\$321,715)	\$39,245	\$2,903,883	(\$259,417)	\$2,030,901	\$55	(\$652,810)	\$2,943,128
95%	49.1	Telemed consults	(\$315,983)	(\$338,988)	\$41,406	\$3,065,210	(\$259,417)	\$2,192,228	\$52	(\$654,971)	\$3,106,615
100%	51.7	Telemed consults	(\$300,870)	(\$356,392)	\$43,698	\$3,226,536	(\$259,417)	\$2,353,555	\$50	(\$657,263)	\$3,270,234
Notes:			*Also note that if specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a <i>relatively low rate of referrals</i> to cause the work load to decrease, allowing the specialist to reduce the queue or expand service to heretofore unserved populations.								
Incremental Evaluation & Management Revenue			0	--							
In-person consult			0	---							
Telemed consult			+	+							
Incremental Treatment Revenue			+	---							

Telemed Financial Template  
Telehealth Cart

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Scale Analysis

31-Mar-06  
mafa@gci.net

Start with Initial Investment & Fixed Operating Costs and scale up in search of "break-even"

Patients travel to Specialists		14.0	Primary Care Encounters per week potentially suitable for telemed consult						728		
8 Primary Care Facilities											
1 Specialist											
No change in 12% bypass of local primary care facility											
60% Specialist Referral Rate (Without Telehealth)											
40% Specialist Referral Rate (With Telehealth)											
Cost Attribution (Medium Low)											
Net Present Value											
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings	
\$ Difference Compared to Base Case (Patients travel to Specialist)											
Base Case = Start with Initial Investment & Fixed Costs		(\$603,121)	(\$10,444)	\$0	\$0	(\$259,417)	(\$872,982)	na	(\$613,565)	\$0	
Telemed Consults #/week											
20%	19.7	Telemed consults	(\$523,119)	(\$13,421)	(\$77,025)	\$614,900	(\$259,417)	(\$258,081)	\$130	(\$536,540)	\$537,875
40%	39.4	Telemed consults	(\$443,117)	(\$46,163)	(\$154,071)	\$1,229,800	(\$259,417)	(\$327,032)	\$190	(\$489,280)	\$1,075,729
60%	59.1	Telemed consults	(\$363,116)	(\$179,658)	(\$231,339)	\$1,844,700	(\$259,417)	\$811,172	\$128	(\$542,774)	\$1,613,362
70%	69.0	Telemed consults	(\$323,115)	(\$182,726)	(\$269,605)	\$2,152,150	(\$259,417)	\$1,117,288	\$110	(\$505,841)	\$1,882,546
75%	73.9	Telemed consults	(\$303,115)	(\$184,036)	(\$288,867)	\$2,305,876	(\$259,417)	\$1,270,441	\$103	(\$487,150)	\$2,017,008
80%	78.8	Telemed consults	(\$283,114)	(\$185,285)	(\$308,326)	\$2,459,601	(\$259,417)	\$1,423,459	\$97	(\$468,399)	\$2,151,274
85%	83.8	Telemed consults	(\$263,114)	(\$186,617)	(\$327,622)	\$2,613,326	(\$259,417)	\$1,576,556	\$92	(\$449,731)	\$2,285,704
90%	88.7	Telemed consults	(\$243,113)	(\$187,937)	(\$347,074)	\$2,767,051	(\$259,417)	\$1,729,509	\$87	(\$431,051)	\$2,419,976
95%	93.6	Telemed consults	(\$223,113)	(\$189,414)	(\$366,342)	\$2,920,776	(\$259,417)	\$1,882,490	\$82	(\$412,527)	\$2,554,434
100%	98.6	Telemed consults	(\$203,113)	(\$190,860)	(\$385,596)	\$3,074,501	(\$259,417)	\$2,035,515	\$79	(\$393,973)	\$2,688,904
<p>*Also note that if specialist is at or near capacity (e.g., 2% spare), there is the potential for an increase in telemed consults combined with a relatively high rate of referrals to cause the work load to exceed capacity and generate or enlarge the queue - as begins in year 5 at 39% telemed consult rate above.</p>											
Notes:											
Incremental Evaluation & Management Revenue		0	-								
In-person consult		0	-								
Telemed consult		+	+								
Incremental Treatment Revenue		+	-								

Patients travel to Specialists		14.0	Primary Care Encounters per week potentially suitable for telemed consult						728		
8 Primary Care Facilities											
1 Specialist											
No change in 12% bypass of local primary care facility											
80% Specialist Referral Rate (Without Telehealth)											
40% Specialist Referral Rate (With Telehealth)											
Cost Attribution (Medium Low)											
Net Present Value											
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings	
\$ Difference Compared to Base Case (Patients travel to Specialist)											
Base Case = Start with Initial Investment & Fixed Costs		(\$603,121)	(\$10,444)	\$0	\$0	(\$259,417)	(\$872,982)	na	(\$613,565)	\$0	
Telemed Consults #/week											
20%	19.7	Telemed consults	(\$487,917)	(\$142,268)	\$16,621	\$1,229,800	(\$259,417)	(\$356,819)	\$130	(\$630,186)	\$1,246,421
40%	39.4	Telemed consults	(\$372,714)	(\$274,200)	\$33,350	\$2,459,601	(\$259,417)	\$1,586,619	\$65	(\$646,915)	\$2,492,950
60%	59.1	Telemed consults	(\$257,511)	(\$406,111)	\$50,057	\$3,689,401	(\$259,417)	\$2,816,419	\$43	(\$663,622)	\$3,739,457
70%	69.0	Telemed consults	(\$199,909)	(\$472,055)	\$58,400	\$4,304,301	(\$259,417)	\$3,431,319	\$37	(\$671,965)	\$4,362,701
75%	73.9	Telemed consults	(\$245,062)	(\$505,016)	\$62,560	\$4,611,751	(\$259,417)	\$3,664,816	\$45	(\$750,078)	\$4,674,311
80%	78.8	Telemed consults	(\$338,316)	(\$537,691)	\$66,434	\$4,919,201	(\$259,417)	\$3,850,212	\$42	(\$876,007)	\$4,985,635
85%	83.8	Telemed consults	(\$314,346)	(\$571,040)	\$70,982	\$5,226,651	(\$259,417)	\$4,152,830	\$40	(\$885,386)	\$5,297,633
90%	88.7	Telemed consults	(\$290,377)	(\$603,898)	\$75,039	\$5,534,101	(\$259,417)	\$4,455,449	\$38	(\$894,275)	\$5,609,140
95%	93.6	Telemed consults	(\$266,407)	(\$636,600)	\$78,940	\$5,841,551	(\$259,417)	\$4,758,068	\$36	(\$903,007)	\$5,920,491
100%	98.6	Telemed consults	(\$242,438)	(\$669,593)	\$83,132	\$6,149,001	(\$259,417)	\$5,060,687	\$35	(\$912,030)	\$6,232,134
<p>*Also note that if primary care is at or near capacity (e.g., 3% spare), there is the potential for an increase in local treatment effort (instead of a referral to a specialist clinic) to cause the work load to exceed capacity and generate or enlarge the queue - as begins in year 5 at 73% telemed consult rate above.</p>											
Notes:											
Incremental Evaluation & Management Revenue		0	--								
In-person consult		0	--								
Telemed consult		+	+								
Incremental Treatment Revenue		+	--								

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31-Mar-06  
mafa@gci.net

Start with Initial Investment & Fixed Operating Costs (i.e., training) and scale up in search of "break-even"

Patients travel to Specialists		9.8 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						508			
8 Primary Care Facilities 1 Specialist No change in 12% bypass of local primary care facility											
60% Specialist Referral Rate (Without Telehealth)											
40% Specialist Referral Rate (With Telehealth) Cost Attribution (Medium)											
		Net Present Value									
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings	
\$ Difference Compared to Base Case (Patients travel to Specialist)											
Base Case = Start with Initial Investment & Fixed Costs		(\$767,189)	(\$16,641)	\$0	\$0	(\$2,452,423)	(\$3,236,253)	na	(\$783,830)	\$0	
<i>Telemed Consults</i> #/week											
20%	10.3	Telemed consults	(\$714,474)	(\$18,758)	(\$50,599)	\$405,326	(\$2,452,423)	(\$2,830,928)	\$252	(\$733,231)	\$354,727
40%	20.7	Telemed consults	(\$661,759)	(\$20,614)	(\$101,457)	\$810,652	(\$2,452,423)	(\$2,425,602)	\$126	(\$682,373)	\$709,195
60%	31.0	Telemed consults	(\$609,044)	(\$22,652)	(\$152,134)	\$1,215,977	(\$2,452,423)	(\$2,020,276)	\$84	(\$631,696)	\$1,063,844
70%	36.2	Telemed consults	(\$582,687)	(\$23,500)	(\$177,643)	\$1,418,640	(\$2,452,423)	(\$1,817,613)	\$72	(\$606,187)	\$1,240,998
75%	38.8	Telemed consults	(\$569,508)	(\$24,075)	(\$190,247)	\$1,519,972	(\$2,452,423)	(\$1,716,282)	\$67	(\$593,583)	\$1,329,725
80%	41.4	Telemed consults	(\$556,330)	(\$24,431)	(\$203,069)	\$1,621,303	(\$2,452,423)	(\$1,614,950)	\$63	(\$580,761)	\$1,418,234
85%	44.0	Telemed consults	(\$543,151)	(\$24,707)	(\$215,972)	\$1,722,635	(\$2,452,423)	(\$1,513,619)	\$59	(\$567,858)	\$1,506,663
90%	46.5	Telemed consults	(\$529,972)	(\$24,902)	(\$228,956)	\$1,823,966	(\$2,452,423)	(\$1,412,287)	\$56	(\$554,874)	\$1,595,010
95%	49.1	Telemed consults	(\$516,793)	(\$25,417)	(\$241,620)	\$1,925,297	(\$2,452,423)	(\$1,310,956)	\$53	(\$542,210)	\$1,683,678
100%	51.7	Telemed consults	(\$503,615)	(\$26,050)	(\$254,165)	\$2,026,629	(\$2,452,423)	(\$1,209,624)	\$50	(\$529,665)	\$1,772,464
		*Also note that if specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a <i>relatively high rate of referrals</i> to cause the work load to exceed capacity and generate or enlarge the queue.									
<b>Notes:</b>											
Incremental Evaluation & Management Revenue		0 -									
In-person consult		0 -									
Telemed consult		+ +									
Incremental Treatment Revenue		+ -									

Patients travel to Specialists		9.8 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						508			
8 Primary Care Facilities 1 Specialist No change in 12% bypass of local primary care facility											
80% Specialist Referral Rate (Without Telehealth)											
40% Specialist Referral Rate (With Telehealth) Cost Attribution (Medium)											
		Net Present Value									
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings	
\$ Difference Compared to Base Case (Patients travel to Specialist)											
Base Case = Start with Initial Investment & Fixed Costs		(\$767,189)	(\$16,641)	\$0	\$0	(\$2,452,423)	(\$3,236,253)	na	(\$783,830)	\$0	
<i>Telemed Consults</i> #/week											
20%	10.3	Telemed consults	(\$691,279)	(\$103,166)	\$10,615	\$810,652	(\$2,452,423)	(\$2,425,602)	\$252	(\$794,445)	\$821,266
40%	20.7	Telemed consults	(\$615,369)	(\$190,211)	\$21,750	\$1,621,303	(\$2,452,423)	(\$1,614,950)	\$126	(\$805,579)	\$1,643,053
60%	31.0	Telemed consults	(\$539,459)	(\$277,188)	\$32,817	\$2,431,955	(\$2,452,423)	(\$804,299)	\$84	(\$816,647)	\$2,464,772
70%	36.2	Telemed consults	(\$501,504)	(\$320,513)	\$38,187	\$2,837,280	(\$2,452,423)	(\$398,973)	\$72	(\$822,017)	\$2,875,468
75%	38.8	Telemed consults	(\$482,527)	(\$342,161)	\$40,858	\$3,039,943	(\$2,452,423)	(\$196,310)	\$67	(\$824,688)	\$3,080,801
80%	41.4	Telemed consults	(\$463,549)	(\$364,094)	\$43,813	\$3,242,606	(\$2,452,423)	\$6,353	\$63	(\$827,643)	\$3,286,419
85%	44.0	Telemed consults	(\$444,572)	(\$385,709)	\$46,451	\$3,445,269	(\$2,452,423)	\$209,016	\$59	(\$830,281)	\$3,491,720
90%	46.5	Telemed consults	(\$425,594)	(\$407,406)	\$49,171	\$3,647,932	(\$2,452,423)	\$411,679	\$56	(\$833,001)	\$3,697,103
95%	49.1	Telemed consults	(\$406,617)	(\$428,668)	\$51,455	\$3,850,595	(\$2,452,423)	\$614,342	\$53	(\$835,285)	\$3,902,050
100%	51.7	Telemed consults	(\$387,639)	(\$450,575)	\$54,385	\$4,053,258	(\$2,452,423)	\$817,004	\$50	(\$838,215)	\$4,107,643
		*Also note that if <i>primary care</i> is at or near capacity (e.g., 3% spare), there is the potential for an increase in local treatment effort (instead of a referral to a specialist clinic) to cause the work load to exceed capacity and generate or enlarge the queue.									
<b>Notes:</b>											
Incremental Evaluation & Management Revenue		0 --									
In-person consult		0 ---									
Telemed consult		+ +									
Incremental Treatment Revenue		+ ---									

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Start with Initial Investment & Fixed Operating Costs (i.e., training) and scale up in search of "break-even"

31-Mar-06  
mafa@gci.net

Patients travel to Specialists		4.5 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>					232			
8 Primary Care Facilities 1 Specialist										
Bypass of local primary care provider reduced from 12% to 2%										
60% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)										
Cost Attribution (Medium)										
Net Present Value										
\$ Difference Compared to Base Case (Patients travel to Specialist)										
	Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings	
Base Case = Start with Initial Investment & Fixed Costs	(\$402,075)	(\$103,766)	(\$386,015)	(\$315,527)	(\$259,957)	(\$1,467,340)	na	(\$505,841)	(\$701,542)	
<i>Telemed Consults</i>	<i>#/week</i>									
20%	10.3	Telemed consults	(\$375,265)	(\$105,910)	(\$411,534)	(\$109,383)	(\$259,957)	(\$1,262,049)	(\$481,175)	(\$520,917)
40%	20.7	Telemed consults	(\$348,455)	(\$107,893)	(\$437,384)	\$96,762	(\$259,957)	(\$1,056,927)	(\$456,348)	(\$340,622)
60%	31.0	Telemed consults	(\$321,645)	(\$109,834)	(\$463,304)	\$302,906	(\$259,957)	(\$851,834)	(\$431,479)	(\$160,398)
70%	36.2	Telemed consults	(\$308,240)	(\$110,614)	(\$476,408)	\$405,979	(\$259,957)	(\$749,240)	(\$418,854)	(\$70,430)
75%	38.8	Telemed consults	(\$305,060)	(\$102,819)	(\$490,659)	\$409,071	(\$259,957)	(\$749,424)	(\$407,879)	(\$81,588)
80%	41.4	Telemed consults	(\$297,194)	(\$102,701)	(\$499,222)	\$467,822	(\$259,957)	(\$691,252)	(\$399,895)	(\$31,400)
85%	44.0	Telemed consults	(\$290,639)	(\$102,544)	(\$506,361)	\$516,781	(\$259,957)	(\$642,719)	(\$393,183)	\$10,421
90%	46.5	Telemed consults	(\$284,084)	(\$102,445)	(\$513,449)	\$565,741	(\$259,957)	(\$594,194)	(\$386,529)	\$52,292
95%	49.1	Telemed consults	(\$277,529)	(\$102,456)	(\$520,394)	\$614,700	(\$259,957)	(\$545,636)	(\$379,985)	\$94,306
100%	51.7	Telemed consults	(\$268,025)	(\$113,429)	(\$515,206)	\$715,195	(\$259,957)	(\$441,421)	(\$381,454)	\$199,989

\*Also note that if specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a relatively high rate of referrals to cause the work load to exceed capacity and generate or enlarge the queue. In this case the local recapture of bypass traffic quickly creates additional referrals for the specialist, assuming that the specialist did not already see the patients who were bypassing the local primary care provider facility, creating the need for additional specialist capacity or creating a queue.

Notes:

Incremental Evaluation & Management Revenue	0	-
In-person consult	0	-
Telemed consult	+	+
Incremental Treatment Revenue	+	-

Patients travel to Specialists		4.5 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>					232				
8 Primary Care Facilities 1 Specialist											
Bypass of local primary care provider reduced from 12% to 2%											
80% Specialist Referral Rate (Without Telehealth)											
40% Specialist Referral Rate (With Telehealth)											
Cost Attribution (Medium)											
Net Present Value											
\$ Difference Compared to Base Case (Patients travel to Specialist)											
	Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings		
Base Case = Start with Initial Investment & Fixed Costs	(\$408,094)	(\$87,845)	(\$402,466)	(\$420,703)	(\$259,957)	(\$1,579,065)	na	(\$495,940)	(\$823,169)		
<i>Telemed Consults</i>	<i>#/week</i>										
20%	10.3	Telemed consults	(\$369,487)	\$27,206	(\$396,038)	(\$8,414)	(\$259,957)	(\$1,006,690)	\$469	(\$342,281)	(\$404,452)
40%	20.7	Telemed consults	(\$330,880)	(\$16,249)	(\$391,190)	\$403,875	(\$259,957)	(\$594,401)	\$234	(\$347,129)	\$12,685
60%	31.0	Telemed consults	(\$292,273)	(\$60,792)	(\$385,253)	\$816,164	(\$259,957)	(\$182,112)	\$156	(\$353,066)	\$430,911
70%	36.2	Telemed consults	(\$272,970)	(\$83,115)	(\$382,234)	\$1,022,309	(\$259,957)	\$24,033	\$134	(\$356,084)	\$640,074
75%	38.8	Telemed consults	(\$263,318)	(\$94,015)	(\$380,986)	\$1,125,381	(\$259,957)	\$127,105	\$125	(\$357,333)	\$744,395
80%	41.4	Telemed consults	(\$253,666)	(\$105,006)	(\$379,646)	\$1,228,453	(\$259,957)	\$230,178	\$117	(\$358,672)	\$848,807
85%	44.0	Telemed consults	(\$244,015)	(\$115,787)	(\$378,517)	\$1,331,526	(\$259,957)	\$333,250	\$110	(\$359,802)	\$953,009
90%	46.5	Telemed consults	(\$234,363)	(\$126,763)	(\$377,193)	\$1,434,598	(\$259,957)	\$436,322	\$104	(\$361,126)	\$1,057,405
95%	49.1	Telemed consults	(\$224,711)	(\$137,807)	(\$375,801)	\$1,537,670	(\$259,957)	\$539,394	\$99	(\$362,518)	\$1,161,869
100%	51.7	Telemed consults	(\$215,059)	(\$148,948)	(\$374,312)	\$1,640,742	(\$259,957)	\$642,467	\$94	(\$364,007)	\$1,266,431

\*Also note that if specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a relatively high rate of referrals to cause the work load to exceed capacity and generate or enlarge the queue. In this case the local recapture of bypass traffic quickly creates additional referrals for the specialist, assuming that the specialist did not already see the patients who were bypassing the local primary care provider facility, creating the need for additional specialist capacity or creating a queue.

Notes:

Incremental Evaluation & Management Revenue	0	--
In-person consult	0	--
Telemed consult	+	+
Incremental Treatment Revenue	+	--

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31-Mar-06  
mafa@gci.net

Start with Initial Investment & Fixed Operating Costs (i.e., training) and scale up in search of "break-even"

Patients travel to Specialists		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						382		
8 Primary Care Facilities										
1 Specialist										
Bypass of local primary care provider reduced from 12% to 2%										
60% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)										
Cost Attribution (Medium)										
Net Present Value										
\$ Difference Compared to Base Case (Patients travel to Specialist)										
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
Base Case = Start with Initial Investment & Fixed Costs										
Telemed Consults		(\$188,829)	(\$72,996)	(\$641,954)	(\$519,532)	(\$259,957)	(\$1,683,268)	na	(\$261,824)	(\$1,161,486)
20%	10.3	(\$144,684)	(\$76,402)	(\$684,375)	(\$180,104)	(\$259,957)	(\$1,345,523)		(\$221,086)	(\$864,479)
40%	20.7	(\$100,540)	(\$79,440)	(\$727,156)	\$159,323	(\$259,957)	(\$1,007,770)	\$385	(\$179,980)	(\$567,833)
60%	31.0	(\$56,396)	(\$82,512)	(\$769,701)	\$498,751	(\$259,957)	(\$669,815)	\$258	(\$138,908)	(\$270,950)
70%	36.2	(\$34,323)	(\$84,166)	(\$790,840)	\$668,465	(\$259,957)	(\$500,822)	\$222	(\$118,490)	(\$122,376)
75%	38.8	(\$23,287)	(\$85,082)	(\$801,165)	\$753,322	(\$259,957)	(\$416,169)	\$207	(\$108,370)	(\$47,843)
80%	41.4	(\$12,251)	(\$85,910)	(\$811,709)	\$838,179	(\$259,957)	(\$331,649)	\$195	(\$98,161)	\$26,469
85%	44.0	(\$1,215)	(\$86,690)	(\$822,272)	\$923,036	(\$259,957)	(\$247,098)	\$183	(\$87,905)	\$100,764
90%	46.5	\$9,821	(\$87,402)	(\$833,009)	\$1,007,892	(\$259,957)	(\$162,655)	\$173	(\$77,581)	\$174,883
95%	49.1	\$20,857	(\$87,959)	(\$844,027)	\$1,092,749	(\$259,957)	(\$78,337)	\$165	(\$67,102)	\$248,722
100%	51.7	\$31,893	(\$88,802)	(\$854,487)	\$1,177,606	(\$259,957)	\$6,253	\$157	(\$56,909)	\$323,119
<b>Notes:</b>										
Incremental Evaluation & Management Revenue		0		-						
In-person consult		0		-						
Telemed consult		+		+						
Incremental Treatment Revenue		+		-						

Patients travel to Specialists		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						382		
8 Primary Care Facilities										
1 Specialist										
Bypass of local primary care provider reduced from 12% to 2%										
80% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)										
Cost Attribution (Medium)										
Net Present Value										
\$ Difference Compared to Base Case (Patients travel to Specialist)										
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
Base Case = Start with Initial Investment & Fixed Costs										
Telemed Consults		(\$198,739)	(\$47,429)	(\$668,187)	(\$692,710)	(\$259,957)	(\$1,867,021)	na	(\$246,168)	(\$1,360,896)
20%	10.3	(\$135,171)	(\$101,521)	(\$658,907)	(\$13,854)	(\$259,957)	(\$1,169,409)		(\$236,691)	(\$672,761)
40%	20.7	(\$71,602)	(\$17,127)	(\$649,590)	\$665,001	(\$259,957)	(\$333,275)	\$142	(\$88,729)	\$15,411
60%	31.0	(\$8,034)	(\$89,805)	(\$640,480)	\$1,343,857	(\$259,957)	(\$345,581)	\$95	(\$97,839)	\$703,377
70%	36.2	\$23,750	(\$125,895)	(\$636,174)	\$1,683,284	(\$259,957)	\$685,008	\$81	(\$102,145)	\$1,047,110
75%	38.8	\$39,642	(\$143,819)	(\$634,142)	\$1,852,998	(\$259,957)	\$854,722	\$76	(\$104,176)	\$1,218,856
80%	41.4	\$22,653	(\$162,195)	(\$631,658)	\$2,022,712	(\$259,957)	\$991,554	\$87	(\$139,542)	\$1,391,054
85%	44.0	(\$33,182)	(\$180,544)	(\$629,201)	\$2,192,426	(\$259,957)	\$1,089,541	\$82	(\$213,726)	\$1,563,225
90%	46.5	(\$97,057)	(\$199,191)	(\$626,446)	\$2,362,140	(\$259,957)	\$1,179,488	\$78	(\$296,248)	\$1,735,694
95%	49.1	(\$83,832)	(\$217,246)	(\$624,284)	\$2,531,854	(\$259,957)	\$1,346,535	\$74	(\$301,078)	\$1,907,570
100%	51.7	(\$70,607)	(\$235,318)	(\$622,104)	\$2,701,567	(\$259,957)	\$1,513,582	\$71	(\$305,924)	\$2,079,463
<b>Notes:</b>										
Note that both the specialist (between 40% & 60% telemed consult rates) and the primary care providers (between 75% & 80% telemed consult rates) bump against their spare capacity; requiring either a queue to form or the addition of capacity.										
Incremental Evaluation & Management Revenue		0		--						
In-person consult		0		--						
Telemed consult		+		+						
Incremental Treatment Revenue		+		--						

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Scale Analysis

31-Mar-06  
mafa@gci.net

Start with Initial Investment & Fixed Operating Costs (i.e., training) and scale up in search of "break-even"

Patients travel to Specialists		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>					382			
8 Primary Care Facilities 1 Specialist										
Bypass of local primary care provider reduced from 30% to 10%										
60% Specialist Referral Rate (Without Telehealth)							10%			
40% Specialist Referral Rate (With Telehealth) Cost Attribution (Medium)		Net Present Value								
\$ Difference Compared to Base Case (Patients travel to Specialist)		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
Base Case = Start with Initial Investment & Fixed Costs		\$331,495	(\$11,634)	(\$1,265,385)	(\$1,039,064)	(\$490,485)	(\$2,475,073)	na	\$319,861	(\$2,304,450)
<i>Telemed</i>	<i>Consults #/week</i>									
20%	10.3	\$372,036	(\$11,174)	(\$1,307,960)	(\$727,345)	(\$490,485)	(\$2,164,928)		\$360,862	(\$2,035,305)
40%	20.7	\$412,576	(\$10,801)	(\$1,350,233)	(\$415,626)	(\$490,485)	(\$1,854,568)		\$401,775	(\$1,765,859)
60%	31.0	\$310,376	(\$10,768)	(\$1,391,917)	(\$103,906)	(\$490,485)	(\$1,686,700)		\$299,608	(\$1,495,824)
70%	36.2	\$288,591	\$1,340	(\$1,413,020)	\$51,953	(\$490,485)	(\$1,561,620)		\$289,931	(\$1,361,067)
75%	38.8	\$297,501	\$1,616	(\$1,423,812)	\$129,883	(\$490,485)	(\$1,485,296)		\$299,117	(\$1,293,929)
80%	41.4	\$306,412	\$1,805	(\$1,434,555)	\$207,813	(\$490,485)	(\$1,409,010)	\$251	\$308,217	(\$1,226,742)
85%	44.0	\$315,323	\$2,119	(\$1,445,371)	\$285,743	(\$490,485)	(\$1,332,671)		\$317,442	(\$1,159,628)
90%	46.5	\$324,233	\$2,191	(\$1,455,893)	\$363,673	(\$490,485)	(\$1,256,282)	\$223	\$326,424	(\$1,092,221)
95%	49.1	\$333,144	\$2,023	(\$1,466,210)	\$441,602	(\$490,485)	(\$1,179,925)		\$335,167	(\$1,024,607)
100%	51.7	\$342,054	\$2,036	(\$1,476,845)	\$519,532	(\$490,485)	(\$1,103,707)	\$202	\$344,090	(\$957,313)

Notes:

Incremental Evaluation & Management Revenue	0	-
In-person consult	0	-
Telemed consult	+	+
Incremental Treatment Revenue	+	-

Patients travel to Specialists		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>					382			
8 Primary Care Facilities 1 Specialist										
Bypass of local primary care provider reduced from 30% to 10%										
80% Specialist Referral Rate (Without Telehealth)							10%			
40% Specialist Referral Rate (With Telehealth) Cost Attribution (Medium)		Net Present Value								
\$ Difference Compared to Base Case (Patients travel to Specialist)		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
Base Case = Start with Initial Investment & Fixed Costs		\$311,675	\$37,430	(\$1,314,514)	(\$1,385,419)	(\$490,485)	(\$2,841,314)	na	\$349,104	(\$2,699,933)
<i>Telemed</i>	<i>Consults #/week</i>									
20%	10.3	\$370,054	(\$6,377)	(\$1,312,279)	(\$761,981)	(\$490,485)	(\$2,201,068)		\$363,677	(\$2,074,260)
40%	20.7	\$323,904	(\$49,807)	(\$1,310,334)	(\$138,542)	(\$490,485)	(\$1,665,264)		\$274,097	(\$1,448,876)
60%	31.0	\$295,212	(\$81,366)	(\$1,308,427)	\$484,897	(\$490,485)	(\$1,100,169)	\$296	\$213,846	(\$823,530)
70%	36.2	\$319,503	(\$102,992)	(\$1,307,513)	\$796,616	(\$490,485)	(\$784,871)	\$246	\$216,511	(\$510,897)
75%	38.8	\$331,648	(\$113,823)	(\$1,306,825)	\$952,476	(\$490,485)	(\$627,009)	\$227	\$217,826	(\$354,350)
80%	41.4	\$343,794	\$20,949	(\$1,305,846)	\$1,108,335	(\$490,485)	(\$323,252)	\$95	\$364,743	(\$197,510)
85%	44.0	\$355,940	\$5,871	(\$1,305,363)	\$1,264,195	(\$490,485)	(\$169,841)		\$361,811	(\$41,168)
90%	46.5	\$368,085	(\$8,957)	(\$1,305,130)	\$1,420,055	(\$490,485)	(\$16,431)	\$85	\$359,129	\$114,925
95%	49.1	\$380,231	(\$23,806)	(\$1,304,875)	\$1,575,914	(\$490,485)	\$136,979		\$356,424	\$271,040
100%	51.7	\$392,376	(\$39,092)	(\$1,304,183)	\$1,731,774	(\$490,485)	\$290,390	\$77	\$353,284	\$427,591

Note that both the specialist and the primary care providers bump against their spare capacity; requiring either a queue to form or the addition of capacity.

Notes:

Incremental Evaluation & Management Revenue	0	--
In-person consult	0	--
Telemed consult	+	+
Incremental Treatment Revenue	+	--

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Start with Initial Investment & Fixed Operating Costs (i.e., training) and scale up in search of "break-even"

Specialist(s) travel to patient primary care site replaced by telehealth consults + patient travel to specialists											
8 Primary Care Facilities		4.5 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						232			
1 Specialist											
No change in 12% bypass of local primary care facility											
70%		% of specialist encounters at patient primary care site <b>without telehealth consults</b>									
30%		% of specialist encounters at patient primary care site <b>with telehealth consults</b>									
60%		Specialist Referral Rate (Without Telehealth)									
40%		Specialist Referral Rate (With Telehealth)									
Cost Attribution (Medium)		5%									
Net Present Value											
\$ Difference Compared to Base Case (Specialist(s) travel to patients)											
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings	
Base Case = Start with Initial Investment, fixed costs, facility fees		(\$983,958)	(\$3,440)	\$156,182	(\$1,110,656)	(\$245,242)	(\$2,087,115)	na	(\$887,398)	(\$954,474)	
<i>Telemed Consults</i>		<i>#/week</i>									
20%		10.3	Telemed consults	(\$867,335)	(\$2,449)	\$138,569	(\$981,080)	(\$245,242)	(\$1,957,538)	(\$869,785)	(\$842,511)
40%		20.7	Telemed consults	(\$850,713)	(\$1,112)	\$120,609	(\$851,503)	(\$245,242)	(\$1,827,962)	(\$851,825)	(\$730,894)
60%		31.0	Telemed consults	(\$834,090)	\$337	\$102,537	(\$721,927)	(\$245,242)	(\$1,698,385)	(\$833,753)	(\$619,390)
70%		36.2	Telemed consults	(\$825,779)	\$675	\$93,888	(\$657,138)	(\$245,242)	(\$1,633,597)	(\$825,104)	(\$563,251)
75%		38.8	Telemed consults	(\$821,623)	\$1,042	\$89,365	(\$624,744)	(\$245,242)	(\$1,601,203)	(\$820,582)	(\$535,379)
80%		41.4	Telemed consults	(\$817,468)	\$1,272	\$84,980	(\$592,350)	(\$245,242)	(\$1,568,809)	(\$816,196)	(\$507,371)
85%		44.0	Telemed consults	(\$813,312)	\$1,534	\$80,562	(\$559,956)	(\$245,242)	(\$1,536,415)	(\$811,778)	(\$479,394)
90%		46.5	Telemed consults	(\$809,156)	\$1,865	\$76,075	(\$527,562)	(\$245,242)	(\$1,504,020)	(\$807,291)	(\$451,487)
95%		49.1	Telemed consults	(\$805,001)	\$1,892	\$71,892	(\$495,168)	(\$245,242)	(\$1,471,626)	(\$803,109)	(\$423,275)
100%		51.7	Telemed consults	(\$800,845)	\$2,283	\$67,345	(\$462,774)	(\$245,242)	(\$1,439,232)	(\$798,562)	(\$395,428)

\*Also note that if specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a *relatively high rate of referrals* to cause the work load to exceed capacity and generate or enlarge the queue.

**Notes:**

Incremental Evaluation & Management Revenue	0	-
In-person consult	0	-
Telemed consult	+	+
Incremental Treatment Revenue	+	-

Specialist(s) travel to patient primary care site replaced by telehealth consults + patient travel to specialists											
8 Primary Care Facilities		4.5 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						232			
1 Specialist											
No change in 12% bypass of local primary care facility											
70%		% of specialist encounters at patient primary care site <b>without telehealth consults</b>									
30%		% of specialist encounters at patient primary care site <b>with telehealth consults</b>									
80%		Specialist Referral Rate (Without Telehealth)									
40%		Specialist Referral Rate (With Telehealth)									
Cost Attribution (Medium)		5%									
Net Present Value											
\$ Difference Compared to Base Case (Specialist(s) travel to patients)											
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings	
Base Case = Start with Initial Investment & Fixed Costs		(\$938,153)	(\$1,306)	\$208,243	(\$1,480,875)	(\$245,242)	(\$2,457,334)	na	(\$939,459)	(\$1,272,632)	
<i>Telemed Consults</i>		<i>#/week</i>									
20%		10.3	Telemed consults	(\$918,390)	(\$34,691)	\$223,803	###	(\$245,242)	(\$2,196,242)	(\$953,080)	(\$997,919)
40%		20.7	Telemed consults	(\$898,626)	(\$69,044)	\$239,852	(\$962,569)	(\$245,242)	(\$1,935,629)	(\$967,670)	(\$722,717)
60%		31.0	Telemed consults	(\$878,862)	(\$104,988)	\$256,032	(\$703,416)	(\$245,242)	(\$1,676,476)	(\$983,850)	(\$447,384)
70%		36.2	Telemed consults	(\$868,980)	(\$122,546)	\$263,708	(\$573,839)	(\$245,242)	(\$1,546,899)	(\$991,526)	(\$310,131)
75%		38.8	Telemed consults	(\$864,039)	(\$131,253)	\$267,475	(\$509,051)	(\$245,242)	(\$1,482,111)	(\$995,293)	(\$241,576)
80%		41.4	Telemed consults	(\$859,098)	(\$140,069)	\$271,350	(\$444,263)	(\$245,242)	(\$1,417,322)	(\$999,167)	(\$172,913)
85%		44.0	Telemed consults	(\$854,157)	(\$149,209)	\$275,548	(\$379,474)	(\$245,242)	(\$1,352,634)	###	(\$103,926)
90%		46.5	Telemed consults	(\$849,216)	(\$158,048)	\$279,446	(\$314,686)	(\$245,242)	(\$1,287,746)	###	(\$35,240)
95%		49.1	Telemed consults	(\$844,275)	(\$167,064)	\$283,522	(\$249,898)	(\$245,242)	(\$1,222,958)	###	\$33,624
100%		51.7	Telemed consults	(\$839,335)	(\$176,081)	\$287,598	(\$185,109)	(\$245,242)	(\$1,158,169)	###	\$102,489

\*Also note that if *primary care* is at or near capacity (e.g., 3% spare), there is the potential for an increase in local treatment effort (instead of a referral to a specialist clinic) to cause the work load to exceed capacity and generate or enlarge the

**Notes:**

Incremental Evaluation & Management Revenue	0	--
In-person consult	0	--
Telemed consult	+	+
Incremental Treatment Revenue	+	--



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Specialist(s) travel to patient primary care site replaced by telehealth consults + patient travel to specialists										
8 Primary Care Facilities		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						382		
1 Specialist										
No change in 12% bypass of local primary care facility										
70% % of specialist encounters at patient primary care site <b>without telehealth consults</b>										
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60% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)		5%								
Cost Attribution (Medium)		Net Present Value								
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Specialist(s) travel to patients)										
Base Case = Start with Initial Investment & Fixed Costs		(\$989,078)	\$4,098	\$257,162	(\$1,828,753)	(\$245,242)	(\$2,801,813)	na	(\$984,980)	(\$1,571,591)
<b>Telemed</b>										
<b>Consults</b>	<b>#/week</b>									
20%	10.3	(\$961,708)	\$6,281	\$227,610	(\$1,615,399)	(\$245,242)	(\$2,588,459)		(\$955,427)	(\$1,387,789)
40%	20.7	(\$934,338)	\$8,089	\$198,432	(\$1,402,044)	(\$245,242)	(\$2,375,104)		(\$926,250)	(\$1,203,612)
60%	31.0	(\$906,968)	\$9,211	\$169,940	(\$1,188,690)	(\$245,242)	(\$2,161,750)		(\$897,757)	(\$1,018,750)
70%	36.2	(\$893,283)	\$10,517	\$154,949	(\$1,082,012)	(\$245,242)	(\$2,055,072)		(\$882,766)	(\$927,064)
75%	38.8	(\$886,441)	\$11,112	\$147,511	(\$1,028,674)	(\$245,242)	(\$2,001,734)		(\$875,328)	(\$881,163)
80%	41.4	(\$879,598)	\$11,746	\$140,035	(\$975,335)	(\$245,242)	(\$1,948,395)	\$71	(\$867,853)	(\$835,300)
85%	44.0	(\$872,756)	\$12,216	\$132,722	(\$921,996)	(\$245,242)	(\$1,895,056)	\$67	(\$860,540)	(\$789,274)
90%	46.5	(\$865,913)	\$12,576	\$125,520	(\$868,658)	(\$245,242)	(\$1,841,718)	\$63	(\$853,338)	(\$743,138)
95%	49.1	(\$859,071)	\$12,843	\$118,410	(\$815,319)	(\$245,242)	(\$1,788,379)	\$60	(\$846,228)	(\$696,909)
100%	51.7	(\$852,228)	\$14,046	\$110,980	(\$761,981)	(\$245,242)	(\$1,734,425)	\$55	(\$838,183)	(\$651,000)
*Also note that if specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a <i>relatively high rate of referrals</i> to cause the work load to exceed capacity and generate or enlarge the queue.										
<b>Notes:</b>										
Incremental Evaluation & Management Revenue		0	-							
In-person consult		0	-							
Telemed consult		+	+							
Incremental Treatment Revenue		+	-							

Specialist(s) travel to patient primary care site replaced by telehealth consults + patient travel to specialists										
8 Primary Care Facilities		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						382		
1 Specialist										
No change in 12% bypass of local primary care facility										
70% % of specialist encounters at patient primary care site <b>without telehealth consults</b>										
30% % of specialist encounters at patient primary care site <b>with telehealth consults</b>										
80% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)		5%								
Cost Attribution (Medium)		Net Present Value								
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Specialist(s) travel to patients)										
Base Case = Start with Initial Investment & Fixed Costs		(\$1,078,314)	\$10,264	\$342,883	(\$2,438,338)	(\$245,242)	(\$3,408,747)	na	###	(\$2,095,455)
<b>Telemed</b>										
<b>Consults</b>	<b>#/week</b>									
20%	10.3	###	(\$47,880)	\$369,233	(\$2,011,629)	(\$245,242)	(\$2,981,290)		###	(\$1,642,396)
40%	20.7	###	(\$106,595)	\$395,406	(\$1,584,920)	(\$245,242)	(\$2,554,581)		###	(\$1,189,514)
60%	31.0	(\$980,687)	(\$165,094)	\$421,363	(\$1,158,210)	(\$245,242)	(\$2,127,872)		###	(\$736,848)
70%	36.2	(\$964,416)	(\$193,884)	\$434,496	(\$944,856)	(\$245,242)	(\$1,913,902)	\$75	###	(\$510,360)
75%	38.8	(\$956,281)	(\$208,327)	\$441,450	(\$838,179)	(\$245,242)	(\$1,806,579)		###	(\$396,729)
80%	41.4	(\$948,145)	(\$222,588)	\$448,254	(\$731,501)	(\$245,242)	(\$1,699,224)		###	(\$283,247)
85%	44.0	(\$940,010)	(\$236,314)	\$454,556	(\$624,824)	(\$245,242)	(\$1,591,834)		###	(\$170,268)
90%	46.5	(\$931,874)	(\$250,730)	\$460,836	(\$518,147)	(\$245,242)	(\$1,485,157)		###	(\$57,311)
95%	49.1	(\$923,739)	(\$264,654)	\$467,372	(\$411,469)	(\$245,242)	(\$1,377,732)	\$55	###	\$55,903
100%	51.7	(\$915,603)	(\$279,448)	\$474,031	(\$304,792)	(\$245,242)	(\$1,271,055)	\$53	###	\$169,239
*Also note that if <i>primary care</i> is at or near capacity (e.g., 3% spare), there is the potential for an increase in local treatment effort (instead of a referral to a specialist clinic) to cause the work load to exceed capacity and generate or enlarge the										
<b>Notes:</b>										
Incremental Evaluation & Management Revenue		0	--							
In-person consult		0	--							
Telemed consult		+	+							
Incremental Treatment Revenue		+	--							



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Specialist(s) travel to patient primary care site replaced by telehealth consults + patient travel to specialists										
8 Primary Care Facilities		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						382		
1 Specialist										
Bypass of local primary care provider reduced from 12% to 2%										
70% % of specialist encounters at patient primary care site <b>without telehealth consults</b>										
30% % of specialist encounters at patient primary care site <b>with telehealth consults</b>										
60% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)		5%								
Cost Attribution (Medium)		Net Present Value								
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Specialist(s) travel to patients)										
Base Case = Start with Initial Investment & Fixed Costs		(\$435,315)	(\$50,054)	(\$400,115)	(\$2,192,426)	(\$245,242)	(\$3,323,152)	na	(\$485,369)	(\$2,592,541)
<i>Telemed</i>										
<i>Consults</i>	<i>#/week</i>									
20%	10.3	(\$404,835)	(\$49,807)	(\$432,525)	###	(\$245,242)	(\$3,087,236)		(\$454,642)	(\$2,387,351)
40%	20.7	(\$374,355)	(\$49,193)	(\$465,294)	###	(\$245,242)	(\$2,851,311)		(\$423,547)	(\$2,182,522)
60%	31.0	(\$343,874)	(\$48,612)	(\$497,829)	###	(\$245,242)	(\$2,615,185)		(\$392,486)	(\$1,977,457)
70%	36.2	(\$328,634)	(\$48,439)	(\$513,963)	###	(\$245,242)	(\$2,497,106)		(\$377,073)	(\$1,874,790)
75%	38.8	(\$321,014)	(\$48,442)	(\$521,784)	###	(\$245,242)	(\$2,437,910)	\$194	(\$369,456)	(\$1,823,212)
80%	41.4	(\$313,394)	(\$48,356)	(\$529,826)	###	(\$245,242)	(\$2,378,847)		(\$361,750)	(\$1,771,854)
85%	44.0	(\$305,774)	(\$48,223)	(\$537,885)	###	(\$245,242)	(\$2,319,753)		(\$353,997)	(\$1,720,514)
90%	46.5	(\$298,154)	(\$48,022)	(\$546,120)	###	(\$245,242)	(\$2,260,767)	\$162	(\$346,176)	(\$1,669,349)
95%	49.1	(\$290,534)	(\$47,866)	(\$554,635)	###	(\$245,242)	(\$2,201,906)		(\$338,200)	(\$1,618,464)
100%	51.7	(\$282,914)	(\$47,595)	(\$562,593)	###	(\$245,242)	(\$2,142,773)	\$146	(\$330,509)	(\$1,567,022)
Notes:										
Incremental Evaluation & Management Revenue		0	-							
In-person consult		0	-							
Telemed consult		+	+							
Incremental Treatment Revenue		+	-							

Specialist(s) travel to patient primary care site replaced by telehealth consults + patient travel to specialists										
8 Primary Care Facilities		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						382		
1 Specialist										
Bypass of local primary care provider reduced from 12% to 2%										
70% % of specialist encounters at patient primary care site <b>without telehealth consults</b>										
30% % of specialist encounters at patient primary care site <b>with telehealth consults</b>										
80% Specialist Referral Rate (Without Telehealth)										
40% Specialist Referral Rate (With Telehealth)		5%								
Cost Attribution (Medium)		Net Present Value								
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Specialist(s) travel to patients)										
Base Case = Start with Initial Investment & Fixed Costs		(\$527,489)	(\$22,836)	(\$345,734)	(\$2,923,234)	(\$245,242)	(\$4,064,537)	na	(\$550,325)	(\$3,268,969)
<i>Telemed</i>										
<i>Consults</i>	<i>#/week</i>									
20%	10.3	(\$491,249)	\$82,515	(\$316,432)	###	(\$245,242)	(\$3,418,445)		(\$408,734)	(\$2,764,468)
40%	20.7	(\$455,009)	\$17,684	(\$287,094)	###	(\$245,242)	(\$2,942,498)		(\$437,325)	(\$2,259,931)
60%	31.0	(\$418,769)	(\$47,689)	(\$257,961)	###	(\$245,242)	(\$2,467,299)		(\$466,458)	(\$1,755,599)
70%	36.2	(\$400,649)	(\$80,126)	(\$243,645)	###	(\$245,242)	(\$2,229,700)	\$70	(\$480,774)	(\$1,503,683)
75%	38.8	(\$391,589)	(\$96,223)	(\$236,607)	###	(\$245,242)	(\$2,110,900)		(\$487,812)	(\$1,377,846)
80%	41.4	(\$415,411)	(\$112,157)	(\$229,118)	###	(\$245,242)	(\$2,024,367)		(\$527,568)	(\$1,251,557)
85%	44.0	(\$478,077)	(\$128,034)	(\$221,655)	###	(\$245,242)	(\$1,976,649)	\$71	(\$606,112)	(\$1,125,295)
90%	46.5	(\$548,784)	(\$144,177)	(\$213,894)	###	(\$245,242)	(\$1,936,938)		(\$692,961)	(\$998,734)
95%	49.1	(\$542,391)	(\$160,404)	(\$206,727)	###	(\$245,242)	(\$1,820,805)	\$64	(\$702,796)	(\$872,767)
100%	51.7	(\$535,998)	(\$175,938)	(\$199,541)	###	(\$245,242)	(\$1,703,960)	\$61	(\$711,936)	(\$746,782)
Notes:										
Incremental Evaluation & Management Revenue		0	--							
In-person consult		0	---							
Telemed consult		+	+							
Incremental Treatment Revenue		+	---							

\*Also note that when specialist and primary care providers are at or near capacity, there is the potential for an increase in telemed consults combined with a *relatively high rate of referrals* to cause the work load to exceed capacity and generate or enlarge the queue - see above.

Telemed Financial Template  
Telehealth Cart

Comments to: 31-Mar-06  
[mafa@gci.net](mailto:mafa@gci.net)  
**INDEX**  
**Scale Analysis**

Start with Initial Investment & Fixed Operating Costs (i.e., training) and scale up in search of "break-even"

Specialist(s) travel to patient primary care site replaced by telehealth consults + patient travel to specialists										
8 Primary Care Facilities		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						382		
1 Specialist										
Bypass of local primary care provider reduced from 30% to 10%										
70%		% of specialist encounters at patient primary care site <b>without telehealth consults</b>								
30%		% of specialist encounters at patient primary care site <b>with telehealth consults</b>								
60%		Specialist Referral Rate (Without Telehealth)								
40%		Specialist Referral Rate (With Telehealth)								
Cost Attribution (Medium)		5%								
Net Present Value										
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Specialist(s) travel to patients)										
Base Case = Start with Initial Investment & Fixed Costs		\$165,467	\$14,143	(\$1,102,055)	(\$2,162,035)	(\$245,242)	(\$3,349,722)	na	\$179,610	(\$3,284,090)
<b>Telemed Consults #/week</b>										
20%	10.3	Telemed consults	\$193,459	\$14,783	(\$1,132,260)	(\$1,963,832)	(\$245,242)	(\$3,133,092)	\$208,242	(\$3,096,092)
40%	20.7	Telemed consults	\$221,451	\$15,335	(\$1,162,164)	(\$1,745,628)	(\$245,242)	(\$2,916,249)	\$236,786	(\$2,907,792)
60%	31.0	Telemed consults	\$106,702	\$15,548	(\$1,191,479)	(\$1,527,425)	(\$245,242)	(\$2,841,896)	\$122,250	(\$2,718,904)
70%	36.2	Telemed consults	\$78,642	\$15,754	(\$1,206,397)	(\$1,418,323)	(\$245,242)	(\$2,775,567)	\$94,396	(\$2,624,720)
75%	38.8	Telemed consults	\$84,415	\$16,074	(\$1,214,097)	(\$1,363,772)	(\$245,242)	(\$2,722,622)	\$100,489	(\$2,577,869)
80%	41.4	Telemed consults	\$90,189	\$17,393	(\$1,221,748)	(\$1,309,221)	(\$245,242)	(\$2,668,629)	\$107,582	(\$2,530,969)
85%	44.0	Telemed consults	\$95,962	\$18,892	(\$1,229,472)	(\$1,254,670)	(\$245,242)	(\$2,614,530)	\$114,854	(\$2,484,142)
90%	46.5	Telemed consults	\$101,736	\$19,008	(\$1,236,902)	(\$1,200,119)	(\$245,242)	(\$2,561,520)	\$120,744	(\$2,437,021)
95%	49.1	Telemed consults	\$107,509	\$20,083	(\$1,244,126)	(\$1,145,568)	(\$245,242)	(\$2,507,345)	\$127,591	(\$2,389,694)
100%	51.7	Telemed consults	\$113,282	\$21,396	(\$1,251,669)	(\$1,091,018)	(\$245,242)	(\$2,453,250)	\$194	(\$2,342,687)

\*Also note that if primary care is at or near capacity, there is the potential for an increase in telemed consults combined with a *relatively high rate of referrals* to cause the work load to exceed capacity and generate or enlarge the queue.

**Notes:**

Incremental Evaluation & Management Revenue	0	-	
In-person consult	0	-	
Telemed consult	+	+	
Incremental Treatment Revenue	+	-	

Specialist(s) travel to patient primary care site replaced by telehealth consults + patient travel to specialists										
8 Primary Care Facilities		7.3 Primary Care Encounters per week <i>potentially suitable for telemed consult</i>						382		
1 Specialist										
Bypass of local primary care provider reduced from 30% to 10%										
70%		% of specialist encounters at patient primary care site <b>without telehealth consults</b>								
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80%		Specialist Referral Rate (Without Telehealth)								
40%		Specialist Referral Rate (With Telehealth)								
Cost Attribution (Medium)		5%								
Net Present Value										
		Primary Care	Specialist	Insurance Payments to Providers	Travel Savings	Telecom USF	Total System	TH Cost per Patient	Primary + Specialist	Payments to Providers + Travel Savings
\$ Difference Compared to Base Case (Specialist(s) travel to patients)										
Base Case = Start with Initial Investment & Fixed Costs		\$88,607	\$66,888	(\$1,096,740)	(\$2,909,380)	(\$245,242)	(\$4,095,868)	na	\$155,495	(\$4,006,120)
<b>Telemed Consults #/week</b>										
20%	10.3	Telemed consults	\$121,888	\$28,352	(\$1,069,767)	(\$2,472,973)	(\$245,242)	(\$3,637,742)	\$150,240	(\$3,542,740)
40%	20.7	Telemed consults	\$50,641	(\$14,718)	(\$1,043,083)	(\$2,036,566)	(\$245,242)	(\$3,288,970)	\$35,922	(\$3,079,649)
60%	31.0	Telemed consults	(\$3,149)	(\$57,911)	(\$1,016,438)	(\$1,600,159)	(\$245,242)	(\$2,922,899)	(\$61,059)	(\$2,616,598)
70%	36.2	Telemed consults	\$8,594	(\$15,409)	(\$1,003,156)	(\$1,381,956)	(\$245,242)	(\$2,637,169)	(\$6,815)	(\$2,385,111)
75%	38.8	Telemed consults	\$14,465	\$55,053	(\$996,283)	(\$1,272,854)	(\$245,242)	(\$2,444,862)	\$69,518	(\$2,269,137)
80%	41.4	Telemed consults	\$20,336	\$40,184	(\$989,119)	(\$1,163,752)	(\$245,242)	(\$2,337,594)	\$60,520	(\$2,152,871)
85%	44.0	Telemed consults	\$26,207	\$25,841	(\$982,452)	(\$1,054,650)	(\$245,242)	(\$2,230,296)	\$52,049	(\$2,037,102)
90%	46.5	Telemed consults	\$32,079	\$11,782	(\$976,034)	(\$945,549)	(\$245,242)	(\$2,122,965)	\$43,860	(\$1,921,583)
95%	49.1	Telemed consults	\$37,950	(\$2,266)	(\$969,595)	(\$836,447)	(\$245,242)	(\$2,015,600)	\$35,683	(\$1,806,041)
100%	51.7	Telemed consults	\$43,821	(\$16,715)	(\$962,719)	(\$727,345)	(\$245,242)	(\$1,908,200)	\$27,106	(\$1,690,064)

\*Also note that if primary care provider or specialist is at or near capacity, there is the potential for an increase in telemed consults combined with a *relatively high rate of referrals* to cause the work load to exceed capacity and generate or enlarge the queue.

**Notes:**

Incremental Evaluation & Management Revenue	0	--	
In-person consult	0	---	
Telemed consult	+	+	
Incremental Treatment Revenue	+	---	

Telemed Financial Template

Telehealth Cart

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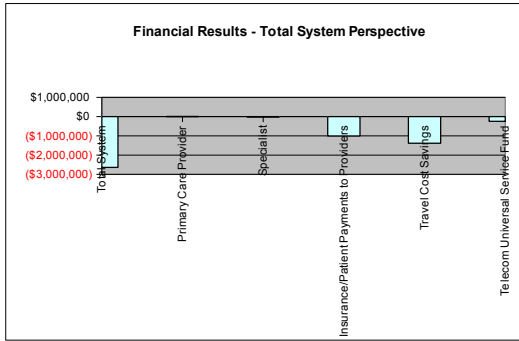
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ASSUMPTIONS + RESULTS

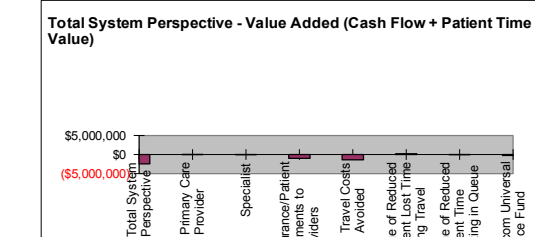
P+S	(\$6,815)
I + TS	(\$2,385,111)
Net w/o usf	(\$2,391,926)

<b>1 Net Present Value of Incremental Cash Flows with Tele-consults</b>		Incr cost/patient (yr.5)
Total System		
Net Benefit (Cost)		
(\$2,637,169)		
8 Primary Care Provider	\$8,594	
1 Specialist	(\$15,409)	
Insurance/Patient Payments to Providers	(\$1,003,156)	
Travel Costs Avoided	(\$1,381,956)	
Telecom Universal Service Fund	(\$245,242)	

Sensitivity Testing	Base Case	Sensitivity	Pct
Total System		(\$2,637,169)	###
Primary Care Provider		\$8,594	###
Specialist		(\$15,409)	###
Insurance/Patient Payments to Providers		(\$1,003,156)	###
Travel Cost Savings		(\$1,381,956)	###
Telecom Universal Service Fund		(\$245,242)	###



<b>2 Net Present Value of Incremental Cash Flows with Tele-consults + Value of Reduced Wait for Specialist</b>		Incr cost/patient (yr.5)
Reduced time lost to traveling		
Net Benefit (Cost)		
(\$2,464,367)		
8 Primary Care Provider	\$8,594	
1 Specialist	(\$15,409)	
Insurance/Patient Payments to Providers	(\$1,003,156)	
Travel Costs Avoided	(\$1,381,956)	
Value of Reduced Patient Time Waiting in Queue	\$189,670	
Telecom Universal Service Fund	(\$245,242)	



Linked - The template calculates the financial results of various combinations of assumptions that are adjusted below

Discount Rate	5.0%
<b>Sensitivity Analysis</b>	
<b>Encounter Referral Patterns:</b>	
Potential Local Patient Encounters	annual 382
Potential telehealth encounters receiving service	% 100%
Bypass of local Primary Care Provider	% 30%
Specialist Telemed Consults as % of PCP	% na
Specialist referrals without/with consults	% 80%
Specialist share of direct bypass	% 0%
Number of PCP nodes referring to Specialist	# 8
Encounters at Specialist Facility	30%
Specialist Encounters at Primary Care Facility	70%
<b>Primary Care Provider Parameters:</b>	
	Medicaid Medicare 3rd Party Contract (\$/patient/yr) Patient
<b>Payer Mix</b>	25% 15% 10% 50% 0%
Fee Schedule	Link Link Link \$3,000
Denial Rate	10% 10% 10%
Pct of reclaimed bypass patients new to system 100%	
<b>Encounter Mix</b>	
Before (Eval & Mngmnt)	New 16% Established 84% ck sum 100% Procedure Mix Link
After (Eval & Mngmnt)	New 16% Established 84% ck sum 100% Procedure Mix Link
Treatment Encounters - Average RVU 1.5 0.5	
System Capacity/Cost	
Labor Capacity (RVU/yr)	Link 4,400 calc
Spare Capacity (pct of RVU/yr Capacity)	% 3.0% calc
Minimum Labor Increments 2	
<b>Primary Care Provider Base Salary</b> \$/year \$40,000 CHA Test	
Labor Increment <input type="radio"/> We <input type="radio"/> Mo <input type="radio"/> An	
Telecom	
Initial Capital / Leased Circuits	Clinical \$30,000 Telecom Edge \$40,000 Telecom Circuits (\$/yr) \$2,388 Telecom Hub \$80,000
Pct of Initial Capital attributed to Cart % 80% 10% 5% 5%	
Annual O&M Costs % of capital 12% 8% 8% 8%	

<b>Specialist Parameters:</b>	
	Medicaid Medicare 3rd Party Contract (\$/p/yr) Patient
<b>Payer Mix</b>	25% 15% 10% 50% 0%
Fee Schedule	Link Link Link \$300
Denial Rate	5% 5% 5%
Pct reclaimed bypass patients new to system 100%	
<b>Encounter Mix</b>	
Before (Eval & Mngmnt)	New 16% Established 84% ck sum 100% Procedure Mix Link
After (Eval & Mngmnt)	New 16% Established 84% ck sum 100% Procedure Mix Link
Treatment Encounters - Average RVU 3.0	
Treatment Encounters - Average RVU 1.0	
System Capacity/Cost	
Labor Capacity (RVU/yr)	Link 4,400 calc
Spare Capacity (pct of RVU/yr Capacity)	% 5.0% calc
Minimum Labor Increments 2	
<b>Specialist Base Salary</b> \$/year \$300,000	
Labor Increment <input type="radio"/> We <input type="radio"/> Mo <input type="radio"/> An	
Telecom	
Initial Capital / Leased Circuits	Clinical \$8,000 Telecom Edge \$40,000 Telecom Circuits (\$/yr) \$2,388 Telecom Hub \$80,000
Pct of Initial Capital attributed to Cart % 80% 10% 0% 0%	
Annual O&M Costs % of capital 12% 4% 0% 0%	

<b>Patient Travel Parameters:</b>	
Pct of Patient Trips with Parent	% 50%
Cost of Patient Trips	
Airfare	\$/RT \$300
Hotel	\$/RT \$130
Per Diem	\$/RT \$50
Value of Patient Lost Time due to Travel	\$/day \$150 1 days lost/RT travel
Value of Patient Time Waiting for Specialist	\$/week \$160

Telemed Financial Template

Telehealth Cart

Linked

[Return](#)

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SUMMARY

Incremental Cash Flows with Tele-health Consults

	Year	\$0	\$0	\$0	\$0	\$0
	0	1	2	3	4	5
<b>Total System Perspective</b>						
Revenue		\$0	\$0	\$0	\$0	\$0
Cost (Cost Savings)	\$330,884	\$500,335	\$506,735	\$547,935	\$554,838	\$562,021
Net Annual Cash Flows	(\$330,884)	(\$500,335)	(\$506,735)	(\$547,935)	(\$554,838)	(\$562,021)
PV of Net Annual Cash Flow	(\$330,884)	(\$476,509)	(\$459,624)	(\$473,327)	(\$456,467)	(\$440,358)
Cummulative PV Net Annual Cash Flow	(\$330,884)	(\$807,393)	###	###	###	(\$2,637,169)
<b>Primary Care Provider</b>						
Individual Primary Care Provider Location						
Revenue	\$0	\$24,776	\$25,314	\$25,884	\$28,074	\$30,369
Cost	\$39,910	\$17,201	\$17,233	\$17,276	\$17,329	\$17,397
Net Annual Cash Flow	(\$39,910)	\$7,576	\$8,081	\$8,608	\$10,745	\$12,972
PV of Net Annual Cash Flow	(\$39,910)	\$7,215	\$7,330	\$7,436	\$8,840	\$10,164
Cummulative PV Net Annual Cash Flow	(\$39,910)	(\$32,696)	(\$25,366)	(\$17,930)	(\$9,090)	\$1,074
Number of Primary Care Providers						
Total Primary Care Providers	8	8	8	8	8	8
Revenue	\$0	\$198,211	\$202,510	\$207,069	\$224,592	\$242,956
Cost	\$319,284	\$137,606	\$137,860	\$138,208	\$138,630	\$139,179
Net Annual Cash Flows	(\$319,284)	\$60,605	\$64,650	\$68,862	\$85,962	\$103,777
PV of Net Annual Cash Flow	(\$319,284)	\$57,719	\$58,639	\$59,485	\$70,721	\$81,312
Cummulative PV Net Annual Cash Flow	(\$319,284)	(\$261,564)	(\$202,925)	(\$143,440)	(\$72,718)	\$8,594
Efficiency						
Incremental cost per patient (nominal \$/TH encounter)		\$105	\$103	\$101	\$99	\$97
<b>Specialist</b>						
Revenue	\$0	\$16,827	\$17,133	\$17,747	\$18,304	\$18,807
Cost	\$11,600	(\$1,191)	(\$1,191)	\$33,395	\$33,481	\$33,594
Net Annual Cash Flows	(\$11,600)	\$18,018	\$18,324	(\$15,647)	(\$15,176)	(\$14,787)
PV of Net Annual Cash Flow	(\$11,600)	\$17,160	\$16,620	(\$13,517)	(\$12,486)	(\$11,586)
Cummulative PV Net Annual Cash Flow	(\$11,600)	\$5,560	\$22,180	\$8,663	(\$3,823)	(\$15,409)
Efficiency						
Incremental cost per patient (nominal \$/TH consults)		\$5	\$5	\$143	\$140	\$138
<b>Patient/Payer</b>						
Insurance/Patient Payments to Providers		(\$215,038)	(\$219,643)	(\$224,817)	(\$242,897)	(\$261,763)
PV of Net Annual Cash Flow	\$0	(\$204,798)	(\$199,223)	(\$194,205)	(\$199,832)	(\$205,098)
Cummulative PV Net Annual Cash Flow	\$0	(\$204,798)	(\$404,021)	(\$598,226)	(\$798,058)	(\$1,003,156)
Travel Costs Avoided		(\$307,275)	(\$313,420)	(\$319,689)	(\$326,082)	(\$332,604)
PV of Net Annual Cash Flow	\$0	(\$292,643)	(\$284,281)	(\$276,159)	(\$268,269)	(\$260,604)
Cummulative PV Net Annual Cash Flow	\$0	(\$292,643)	(\$576,924)	(\$853,083)	###	(\$1,381,956)
<b>Telecom Universal Service Fund</b>						
Individual Primary Care Provider Location						
Cost		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
Net Annual Cash Flows		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
PV of Net Annual Cash Flow	\$0	(\$6,743)	(\$6,422)	(\$6,116)	(\$5,825)	(\$5,548)
Cummulative PV Net Annual Cash Flow	\$0	(\$6,743)	(\$13,166)	(\$19,282)	(\$25,107)	(\$30,655)
Number of Primary Care Providers						
Total Primary Care Providers	8	8	8	8	8	8
Cost	\$0	(\$56,645)	(\$56,645)	(\$56,645)	(\$56,645)	(\$56,645)
Net Annual Cash Flow	\$0	(\$56,645)	(\$56,645)	(\$56,645)	(\$56,645)	(\$56,645)
PV of Net Annual Cash Flow		(\$53,947)	(\$51,379)	(\$48,932)	(\$46,602)	(\$44,383)
Cummulative PV Net Annual Cash Flow	\$0	(\$53,947)	(\$105,326)	(\$154,258)	(\$200,860)	(\$245,242)
<b>Total System Perspective</b>						
						(\$2,637,169)
<b>Primary Care Provider</b>						
						\$8,594
<b>Specialist</b>						
						(\$15,409)
<b>Insurance/Patient Payments to Providers</b>						
						(\$1,003,156)
<b>Travel Costs Avoided</b>						
						(\$1,381,956)
<b>Telecom Universal Service Fund</b>						
						(\$245,242)
<b>Sum of Primary Care Providers + Specialists</b>						
PV of Net Annual Cash Flow	(\$330,884)	\$74,879	\$75,259	\$45,969	\$58,236	\$69,726
Cummulative PV Net Annual Cash Flow	(\$330,884)	(\$256,005)	(\$180,746)	(\$134,777)	(\$76,541)	(\$6,815)
Efficiency (Primary Care + Specialist)						
Incremental cost per patient (nominal \$/TH consult)		\$109	\$107	\$244	\$239	\$235

Telemed Financial Template  
Telehealth Cart

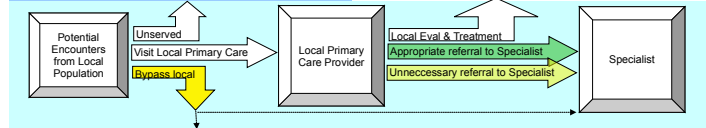
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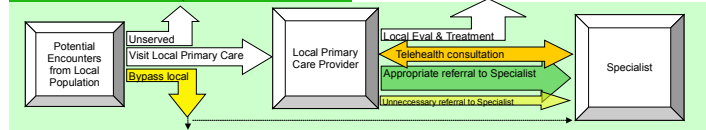
DETAIL  
Incremental Cash Flows with Tele-health Consults  
REFERRAL PATTERN DETAIL

User Defined Scenario

Without Telehealth Eval & Management Consults



With Telehealth Evaluation & Management Consults



Encounter Statistics			Local Stats					Specialist Referrals					
Assumptions:	Units	Annual	Local Triage	Local Triage with Specialist Consult	Local Treatment	Bypass of Local	Bypass to outside system	Bypass to In-System Specialist	In-System Specialist Referrals	High Intensity Pct.	Low Intensity Pct.	High Intensity	Low Intensity
<b>Encounters (Without Tele-health Consults)</b>													
Total potential telehealth encounters from local pop	encount/yr	382								0.5	0.5		
100% Potential telehealth encounters receiving service	encount/yr	382											
30% Bypass of local Primary Care Provider	encount/yr	115											
70% Total Local Primary Care Provider Encounters	encount/yr	267	267		53	115	115						
0% Specialist consults as share of PCP encounters	encount/yr	0							214	50%	50%	107	107
80% Specialist referrals as share of PCP encounters	encount/yr	214						0	50%	50%	0	0	0
0% Specialist share of direct bypass of local	encount/yr	0						0					
70% Specialist referrals conducted at primary care provider	encount/yr	150						0	150			75	75
30% Specialist referrals conducted at specialist facility	encount/yr	64						0	64			32	32
<b>Encounters (With Tele-health Consults)</b>													
Total potential telehealth encounters from local pop	encount/yr	382											
100% Potential telehealth encounters receiving service	encount/yr	382											
10% Bypass of local Primary Care Provider	encount/yr	38											
90% Total Local Primary Care Provider Encounters	encount/yr	344	344		165	38	38						
Specialist telemed consults	pct	70%											
Specialist telemed consults	encount/yr	241		241									
Specialist telemed consults resulting in specialist referral	pct	40%											
Specialist telemed consults resulting in specialist referral	encount/yr	96							96	95%	5%	91	5
80% Specialist referrals without telemed consults	encount/yr	83							83	50%	50%	41	41
Specialist referrals - total	encount/yr	179							179			132	46
0% Specialist share of direct bypass of local	encount/yr	0										0	0
30% Specialist referrals conducted at primary care provider	encount/yr	54							54			40	14
70% Specialist referrals conducted at specialist facility	encount/yr	125							125			92	32
<b>Incremental Encounters With Tele-health Consults per PCP</b>													
Local primary care provider encounters	encount/yr/pcp	76	76										
Local primary care treatment	encount/yr/pcp	112			112								
Specialist consults	encount/yr/pcp	241		241									
Specialist referrals	encount/yr/pcp	(35)							(35)			25	(61)
Specialist direct bypass	encount/yr/pcp	0										0	0
Other	encount/yr/pcp					(76)	(76)						
Specialist referrals conducted at primary care provider	encount/yr/pcp	(96)							(96)			(35)	(61)
Specialist referrals conducted at specialist facility	encount/yr/pcp	61							61			60	0
8 Number of primary care providers referring to specialist	# of pcp nodes	8	8	8	8	8	8	8	8	8	8	8	8
<b>Incremental Encounters</b>													
Local primary care provider(s)	encount/yr	611	611										
Local primary care treatment	encount/yr	892			892								
Specialist consults	encount/yr	1925		1925									
Specialist referrals	encount/yr	(281)							(281)				
Direct bypass of local to Specialist	encount/yr	0											
Bypass of local/bypass to outside system	encount/yr					(611)	(611)						
Specialist referrals conducted at primary care provider	encount/yr	(768)							(768)			(280)	(488)
Specialist referrals conducted at specialist facility	encount/yr	488							488			480	0

Totals may not equal 100% due to rounding

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Incremental Cash Flows with Tele-health Consults  
WORK FLOW / REFERRAL PATTERN STATISTICS

Assumptions:		Units	Year					
			0	1	2	3	4	5
<b>Encounter Statistics</b>								
<b>Encounters (Without Tele-health Consults)</b>								
CAGR	2.0%	Total potential TH encounters from local pop	encount/yr	382	390	397	405	413
	100%	Potential telehealth encounters receiving service		382	390	397	405	413
	30%	Bypass of local Primary Care Provider	encount/yr	115	117	119	122	124
	70%	Total Local Primary Care Provider Encounters	encount/yr	267	273	278	284	289
	0%	Specialist <i>consults</i> as share of PCP encounters	encount/yr	0	0	0	0	0
	80%	Specialist <i>referrals</i> as share of PCP encounters	encount/yr	214	218	223	227	232
	0%	Specialist share of <i>direct bypass of local</i>	encount/yr	0	0	0	0	0
	70%	Specialist referrals conducted at primary care provider	encount/yr	150	153	156	159	162
	30%	Specialist referrals conducted at specialist facility	encount/yr	64	65	67	68	69
<b>Encounters (With Tele-health Consults)</b>								
	2.0%	Total potential TH encounters	encount/yr	382	390	397	405	413
	100%	Potential telehealth encounters receiving service		382	390	397	405	413
	10%	Bypass of local Primary Care Provider	encount/yr	38	39	40	41	41
	90%	Total Local Primary Care Provider Encounters	encount/yr	344	351	358	365	372
		Specialist <i>telemed consults</i>	pct	70%	70%	70%	70%	70%
		Specialist <i>telemed consults</i>	encount/yr	241	245	250	255	260
		Specialist telemed consults resulting in <i>specialist referral</i>	pct	40%	40%	40%	40%	40%
		Specialist telemed consults resulting in <i>specialist referral</i>	encount/yr	96	98	100	102	104
	80%	Specialist <i>referrals without telemed consults</i>	encount/yr	83	84	86	88	89
		Specialist <i>referrals - total</i>	encount/yr	179	182	186	190	194
	0%	Specialist share of <i>direct bypass of local</i>	encount/yr	0	0	0	0	0
	30%	Specialist referrals conducted at primary care provider	encount/yr	54	55	56	57	58
	70%	Specialist referrals conducted at specialist facility	encount/yr	125	128	130	133	135
<b>Incremental Encounters With Tele-health Consults per PCP</b>								
		Local primary care provider encounters	encount/yr/pcp	76	78	79	81	83
		Local primary care treatment	encount/yr/pcp	112	114	116	118	121
		Specialist consults	encount/yr/pcp	241	245	250	255	260
		Specialist referrals	encount/yr/pcp	(35)	(36)	(37)	(37)	(38)
		Specialist direct bypass	encount/yr/pcp	0	0	0	0	0
		Specialist referrals conducted at primary care provider	encount/yr/pcp	(96)	(98)	(100)	(102)	(104)
		Specialist referrals conducted at specialist facility	encount/yr/pcp	61	62	63	65	66
8		Number of primary care providers referring to specialist	# of pcp nodes	8	8	8	8	8
<b>Incremental Encounters</b>								
		Local primary care provider(s)	encount/yr	611	623	636	649	662
		Local primary care treatment		892	910	928	947	966
		Specialist consults	encount/yr	1925	1964	2003	2043	2084
		Specialist referrals	encount/yr	(281)	(287)	(293)	(298)	(304)
		Direct bypass of local to Specialist	encount/yr	0	0	0	0	0
		Specialist referrals conducted at primary care provider	encount/yr	(769)	(784)	(800)	(816)	(832)
		Specialist referrals conducted at specialist facility	encount/yr	488	497	507	518	528

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**Incremental Cash Flows with Tele-health Consults**  
**Primary Care Provider Perspective**  
(Primary Care Provider = Primary)

Assumptions:		Units	Year					
Encounter Statistics			0	1	2	3	4	5
<b>Encounters (Without Tele-health Consults)</b>								
CAGR	2.0%	Total potential TH encounters from local pop	encount/yr	382	390	397	405	413
	100%	Potential telehealth encounters receiving service	encount/yr	382	390	397	405	413
	30%	Bypass of local Primary Care Provider	encount/yr	115	117	119	122	124
	70%	Total Local Primary Care Provider Encounters	encount/yr	267	273	278	284	289
	0%	Specialist <i>consults</i> as share of PCP encounters	encount/yr	0	0	0	0	0
	80%	Specialist <i>referrals</i> as share of PCP encounters	encount/yr	214	218	223	227	232
	0%	Specialist share of <i>direct bypass of local</i>	encount/yr	0	0	0	0	0
	70%	Specialist referrals conducted at primary care provider	encount/yr	150	153	156	159	162
	30%	Specialist referrals conducted at specialist facility	encount/yr	64	65	67	68	69
<b>Encounters (With Tele-health Consults)</b>								
	2.0%	Total potential encounters	encount/yr	382	390	397	405	413
	100%	Potential telehealth encounters receiving service	encount/yr	382	390	397	405	413
	10%	Bypass of local Primary Care Provider	encount/yr	38	39	40	41	41
	90%	Total Local Primary Care Provider Encounters	encount/yr	344	351	358	365	372
		Specialist <i>telemed consults</i>	pct	70%	70%	70%	70%	70%
		Specialist <i>telemed consults</i>	encount/yr	241	245	250	255	260
		Specialist telemed consults resulting in <i>specialist referral</i>	pct	40%	40%	40%	40%	40%
		Specialist telemed consults resulting in <i>specialist referral</i>	encount/yr	96	98	100	102	104
	80%	Specialist <i>referrals without telemed consults</i>	encount/yr	83	84	86	88	89
		Specialist <i>referrals - total</i>	encount/yr	179	182	186	190	194
	0%	Specialist share of <i>direct bypass of local</i>	encount/yr	0	0	0	0	0
	30%	Specialist referrals conducted at primary care provider	encount/yr	54	55	56	57	58
	70%	Specialist referrals conducted at specialist facility	encount/yr	125	128	130	133	135
<b>Incremental Encounters (With Tele-health Consults)</b>								
		Local primary care provider	encount/yr	76	78	79	81	83
		Local primary care treatment	encount/yr	112	114	116	118	121
		Specialist <i>consults</i>	encount/yr	241	245	250	255	260
		Specialist <i>referrals</i>	encount/yr	(35)	(36)	(37)	(37)	(38)
		Specialist <i>direct bypass of local</i>	encount/yr	0	0	0	0	0
		Specialist referrals conducted at primary care provider	encount/yr	(96)	(98)	(100)	(102)	(104)
		Specialist referrals conducted at specialist facility	encount/yr	61	62	63	65	66
<b>Payer Mix &amp; Fee Schedule (Primary Care Provider)</b>								
25% Medicaid			pct	25%	25%	25%	25%	25%
CAGR	1.0%	99201 New Patient, 10 min typical	Fee (\$)	\$ 54.84	\$ 55.39	\$ 55.94	\$ 56.50	\$ 57.07
	1.0%	99202 New Patient, 20 min typical	Fee (\$)	\$ 95.76	\$ 96.72	\$ 97.68	\$ 98.66	\$ 99.65
	1.0%	99203 New Patient, 30 min typical	Fee (\$)	\$ 120.94	\$ 122.15	\$ 123.37	\$ 124.60	\$ 125.85
	1.0%	99211 Est. Patient, 5 min typical	Fee (\$)	\$ 38.00	\$ 38.38	\$ 38.76	\$ 39.15	\$ 39.54
	1.0%	99212 Est. Patient, 10 min typical	Fee (\$)	\$ 57.77	\$ 58.35	\$ 58.93	\$ 59.52	\$ 60.12
	1.0%	99213 Est. Patient, 15 min typical	Fee (\$)	\$ 79.34	\$ 80.13	\$ 80.93	\$ 81.74	\$ 82.56
	1.0%	99214 Est. Patient, 25 min typical	Fee (\$)	\$ 121.45	\$ 122.66	\$ 123.89	\$ 125.13	\$ 126.38
	1.0%	99215 Est. Patient, 40 min typical	Fee (\$)	\$ 177.48	\$ 179.25	\$ 181.05	\$ 182.86	\$ 184.69
	1.0%	Facility Fee	Fee (\$)	\$ 402.00	\$ 406.02	\$ 410.08	\$ 414.18	\$ 418.32
	1.0%	Q3014 Telemed Originating Fee (Q3014)	Fee (\$)	\$ 20.00	\$ 20.20	\$ 20.40	\$ 20.61	\$ 20.81
		Denial Rate	pct	10%	10%	10%	10%	10%
15% Medicare			pct	15%	15%	15%	15%	15%
CAGR	1.0%	99201 New Patient, 10 min typical	Fee (\$)	\$ 54.84	\$ 55.39	\$ 55.94	\$ 56.50	\$ 57.07
	1.0%	99202 New Patient, 20 min typical	Fee (\$)	\$ 95.76	\$ 96.72	\$ 97.68	\$ 98.66	\$ 99.65
	1.0%	99203 New Patient, 30 min typical	Fee (\$)	\$ 120.94	\$ 122.15	\$ 123.37	\$ 124.60	\$ 125.85
	1.0%	99211 Est. Patient, 5 min typical	Fee (\$)	\$ 38.00	\$ 38.38	\$ 38.76	\$ 39.15	\$ 39.54
	1.0%	99212 Est. Patient, 10 min typical	Fee (\$)	\$ 57.77	\$ 58.35	\$ 58.93	\$ 59.52	\$ 60.12
	1.0%	99213 Est. Patient, 15 min typical	Fee (\$)	\$ 79.34	\$ 80.13	\$ 80.93	\$ 81.74	\$ 82.56
	1.0%	99214 Est. Patient, 25 min typical	Fee (\$)	\$ 121.45	\$ 122.66	\$ 123.89	\$ 125.13	\$ 126.38
	1.0%	99215 Est. Patient, 40 min typical	Fee (\$)	\$ 177.48	\$ 179.25	\$ 181.05	\$ 182.86	\$ 184.69
	1.0%	Facility Fee	Fee (\$)	\$ -	\$ -	\$ -	\$ -	\$ -
	1.0%	Q3014 Telemed Originating Fee (Q3014)	Fee (\$)	\$ 20.00	\$ 20.20	\$ 20.40	\$ 20.61	\$ 20.81
		Denial Rate	pct	10%	10%	10%	10%	10%
10% 3rd Party			pct	10%	10%	10%	10%	10%
CAGR	1.0%	99201 New Patient, 10 min typical	Fee (\$)	\$ 65.81	\$ 66.47	\$ 67.13	\$ 67.80	\$ 68.48
	1.0%	99202 New Patient, 20 min typical	Fee (\$)	\$ 114.91	\$ 116.06	\$ 117.22	\$ 118.39	\$ 119.58
	1.0%	99203 New Patient, 30 min typical	Fee (\$)	\$ 145.13	\$ 146.58	\$ 148.05	\$ 149.53	\$ 151.02
	1.0%	99211 Est. Patient, 5 min typical	Fee (\$)	\$ 45.60	\$ 46.06	\$ 46.52	\$ 46.98	\$ 47.45
	1.0%	99212 Est. Patient, 10 min typical	Fee (\$)	\$ 69.32	\$ 70.02	\$ 70.72	\$ 71.42	\$ 72.14
	1.0%	99213 Est. Patient, 15 min typical	Fee (\$)	\$ 95.21	\$ 96.16	\$ 97.12	\$ 98.09	\$ 99.07
	1.0%	99214 Est. Patient, 25 min typical	Fee (\$)	\$ 145.74	\$ 147.20	\$ 148.67	\$ 150.16	\$ 151.66
	1.0%	99215 Est. Patient, 40 min typical	Fee (\$)	\$ 212.98	\$ 215.11	\$ 217.26	\$ 219.43	\$ 221.62
	1.0%	Facility Fee	Fee (\$)	\$ -	\$ -	\$ -	\$ -	\$ -
	1.0%	Q3014 Telemed Originating Fee (Q3014)	Fee (\$)	\$ 20.00	\$ 20.20	\$ 20.40	\$ 20.61	\$ 20.81
		Denial Rate	pct	10%	10%	10%	10%	10%
50% Contract			pct	50%	50%	50%	50%	50%
CAGR	2%	\$3,000 Contract \$ per patient per year to primary care provider	\$/patient/year	\$3,000	\$3,060	\$3,121	\$3,184	\$3,247



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DETAIL  
**Incremental Cash Flows with Tele-health Consults**  
**Primary Care Provider Perspective**  
(Primary Care Provider = Primary)

Assumptions:		Units	Year					
0% Patient		pct	0	1	2	3	4	5
			0%	0%	0%	0%	0%	0%
<b>Procedure Mix (Primary Care Provider)</b>								
<b>Without Tele-health Encounters</b>			267	273	278	284	289	
16% New Patients			43	44	45	45	46	
cksum	100%	86% 99201 New Patient, 10 min typical	37	38	39	39	40	
		9% 99202 New Patient, 20 min typical	4	4	4	4	4	
		5% 99203 New Patient, 30 min typical	2	2	2	2	2	
84% Established Patients			225	229	234	238	243	
cksum	100%	1% 99211 Est. Patient, 5 min typical	2	2	2	2	2	
		86% 99212 Est. Patient, 10 min typical	194	197	201	205	209	
		13% 99213 Est. Patient, 15 min typical	29	30	30	31	32	
		0% 99214 Est. Patient, 25 min typical	0	0	0	0	0	
		0% 99215 Est. Patient, 40 min typical	0	0	0	0	0	
Facility Fee			417	425	434	443	452	
Telemed Originating Fee (Q3014)			0	0	0	0	0	
<b>With Tele-Derm Encounters</b>			344	351	358	365	372	
16% New Patients			55	56	57	58	60	
cksum	100%	86% 99201 New Patient, 10 min typical	47	48	49	50	52	
		9% 99202 New Patient, 20 min typical	5	5	5	5	5	
		5% 99203 New Patient, 30 min typical	3	3	3	3	3	
84% Established Patients			289	295	300	306	313	
cksum	100%	1% 99211 Est. Patient, 5 min typical	3	3	3	3	3	
		86% 99212 Est. Patient, 10 min typical	249	254	258	263	269	
		13% 99213 Est. Patient, 15 min typical	38	38	39	40	41	
		0% 99214 Est. Patient, 25 min typical	0	0	0	0	0	
		0% 99215 Est. Patient, 40 min typical	0	0	0	0	0	
Facility Fee			397	405	413	422	430	
Telemed Originating Fee (Q3014)			241	245	250	255	260	
<b>Incremental Procedures (With Tele-health consults)</b>								
New Patients			12	12	12	13	14	
99201 New Patient, 10 min typical			10	10	10	11	12	
99202 New Patient, 20 min typical			1	1	1	1	1	
99203 New Patient, 30 min typical			1	1	1	1	1	
Established Patients			64	66	66	68	70	
99211 Est. Patient, 5 min typical			1	1	1	1	1	
99212 Est. Patient, 10 min typical			55	57	57	58	60	
99213 Est. Patient, 15 min typical			9	8	9	9	9	
99214 Est. Patient, 25 min typical			0	0	0	0	0	
99215 Est. Patient, 40 min typical			0	0	0	0	0	
Facility Fee (function of changes in referral patterns, specialist clinics)			(20)	(20)	(21)	(21)	(21)	
Telemed Originating Fee (Q3014)			241	245	250	255	260	

Primary Care Provider Perspective		Year	1	2	3	4	5
		0					
<b>Incremental Cash Flow Pro Formas</b>							
<b>Revenue</b>		Total \$	\$24,776	\$25,314	\$25,884	\$28,074	\$30,369
<b>New Patient Encounters</b>			\$358	\$362	\$365	\$395	\$426
Medicaid			\$172	\$174	\$176	\$190	\$205
	99201 New Patient, 10 min typical		\$123	\$125	\$126	\$140	\$154
	99202 New Patient, 20 min typical		\$22	\$22	\$22	\$22	\$22
	99203 New Patient, 30 min typical		\$27	\$27	\$28	\$28	\$28
Medicare			\$103	\$104	\$105	\$114	\$123
	99201 New Patient, 10 min typical		\$74	\$75	\$76	\$84	\$92
	99202 New Patient, 20 min typical		\$13	\$13	\$13	\$13	\$13
	99203 New Patient, 30 min typical		\$16	\$16	\$17	\$17	\$17
Third Party			\$83	\$83	\$84	\$91	\$98
	99201 New Patient, 10 min typical		\$59	\$60	\$60	\$67	\$74
	99202 New Patient, 20 min typical		\$10	\$10	\$11	\$11	\$11
	99203 New Patient, 30 min typical		\$13	\$13	\$13	\$13	\$14
<b>Contract Revenue - Number of new contract patients * revenue per contract patient</b>			\$18,000	\$18,360	\$18,727	\$20,694	\$22,731
bypass			12	12	12	13	14
100% system			100%	100%	100%	100%	100%
Patient Mix - Pct of Patients who are covered by contract			50%	50%	50%	50%	50%
Annual Revenue per Contract Patient			\$3,000	\$3,060	\$3,121	\$3,184	\$3,247
Patient (Placeholder)							
<b>Established Patient Encounters</b>			\$1,839	\$1,874	\$1,931	\$1,978	\$2,054
Medicaid			\$884	\$901	\$928	\$951	\$988



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**Incremental Cash Flows with Tele-health Consults**  
**Primary Care Provider Perspective**

(Primary Care Provider = Primary)

Assumptions:		Units	Year						
		0	1	2	3	4	5		
	99211 Est. Patient, 5 min typical		\$9	\$9	\$9	\$9	\$9		
	99212 Est. Patient, 10 min typical		\$715	\$748	\$756	\$777	\$812		
	99213 Est. Patient, 15 min typical		\$161	\$144	\$164	\$166	\$167		
	99214 Est. Patient, 25 min typical		\$0	\$0	\$0	\$0	\$0		
	99215 Est. Patient, 40 min typical		\$0	\$0	\$0	\$0	\$0		
Medicare			\$530	\$541	\$557	\$571	\$593		
	99211 Est. Patient, 5 min typical		\$5	\$5	\$5	\$5	\$5		
	99212 Est. Patient, 10 min typical		\$429	\$449	\$453	\$466	\$487		
	99213 Est. Patient, 15 min typical		\$96	\$87	\$98	\$99	\$100		
	99214 Est. Patient, 25 min typical		\$0	\$0	\$0	\$0	\$0		
	99215 Est. Patient, 40 min typical		\$0	\$0	\$0	\$0	\$0		
Third Party			\$424	\$433	\$446	\$457	\$474		
	99211 Est. Patient, 5 min typical		\$4	\$4	\$4	\$4	\$4		
	99212 Est. Patient, 10 min typical		\$343	\$359	\$363	\$373	\$390		
	99213 Est. Patient, 15 min typical		\$77	\$69	\$79	\$79	\$80		
	99214 Est. Patient, 25 min typical		\$0	\$0	\$0	\$0	\$0		
	99215 Est. Patient, 40 min typical		\$0	\$0	\$0	\$0	\$0		
Contract (assume no new revenue associated with established patients, established patient procedures) Patient (Placeholder)									
<b>Incremental Treatment Revenue</b>			<b>\$4,196</b>	<b>\$4,323</b>	<b>\$4,454</b>	<b>\$4,588</b>	<b>\$4,727</b>		
		Incremental treatment procedures/year - New Patients	18	18	19	19	19		
CAGR	1%	\$86 Avg. Revenue - new patient treatment procedure	\$86	\$86	\$87	\$88	\$89		
		Incremental treatment procedures/year - Established Patients	94	96	97	99	101		
CAGR	1%	\$29 Avg. Revenue - established patient treatment procedure	\$29	\$29	\$29	\$29	\$30		
<b>Facility Fees</b>			<b>-\$1,783</b>	<b>-\$1,837</b>	<b>-\$1,892</b>	<b>-\$1,949</b>	<b>-\$2,008</b>		
<b>Telemed Originating Fees</b>			<b>\$2,166</b>	<b>\$2,231</b>	<b>\$2,299</b>	<b>\$2,368</b>	<b>\$2,440</b>		
<b>Cost</b>			<b>TOTAL \$</b>	<b>\$39,910</b>	<b>\$17,201</b>	<b>\$17,233</b>	<b>\$17,276</b>	<b>\$17,329</b>	<b>\$17,397</b>
Incremental Direct Labor Costs			\$0	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	
Current Labor Capacity			RVU/yr	4,400	4,400	4,400	4,400	4,400	
3.0% Current Spare Capacity Available			%	3%	3%	3%	3%	3%	
Current Labor Requirements			RVU/yr	4,268	4,268	4,268	4,268	4,268	
Incremental Labor Requirements			RVU/yr	157	159	162	165	170	
	99201	New Patient, 10 min typical	RVU/yr	10	10	10	11	12	
	99202	New Patient, 20 min typical	RVU/yr	2	2	2	2	2	
	99203	New Patient, 30 min typical	RVU/yr	3	3	3	3	3	
	99211	Est. Patient, 5 min typical	RVU/yr	1	1	1	1	1	
	99212	Est. Patient, 10 min typical	RVU/yr	56	58	58	59	61	
	99213	Est. Patient, 15 min typical	RVU/yr	13	11	13	13	13	
	99214	Est. Patient, 25 min typical	RVU/yr	0	0	0	0	0	
	99215	Est. Patient, 40 min typical	RVU/yr	0	0	0	0	0	
Treatment			RVU/yr	74	75	77	78	80	
Incremental treatment procedures/year - New Patients			Proced/yr	18	18	19	19	19	
Incremental treatment procedures/year - Established Patients			Proced/yr	94	96	97	99	101	
Current + Incremental Labor Requirements			RVU/yr	4,268	4,425	4,427	4,430	4,433	4,438
New Capacity Required (if C+IR>CLC, Min. Add'n Capacity Req'd)			RVU/yr	0	25	27	30	33	38
Incremental Labor Cost			\$/year	\$0	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
<b>Logic Branch = add incremental labor to meet incremental requirements vs. increase patient wait time for next appointment</b>									
Depending upon local labor markets and clinic policy, labor increments may be added as a weekly, monthly, or annual step function									
2			W Capacity Increment	0.00	1.00	1.00	1.00	1.00	1.00
			Increment \$	\$0	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038
4			M Capacity Increment	0.00	1.00	1.00	1.00	1.00	1.00
			Increment \$	\$0	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
			A Capacity Increment	0.00	1.00	1.00	1.00	1.00	1.00
			Increment \$	\$0	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000
Incremental General Support Labor			\$/year	\$0	\$720	\$720	\$720	\$720	\$720
20% Add office staff support = f (direct labor hours, pct)			\$/year	\$0	\$720	\$720	\$720	\$720	\$720
Incremental Training			\$/year	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
		Initial	\$/year	\$1,000					
		Trainer		\$500					
		Travel (trainer and/or participants)		\$500					
		Annual	\$/year		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
		Trainer			\$500	\$500	\$500	\$500	\$500

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**Incremental Cash Flows with Tele-health Consults**

**Primary Care Provider Perspective**

(Primary Care Provider = Primary)

Assumptions:				Units	Year	0	1	2	3	4	5
			Travel (trainer and/or participants)				\$500	\$500	\$500	\$500	\$500
			Incremental Facility Costs		\$200	\$1,070	\$1,102	\$1,145	\$1,198	\$1,267	
		\$15	Supplies (\$/RVU * Incremental RVU)	\$/year		\$372	\$404	\$447	\$500	\$568	
			Electrical		\$200	\$130	\$130	\$130	\$130	\$130	
540	3.0	20%	Equipment (Power Strips, Conditioning, Back-up)	\$/year		\$200					
			Usage (kWh/year/wkstn * wkstn * derm % * \$/kWh)	\$/year		\$130	\$130	\$130	\$130	\$130	
			Rent (Square Footage)		\$0	\$9	\$9	\$9	\$9	\$9	
			Additional Square Footage Required/Displaced	sf		9.0					
		\$1.00	Incremental Rent (\$/sf * sf)	\$/year		\$9	\$9	\$9	\$9	\$9	
			Insurance		\$0	\$560	\$560	\$560	\$560	\$560	
			Total Incremental Equipment (\$)	\$/year	\$28,000						
		\$0.02	Property Insurance (Incremental \$ = \$ ins/\$ incr. property)	\$/year		\$560	\$560	\$560	\$560	\$560	
			Incremental Equipment Costs		\$38,710	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910	
			Clinical Equipment		\$24,000	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	
			<b>Telemed Cart, Software Suite, &amp; Peripherals</b>								
		80%	1 Telemed Cart, Workstations & Software Suite*	\$30,000	\$24,000						
		12%	Telemed Cart Annual License & Maintenance Fees			\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	
			Telecom Edge Equipment		\$4,000	\$320	\$320	\$320	\$320	\$320	
			10% Initial Investment (Costs attributed to Cart*)	\$40,000	\$4,000						
			8% Annual License & Maintenance Fees			\$320	\$320	\$320	\$320	\$320	
			Telecom Circuits Cost Assignment		\$310	\$310	\$310	\$310	\$310	\$310	
			5% Bandwidth (Price to Primary Care Provider)	\$2,388	\$119	\$119	\$119	\$119	\$119	\$119	
			8% Network Management		\$191	\$191	\$191	\$191	\$191	\$191	
			Telecom Hub Cost Assignment		\$10,400	\$6,400	\$6,400	\$6,400	\$6,400	\$6,400	
			5% Initial Investment (Costs attributed to Cart*)	\$80,000	\$4,000						
			8% Managed Network, Servers, Web Hosting*		\$6,400	\$6,400	\$6,400	\$6,400	\$6,400	\$6,400	
			Net Annual Cash Flows			(\$39,910)	\$7,576	\$8,081	\$8,608	\$10,745	\$12,972
		5.0%	Net Present Value				\$1,023				

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**Cost Tables**

**Primary Care**

Labor Cost		Units	Total Annual			
<b>Fixed Labor Cost</b>		\$	\$102,600			
			Annual Salary per FTE	Benefits per FTE	Total Compensation per FTE	Total Annual Compensation
<b>FTE</b>				35%		
0.0	Physician	\$	\$150,000	\$52,500	\$202,500	\$0
0.0	Physician Assistant	\$	\$70,000	\$24,500	\$94,500	\$0
0.0	RN	\$	\$60,000	\$21,000	\$81,000	\$0
1.0	CHA	\$	\$40,000	\$14,000	\$54,000	\$54,000
0.5	Office Manager	\$	\$40,000	\$14,000	\$54,000	\$27,000
0.5	Office Staff	\$	\$32,000	\$11,200	\$43,200	\$21,600

<b>Labor Resource Capacity</b>		RVU/year				SUM =	4,400
		RVU/hour	RVU/day/FTE	RVU/month/FTE	RVU/year/FTE	RVU/year	
<b>FTE</b>				20 days/month	11 months/year		
1	0.0 Physician	2.50	20	400	4,400	0	
2	0.0 Physician Assistant	2.63	21	420	4,620	0	
3	0.0 RN	2.63	21	420	4,620	0	
4	1.0 CHA	2.50	20	400	4,400	4,400	

<b>Table of RVUs Per Encounter Code</b>		RVU <sup>1</sup>	\$/procedure	\$/RVU
99201	New, 10 min face time	0.97	\$ 54.84	\$57
99202	New, 20 min face time	1.72	\$ 95.76	\$56
99203	New, 30 min face time	2.56	\$ 120.94	\$47
99204	New, 45 min face time	3.62		
99205	New, 60 min face time	4.58		
99211	Est., 5 min	0.57	\$ 38.00	\$67
99212	Est., 10 min face time	1.02	\$ 57.77	\$57
99213	Est., 15 min face time	1.39	\$ 79.34	\$57
99214	Est., 25 min face time	2.18	\$ 121.45	\$56
99215	Est., 40 min face time	3.17	\$ 177.48	\$56
Avg. Treatment, New Patient		1.50	\$86	\$57
Avg. Treatment, Est. Patient		0.50	\$29	\$57

<b>Variable Labor Cost</b>		52		12	
		Hourly Increment	Weekly Increment	Monthly Increment	Annual Increment
1	Physician	\$97.36	\$3,894	\$16,875	\$202,500
2	Physician Assistant	\$45.43	\$1,817	\$7,875	\$94,500
3	RN	\$38.94	\$1,558	\$6,750	\$81,000
4	CHA	\$25.96	\$1,038	\$4,500	\$54,000
5	Office Manager	\$25.96	\$1,038	\$4,500	\$54,000
6	Office Staff	\$20.77	\$831	\$3,600	\$43,200

**NOTES:**

1 RVU Relative Value Units = Benchmark to Medicare RVU 2005 by CPT Procedure Code

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**Incremental Cash Flows with Tele-health Consults  
Specialist Perspective**

Assumptions:	Units	Year 0	1	2	3	4	5
<b>Encounter Statistics</b>							
<b>Encounters (Without Tele-health Consults)</b>							
2.0% Total potential TH encounters from local pop	encount/yr/pcp		382	390	397	405	413
100% Potential telehealth encounters receiving service	encount/yr/pcp		382	390	397	405	413
30% Bypass of local Primary Care Provider	encount/yr/pcp		115	117	119	122	124
70% Total Local Primary Care Provider Encounters	encount/yr/pcp		267	273	278	284	289
0% Specialist consults as share of PCP encounters	encount/yr/pcp		0	0	0	0	0
80% Specialist referrals as share of PCP encounters	encount/yr/pcp		214	218	223	227	232
0% Specialist share of direct bypass of local	encount/yr/pcp		0	0	0	0	0
70% Specialist referrals conducted at primary care provider	encount/yr/pcp		150	153	156	159	162
30% Specialist referrals conducted at specialist facility	encount/yr/pcp		64	65	67	68	69
<b>Encounters (With Tele-health Consults)</b>							
2.0% Total potential encounters	encount/yr/pcp		382	390	397	405	413
100% Potential telehealth encounters receiving service	encount/yr/pcp		382	390	397	405	413
10% Bypass of local Primary Care Provider	encount/yr/pcp		38	39	40	41	41
90% Total Local Primary Care Provider Encounters	encount/yr/pcp		344	351	358	365	372
Specialist telemed consults	pct		70%	70%	70%	70%	70%
Specialist telemed consults	encount/yr/pcp		241	245	250	255	260
Specialist telemed consults resulting in specialist referral	pct		40%	40%	40%	40%	40%
Specialist telemed consults resulting in specialist referral	encount/yr/pcp		96	98	100	102	104
80% Specialist referrals without telemed consults	encount/yr/pcp		83	84	86	88	89
Specialist referrals - total	encount/yr/pcp		179	182	186	190	194
0% Specialist share of direct bypass of local	encount/yr/pcp		0	0	0	0	0
30% Specialist referrals conducted at primary care provider	encount/yr/pcp		54	55	56	57	58
70% Specialist referrals conducted at specialist facility	encount/yr/pcp		125	128	130	133	135
8 Number of primary care providers referring to specialist	# of pcp nodes		8	8	8	8	8
<b>Incremental Encounters</b>							
Local primary care provider(s)	encount/yr		611	623	636	649	662
Local primary care treatment	encount/yr		na				
Specialist consults	encount/yr		1,925	1,964	2,003	2,043	2,084
Specialist referrals	encount/yr		(281)	(287)	(293)	(298)	(304)
Direct bypass of local to Specialist	encount/yr		0	0	0	0	0
Specialist referrals conducted at primary care provider	encount/yr		(769)	(784)	(800)	(816)	(832)
Specialist referrals conducted at specialist facility	encount/yr		488	497	507	518	528
<b>Patient Travel (Saved) = Incremental specialist referrals conducted at specialist facility</b>			488	497	507	518	528
<b>Payer Mix &amp; Fee Schedule (Specialist)</b>							
25% Medicaid	pct		25%	25%	25%	25%	25%
1.0% 99201 New Patient, 10 min typical	Fee (\$)		\$ 54.84	\$ 55.39	\$ 55.94	\$ 56.50	\$ 57.07
1.0% 99202 New Patient, 20 min typical	Fee (\$)		\$ 95.76	\$ 96.72	\$ 97.68	\$ 98.66	\$ 99.65
1.0% 99203 New Patient, 30 min typical	Fee (\$)		\$ 120.94	\$ 122.15	\$ 123.37	\$ 124.60	\$ 125.85
1.0% 99211 Est. Patient, 5 min typical	Fee (\$)		\$ 38.00	\$ 38.38	\$ 38.76	\$ 39.15	\$ 39.54
1.0% 99212 Est. Patient, 10 min typical	Fee (\$)		\$ 57.77	\$ 58.35	\$ 58.93	\$ 59.52	\$ 60.12
1.0% 99213 Est. Patient, 15 min typical	Fee (\$)		\$ 79.34	\$ 80.13	\$ 80.93	\$ 81.74	\$ 82.56
1.0% 99214 Est. Patient, 25 min typical	Fee (\$)		\$ 121.45	\$ 122.66	\$ 123.89	\$ 125.13	\$ 126.38
1.0% 99215 Est. Patient, 40 min typical	Fee (\$)		\$ 177.48	\$ 179.25	\$ 181.05	\$ 182.86	\$ 184.69
1.0% 99241 Consult, 15 min	Fee (\$)		\$ 74.80	\$ 75.55	\$ 76.30	\$ 77.07	\$ 77.84
1.0% 99242 Consult, 30 min	Fee (\$)		\$ 134.93	\$ 136.28	\$ 137.64	\$ 139.02	\$ 140.41
1.0% Facility Fee	Fee (\$)		\$ 120.00	\$ 121.20	\$ 122.41	\$ 123.64	\$ 124.87
1.0% Denial Rate	pct		5%	5%	5%	5%	5%
15% Medicare	pct		15%	15%	15%	15%	15%
1.0% 99201 New Patient, 10 min typical	Fee (\$)		\$ 54.84	\$ 55.39	\$ 55.94	\$ 56.50	\$ 57.07
1.0% 99202 New Patient, 20 min typical	Fee (\$)		\$ 95.76	\$ 96.72	\$ 97.68	\$ 98.66	\$ 99.65
1.0% 99203 New Patient, 30 min typical	Fee (\$)		\$ 120.94	\$ 122.15	\$ 123.37	\$ 124.60	\$ 125.85
1.0% 99211 Est. Patient, 5 min typical	Fee (\$)		\$ 38.00	\$ 38.38	\$ 38.76	\$ 39.15	\$ 39.54
1.0% 99212 Est. Patient, 10 min typical	Fee (\$)		\$ 57.77	\$ 58.35	\$ 58.93	\$ 59.52	\$ 60.12
1.0% 99213 Est. Patient, 15 min typical	Fee (\$)		\$ 79.34	\$ 80.13	\$ 80.93	\$ 81.74	\$ 82.56
1.0% 99214 Est. Patient, 25 min typical	Fee (\$)		\$ 121.45	\$ 122.66	\$ 123.89	\$ 125.13	\$ 126.38
1.0% 99215 Est. Patient, 40 min typical	Fee (\$)		\$ 177.48	\$ 179.25	\$ 181.05	\$ 182.86	\$ 184.69
1.0% 99241 Consult, 15 min	Fee (\$)		\$ 74.80	\$ 75.55	\$ 76.30	\$ 77.07	\$ 77.84
1.0% 99242 Consult, 30 min	Fee (\$)		\$ 134.93	\$ 136.28	\$ 137.64	\$ 139.02	\$ 140.41
1.0% Facility Fee	Fee (\$)		\$ -	\$ -	\$ -	\$ -	\$ -
1.0% Denial Rate	pct		5%	5%	5%	5%	5%
10% 3rd Party	pct		10%	10%	10%	10%	10%
1.0% 99201 New Patient, 10 min typical	Fee (\$)		\$ 65.81	\$ 66.47	\$ 67.13	\$ 67.80	\$ 68.48
1.0% 99202 New Patient, 20 min typical	Fee (\$)		\$ 114.91	\$ 116.06	\$ 117.22	\$ 118.39	\$ 119.58
1.0% 99203 New Patient, 30 min typical	Fee (\$)		\$ 145.13	\$ 146.58	\$ 148.05	\$ 149.53	\$ 151.02
1.0% 99211 Est. Patient, 5 min typical	Fee (\$)		\$ 45.60	\$ 46.06	\$ 46.52	\$ 46.98	\$ 47.45
1.0% 99212 Est. Patient, 10 min typical	Fee (\$)		\$ 69.32	\$ 70.02	\$ 70.72	\$ 71.42	\$ 72.14
1.0% 99213 Est. Patient, 15 min typical	Fee (\$)		\$ 95.21	\$ 96.16	\$ 97.12	\$ 98.09	\$ 99.07
1.0% 99214 Est. Patient, 25 min typical	Fee (\$)		\$ 145.74	\$ 147.20	\$ 148.67	\$ 150.16	\$ 151.66
1.0% 99215 Est. Patient, 40 min typical	Fee (\$)		\$ 212.98	\$ 215.11	\$ 217.26	\$ 219.43	\$ 221.62
1.0% 99241 Consult, 15 min	Fee (\$)		\$ 89.76	\$ 90.66	\$ 91.56	\$ 92.48	\$ 93.40
1.0% 99242 Consult, 30 min	Fee (\$)		\$ 161.92	\$ 163.54	\$ 165.17	\$ 166.82	\$ 168.49

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**Incremental Cash Flows with Tele-health Consults  
Specialist Perspective**

Assumptions:		Units	Year	1	2	3	4	5
		Fee (\$)	0	\$	\$	\$	\$	\$
1.0%	Facility Fee	pct		5%	5%	5%	5%	5%
	Denial Rate	pct		50%	50%	50%	50%	50%
50% Contract				\$300	\$306	\$312	\$318	\$325
CAGR	2%	\$300						
Contract \$ per patient per year to specialist		\$/patient/year						
0%	Patient	pct		0%	0%	0%	0%	0%
Procedure Mix (Specialist)								
	CPT	Description						
<b>Without Tele-health Encounters</b>								
Patient Encounters			214	218	223	227	232	
16%	New Patients		34	35	36	36	37	
86%	99201	New Patient, 10 min typical	29	30	31	31	32	
9%	99202	New Patient, 20 min typical	3	3	3	3	3	
5%	99203	New Patient, 30 min typical	2	2	2	2	2	
84%	Established Patients		180	183	187	191	195	
1%	99211	Est. Patient, 5 min typical	2	2	2	2	2	
86%	99212	Est. Patient, 10 min typical	155	157	161	164	168	
13%	99213	Est. Patient, 15 min typical	23	24	24	25	25	
0%	99214	Est. Patient, 25 min typical	0	0	0	0	0	
0%	99215	Est. Patient, 40 min typical	0	0	0	0	0	
Consults			0	0	0	0	0	
95%	99241	Consult, 15 min	0	0	0	0	0	
5%	99242	Consult, 30 min	0	0	0	0	0	
30%	Potential Facility Fees Collected by Specialist Facility		64	65	67	68	69	
Potential facility fees collected by primary care facility with specialist visit			150	153	156	159	162	
<b>With Tele-health Encounters</b>								
Patient Encounters			179	182	186	190	194	
16%	New Patients		29	29	30	30	31	
86%	99201	New Patient, 10 min typical	25	25	26	26	27	
9%	99202	New Patient, 20 min typical	3	3	3	3	3	
5%	99203	New Patient, 30 min typical	1	1	2	2	2	
84%	Established Patients		150	153	156	159	163	
1%	99211	Est. Patient, 5 min typical	2	2	2	2	2	
86%	99212	Est. Patient, 10 min typical	129	132	134	137	140	
13%	99213	Est. Patient, 15 min typical	20	20	20	21	21	
0%	99214	Est. Patient, 25 min typical	0	0	0	0	0	
0%	99215	Est. Patient, 40 min typical	0	0	0	0	0	
Consults			241	245	250	255	260	
95%	99241	Consult, 15 min	229	233	238	243	247	
5%	99242	Consult, 30 min	12	12	13	13	13	
70%	Potential Facility Fees Collected by Specialist Facility		125	128	130	133	135	
Potential facility fees collected by primary care facility with specialist visit			54	55	56	57	58	
<b>Incremental Procedures (With Tele-health consults)</b>								
New Patients			(5)	(6)	(6)	(6)	(6)	
	99201	New Patient, 10 min typical	(4)	(5)	(5)	(5)	(5)	
	99202	New Patient, 20 min typical	0	0	0	0	0	
	99203	New Patient, 30 min typical	(1)	(1)	0	0	0	
Established Patients			(30)	(30)	(31)	(32)	(32)	
	99211	Est. Patient, 5 min typical	0	0	0	0	0	
	99212	Est. Patient, 10 min typical	(26)	(25)	(27)	(27)	(28)	
	99213	Est. Patient, 15 min typical	(3)	(4)	(4)	(4)	(4)	
	99214	Est. Patient, 25 min typical	0	0	0	0	0	
	99215	Est. Patient, 40 min typical	0	0	0	0	0	
Consults			241	245	250	255	260	
	99241	Consult, 15 min	229	233	238	243	247	
	99242	Consult, 30 min	12	12	13	13	13	
	Potential Facility Fees Collected by Specialist Facility		61	62	63	65	66	
	Potential Facility fees collected by primary care facility with specialist visit		(96)	(98)	(100)	(102)	(104)	

Specialist Perspective		Year	1	2	3	4	5
		0					
<b>Incremental Cash Flow Pro Formas</b>							
Revenue		\$0	\$16,827	\$17,133	\$17,747	\$18,304	\$18,807
New Patient Encounters			(\$168)	(\$197)	(\$138)	(\$140)	(\$141)
Medicaid			(\$81)	(\$95)	(\$66)	(\$67)	(\$68)
	99201 New Patient, 10 min typical		(\$52)	(\$66)	(\$66)	(\$67)	(\$68)
	99202 New Patient, 20 min typical		\$0	\$0	\$0	\$0	\$0
	99203 New Patient, 30 min typical		(\$29)	(\$29)	\$0	\$0	\$0
Medicare			(\$48)	(\$57)	(\$40)	(\$40)	(\$41)
	99201 New Patient, 10 min typical		(\$31)	(\$39)	(\$40)	(\$40)	(\$41)
	99202 New Patient, 20 min typical		\$0	\$0	\$0	\$0	\$0
	99203 New Patient, 30 min typical		(\$17)	(\$17)	\$0	\$0	\$0
Third Party			(\$39)	(\$45)	(\$32)	(\$32)	(\$33)

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**Incremental Cash Flows with Tele-health Consults  
Specialist Perspective**

Assumptions:	Units	Year 0	1	2	3	4	5
99201 New Patient, 10 min typical			(\$25)	(\$32)	(\$32)	(\$32)	(\$33)
99202 New Patient, 20 min typical			\$0	\$0	\$0	\$0	\$0
99203 New Patient, 30 min typical			(\$14)	(\$14)	\$0	\$0	\$0
Contract Revenue - Number of new contract patients * revenue per contract patient			(\$600)	(\$765)	(\$780)	(\$796)	(\$812)
Number of new patient encounters associated with reduced bypass of PCP			(4)	(5)	(5)	(5)	(5)
100% Pct. of new patient encounters associated with new patient to system			100%	100%	100%	100%	100%
Patient Mix - Pct of Patients who are covered by contract			50%	50%	50%	50%	50%
Annual Revenue per Contract Patient			\$300	\$306	\$312	\$318	\$325
Patient (Placeholder)							
Established Patient Encounters			(\$860)	(\$879)	(\$946)	(\$955)	(\$995)
Medicaid			(\$413)	(\$423)	(\$455)	(\$459)	(\$478)
99211 Est. Patient, 5 min typical			\$0	\$0	\$0	\$0	\$0
99212 Est. Patient, 10 min typical			(\$357)	(\$346)	(\$378)	(\$382)	(\$400)
99213 Est. Patient, 15 min typical			(\$57)	(\$76)	(\$77)	(\$78)	(\$78)
99214 Est. Patient, 25 min typical			\$0	\$0	\$0	\$0	\$0
99215 Est. Patient, 40 min typical			\$0	\$0	\$0	\$0	\$0
Medicare			(\$248)	(\$254)	(\$273)	(\$276)	(\$287)
99211 Est. Patient, 5 min typical			\$0	\$0	\$0	\$0	\$0
99212 Est. Patient, 10 min typical			(\$214)	(\$208)	(\$227)	(\$229)	(\$240)
99213 Est. Patient, 15 min typical			(\$34)	(\$46)	(\$46)	(\$47)	(\$47)
99214 Est. Patient, 25 min typical			\$0	\$0	\$0	\$0	\$0
99215 Est. Patient, 40 min typical			\$0	\$0	\$0	\$0	\$0
Third Party			(\$198)	(\$203)	(\$218)	(\$220)	(\$230)
99211 Est. Patient, 5 min typical			\$0	\$0	\$0	\$0	\$0
99212 Est. Patient, 10 min typical			(\$171)	(\$166)	(\$181)	(\$183)	(\$192)
99213 Est. Patient, 15 min typical			(\$27)	(\$37)	(\$37)	(\$37)	(\$38)
99214 Est. Patient, 25 min typical			\$0	\$0	\$0	\$0	\$0
99215 Est. Patient, 40 min typical			\$0	\$0	\$0	\$0	\$0
Contract (assume no new revenue associated with established patients, established patient procedures)							
Patient (Placeholder)							
Consult Encounters			\$9,262	\$9,504	\$9,855	\$10,144	\$10,399
Medicaid			\$4,453	\$4,569	\$4,738	\$4,877	\$5,000
99241 Consult, 15 min			\$4,068	\$4,181	\$4,313	\$4,448	\$4,566
99242 Consult, 30 min			\$385	\$388	\$425	\$429	\$434
Medicare			\$2,672	\$2,741	\$2,843	\$2,926	\$3,000
99241 Consult, 15 min			\$2,441	\$2,508	\$2,588	\$2,669	\$2,740
99242 Consult, 30 min			\$231	\$233	\$255	\$258	\$260
Third Party			\$2,137	\$2,193	\$2,274	\$2,341	\$2,400
99241 Consult, 15 min			\$1,953	\$2,007	\$2,070	\$2,135	\$2,192
99242 Consult, 30 min			\$185	\$186	\$204	\$206	\$208
Contract (assume no new revenue associated with patient consults)							
Patient (Placeholder)							
<b>Incremental Treatment Revenue</b>			\$7,455	\$7,681	\$7,913	\$8,151	\$8,398
<b>Low Intensity Referrals</b>			(487)	(497)	(507)	(517)	(527)
Without telemed			856	873	890	908	926
With telemed			369	376	383	391	399
CAGR 1% \$57 Average Revenue Per Low Intensity Referral Treatment Procedure			\$57	\$58	\$58	\$59	\$59
<b>High Intensity Referrals</b>			206	210	214	219	223
Without telemed			856	873	890	908	926
With telemed			1,062	1,083	1,105	1,127	1,149
CAGR 1% \$171 Average Revenue Per High Intensity Referral Treatment Procedure (Specialty procedures)			\$171	\$173	\$174	\$176	\$178
Facility Fees			\$1,738	\$1,790	\$1,844	\$1,900	\$1,957
<b>Cost</b>	<b>TOTAL \$</b>	<b>\$11,600</b>	<b>(\$1,191)</b>	<b>(\$1,191)</b>	<b>\$33,395</b>	<b>\$33,481</b>	<b>\$33,594</b>
Incremental Direct Labor Costs		\$0	\$0	\$0	\$33,750	\$33,750	\$33,750
Basic Labor Capacity	RVU/yr	4,400	4,400	4,400	4,400	4,400	4,400
5.0% Current Spare Capacity Available	%	5%	5%	5%	5%	5%	5%
Current Labor Requirements	RVU/yr	4,180	4,180	4,180	4,180	4,180	4,180
Incremental Labor Requirements	RVU/yr	212	218	228	233	241	
99201 New Patient, 10 min typical	RVU/yr		(4)	(5)	(5)	(5)	(5)

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**Incremental Cash Flows with Tele-health Consults  
Specialist Perspective**

Assumptions:		Units	Year					
			0	1	2	3	4	5
	99202 New Patient, 20 min typical	RVU/yr		0	0	0	0	0
	99203 New Patient, 30 min typical	RVU/yr		(3)	(3)	0	0	0
	99211 Est. Patient, 5 min typical	RVU/yr		(109)	(109)	(112)	(116)	(116)
	99212 Est. Patient, 10 min typical	RVU/yr		0	0	0	0	0
	99213 Est. Patient, 15 min typical	RVU/yr		(15)	(14)	(15)	(15)	(16)
	99214 Est. Patient, 25 min typical	RVU/yr		(3)	(4)	(4)	(4)	(4)
	99215 Est. Patient, 40 min typical	RVU/yr		0	0	0	0	0
	99241 Consult, 15 min	RVU/yr		305	310	317	323	329
	99242 Consult, 30 min	RVU/yr		29	29	32	32	32
<b>Treatment</b>		RVU/yr		131	133	136	139	142
Incremental treatment procedures/year - New Patients		Proced/yr		206	210	214	219	223
Incremental treatment procedures/year - Established Patients		Proced/yr		(487)	(497)	(507)	(517)	(527)
<b>Remote Clinics</b>								
Incremental days/year		days/year		(6)	(6)	(6)	(6)	(6)
Incremental RVU/year		RVU/year		(120)	(120)	(120)	(120)	(120)
<b>Current + Incremental Labor Requirements</b>		RVU/yr	4,180	4,392	4,398	4,408	4,413	4,421
New Capacity Required (if C+IR>CLC, Min. Add'n Capacity Req'd)		RVU/yr	0	0	0	8	13	21
Incremental Labor Cost		\$/year	\$0	\$0	\$0	\$33,750	\$33,750	\$33,750
<div style="border: 1px solid black; padding: 2px;">Increment Policy</div> Depending upon labor markets and clinic policy, labor increments may be added as a weekly, monthly, or annual step function								
<div style="border: 1px solid black; padding: 2px;">2</div> W Capacity Increment		Increment \$	0.00	0.00	0.00	1.00	1.00	1.00
<div style="border: 1px solid black; padding: 2px;">M Capacity Increment</div> M Capacity Increment		Increment \$	\$0	\$0	\$0	\$7,788	\$7,788	\$7,788
<div style="border: 1px solid black; padding: 2px;">A Capacity Increment</div> A Capacity Increment		Increment \$	\$0	\$0	\$0	\$33,750	\$33,750	\$33,750
<div style="border: 1px solid black; padding: 2px;">A Capacity Increment</div> A Capacity Increment		Increment \$	\$0	\$0	\$0	\$405,000	\$405,000	\$405,000
Increase consults (telemed)		RVU/yr		334	339	348	355	360
Reduced patient encounters (new, est, treatment)		RVU/yr		(2)	(1)	(0)	(1)	1
30% Reduced new/est. patient encounters in a remote facility		RVU/yr		(1)	(0)	(0)	(0)	0
*Freed Up* Specialist Capacity to Devote to reducing patient queue		days/yr		(0)	(0)	(0)	(0)	0
*Freed Up* Specialist Capacity to Devote to reducing patient queue		encount/yr		(1)	0	0	0	0
Incremental General Support Labor		\$/year	\$0	\$0	\$720	\$720	\$720	\$720
20% Add office staff support = f (direct labor hours, pct)		\$/year	\$0	\$0	\$720	\$720	\$720	\$720
<b>Remote Clinics</b>		\$/year		(\$2,355)	(\$2,355)	(\$2,355)	(\$2,355)	(\$2,355)
<b>Summary of Referral Statistics</b>								
Incremental number of patient encounters at remote clinics		encounters/year		(96)	(98)	(100)	(102)	(104)
1.06 Weighted Average Relative Value Units of remote clinic patient encounters		RVU/encounter		1.06	1.06	1.06	1.06	1.06
Number of remote clinic RVUs per year		RVU/yr		(91)	(92)	(94)	(96)	(98)
85% Assume number of clinics per year = # of encounters divided by two day clinic encounter capacity		# remote clinics/year		(3)	(3)	(3)	(3)	(3)
Assume specialist makes a trip to the primary care facility for an itinerant clinic for three work days + one travel day on either side (two unproductive days per trip)		#unproductive travel days		(6)	(6)	(6)	(6)	(6)
\$300 Travel		\$/trip	\$300	\$300	\$300	\$300	\$300	\$300
\$485 Lodging, Per Diem		\$/trip	\$485	\$485	\$485	\$485	\$485	\$485
Travel		\$/year	(\$900)	(\$900)	(\$900)	(\$900)	(\$900)	(\$900)
Lodging, Per Diem		\$/year	(\$1,455)	(\$1,455)	(\$1,455)	(\$1,455)	(\$1,455)	(\$1,455)
Incremental Training		\$/year	\$1,000	\$0	\$0	\$0	\$0	\$0
Incremental Facility Costs		\$/year	\$200	\$236	\$236	\$352	\$438	\$551
Incremental Equipment Costs		\$/year	\$10,400	\$928	\$928	\$928	\$928	\$928
Net Annual Cash Flows			(\$11,600)	\$18,018	\$18,324	(\$15,647)	(\$15,176)	(\$14,787)
5.0% Net Present Value				(\$14,675)				

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**Cost Tables**  
**Specialist Care**

Labor Cost		Units	Total Annual		
<b>Fixed Labor Cost</b>		\$	\$433,080		
FTE		Annual Salary per FTE	Benefits per FTE	Total Compensation per FTE	Total Annual Compensation
1.0	Specialist	\$300,000	\$105,000	\$405,000	\$405,000
0.0	Physician Assistant	\$70,000	\$24,500	\$94,500	\$0
0.0	RN	\$60,000	\$21,000	\$81,000	\$0
0.0	CHA	\$40,000	\$14,000	\$54,000	\$0
0.2	Office Manager	\$40,000	\$14,000	\$54,000	\$10,800
0.4	Office Staff	\$32,000	\$11,200	\$43,200	\$17,280

Labor Resource Capacity		RVU/year	RVU/YEAR = 4,400			
FTE		RVU/hour	RVU/day/FTE	RVU/month/FTE	RVU/year/FTE	RVU/year
				20 days/month	11 months/year	
1	1.0 Specialist	2.50	20	400	4,400	4,400
2	0.0 Physician Assistant	2.63	21	420	4,620	0
3	0.0 RN	2.63	21	420	4,620	0
4	0.0 CHA	2.50	20	400	4,400	0

Table of RVUs Per Encounter Code		RVU <sup>1</sup>			\$/procedure	\$/RVU
99201	New, 10 min face time	0.97	13.8%	0.133472	\$ 54.84	\$57
99202	New, 20 min face time	1.72	1.4%	0.024768	\$ 95.76	\$56
99203	New, 30 min face time	2.56	0.8%	0.02048	\$ 120.94	\$47
99204	New, 45 min face time	3.62				
99205	New, 60 min face time	4.58				
99211	Est., 5 min	0.57	0.8%	0.004788	\$ 38.00	\$67
99212	Est., 10 min face time	1.02	72.2%	0.736848	\$ 57.77	\$57
99213	Est., 15 min face time	1.39	10.9%	0.151788	\$ 79.34	\$57
99214	Est., 25 min face time	2.18	100.0%	1.072144	\$ 121.45	\$56
99215	Est., 40 min face time	3.17			\$ 177.48	\$56
99241	Consult, 15 min	1.33			\$ 74.80	\$56
99242	Consult, 30 min	2.43			\$ 134.93	\$56
Avg. Treatment, New Patient		3.00			\$171	\$57
Avg. Treatment, Est. Patient		1.00			\$57	\$57

Variable Labor Cost		52	12	
	Hourly Increment	Weekly Increment	Monthly Increment	Annual Increment
1 Specialist	\$194.71	\$7,788	\$33,750	\$405,000
2 Physician Assistant	\$45.43	\$1,817	\$7,875	\$94,500
3 RN	\$38.94	\$1,558	\$6,750	\$81,000
4 CHA	\$25.96	\$1,038	\$4,500	\$54,000
5 Office Manager	\$25.96	\$1,038	\$4,500	\$54,000
6 Office Staff	\$20.77	\$831	\$3,600	\$43,200

NOTES:

1 RVU Relative Value Units = Benchmark to Medicare RVU 2005 by CPT Procedure Code



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**Incremental Cash Flows with Tele-health Consults**

Year					
<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>

<b>Telecom Universal Service Fund</b>						
Revenue						
Cost						
5%	Pct of Bandwidth attributed to Tele-health for each rural Primary Care Provider					
Broadband Internet						
Frame Relay						
T-1 Circuits						
	Total Cost	\$144,000	\$144,000	\$144,000	\$144,000	\$144,000
12	\$199 Price to Health Care Providers	\$2,388	\$2,388	\$2,388	\$2,388	\$2,388
	Support from Universal Service Fund	\$141,612	\$141,612	\$141,612	\$141,612	\$141,612
5%	USF Support attributed to tele-health	\$7,081	\$7,081	\$7,081	\$7,081	\$7,081
Net Annual Cash Flows		\$0	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
5.0% Net Present Value			(\$29,196)			

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**Incremental Cash Flows with Tele-health Consults**

Units	Year 0	1	2	3	4	5
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**Travel Payer (Patient/Insurance)**

<b>Payments to Providers (increment) / decrement</b>						
8 Primary Care Providers						
1 Specialist						
<i>Patient Travel Savings</i>						
<b>Travel Savings</b>						
Net Patient Trips Saved (Created)	trips					
Cost of Patient Trips	\$					
\$300 Airfare	\$					
50% \$300 Parent Airfare	\$					
\$130 Hotel	\$					
\$50 Per Diem	\$					
Net Annual Cash Flows						
5.0% Net Present Value						

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SUMMARY

**Value of patient time +**

**Incremental Cash Flows with Tele-health Consults**

	Year	\$0	\$0	\$0	\$0	\$0
	0	1	2	3	4	5
<b>Total System Perspective</b>						
Revenue		\$0	\$0	\$0	\$0	\$0
Cost (Cost Savings)	\$330,884	\$453,901	\$459,677	\$500,717	\$520,259	\$540,759
Net Annual Cash Flows	(\$330,884)	(\$453,901)	(\$459,677)	(\$500,717)	(\$520,259)	(\$540,759)
PV of Net Annual Cash Flow	(\$330,884)	(\$432,287)	(\$416,941)	(\$432,538)	(\$428,019)	(\$423,699)
Cummulative PV Net Annual Cash Flow	(\$330,884)	(\$763,171)	###	###	###	(\$2,464,367)
<b>Primary Care Provider</b>						
Individual Primary Care Provider Location						
Revenue	\$0	\$24,776	\$25,314	\$25,884	\$28,074	\$30,369
Cost	\$39,910	\$17,201	\$17,233	\$17,276	\$17,329	\$17,397
Net Annual Cash Flow	(\$39,910)	\$7,576	\$8,081	\$8,608	\$10,745	\$12,972
PV of Net Annual Cash Flow	(\$39,910)	\$7,215	\$7,330	\$7,436	\$8,840	\$10,164
Cummulative PV Net Annual Cash Flow	(\$39,910)	(\$32,696)	(\$25,366)	(\$17,930)	(\$9,090)	\$1,074
Number of Primary Care Providers						
Total Primary Care Providers	8	8	8	8	8	8
Revenue	\$0	\$198,211	\$202,510	\$207,069	\$224,592	\$242,956
Cost	\$319,284	\$137,606	\$137,860	\$138,208	\$138,630	\$139,179
Net Annual Cash Flows	(\$319,284)	\$60,605	\$64,650	\$68,862	\$85,962	\$103,777
PV of Net Annual Cash Flow	(\$319,284)	\$57,719	\$58,639	\$59,485	\$70,721	\$81,312
Cummulative PV Net Annual Cash Flow	(\$319,284)	(\$261,564)	(\$202,925)	(\$143,440)	(\$72,718)	\$8,594
<b>Specialist</b>						
Revenue	\$0	\$16,827	\$17,133	\$17,747	\$18,304	\$18,807
Cost	\$11,600	(\$1,191)	(\$1,191)	\$33,395	\$33,481	\$33,594
Net Annual Cash Flows	(\$11,600)	\$18,018	\$18,324	(\$15,647)	(\$15,176)	(\$14,787)
PV of Net Annual Cash Flow	(\$11,600)	\$17,160	\$16,620	(\$13,517)	(\$12,486)	(\$11,586)
Cummulative PV Net Annual Cash Flow	(\$11,600)	\$5,560	\$22,180	\$8,663	(\$3,823)	(\$15,409)
<b>Patient/Payer</b>						
Insurance/Patient Payments to Providers		(\$215,038)	(\$219,643)	(\$224,817)	(\$242,897)	(\$261,763)
PV of Net Annual Cash Flow	\$0	(\$204,798)	(\$199,223)	(\$194,205)	(\$199,832)	(\$205,098)
Cummulative PV Net Annual Cash Flow	\$0	(\$204,798)	(\$404,021)	(\$598,226)	(\$798,058)	(\$1,003,156)
Travel Costs Avoided		(\$307,275)	(\$313,420)	(\$319,689)	(\$326,082)	(\$332,604)
PV of Net Annual Cash Flow	\$0	(\$292,643)	(\$284,281)	(\$276,159)	(\$268,269)	(\$260,604)
Cummulative PV Net Annual Cash Flow	\$0	(\$292,643)	(\$576,924)	(\$853,083)	###	(\$1,381,956)
<b>Patient Lost Time During Travel</b>						
Value of patient lost time due to travel		\$42,173	\$43,016	\$43,877	\$44,754	\$45,649
PV - Patient Lost Time Due to Travel	\$0	\$40,165	\$39,017	\$37,902	\$36,819	\$35,767
Cummulative PV Patient Lost Time Due to Travel		\$40,165	\$79,182	\$117,084	\$153,903	\$189,670
<b>Patient Time in Queue Waiting for Specialist</b>						
Value of reduced patient wait time in queue	\$0	\$4,261	\$4,041	\$3,342	(\$10,175)	(\$24,387)
PV - Reduced patient wait time in queue	\$0	\$4,058	\$3,666	\$2,887	(\$8,371)	(\$19,108)
Cummulative PV -Reduced patient wait time in queue	\$0	\$4,058	\$7,723	\$10,610	\$2,239	(\$16,869)
<b>Telecom Universal Service Fund</b>						
Individual Primary Care Provider Location						
Cost		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
Net Annual Cash Flows		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
PV of Net Annual Cash Flow	\$0	(\$6,743)	(\$6,422)	(\$6,116)	(\$5,825)	(\$5,548)
Cummulative PV Net Annual Cash Flow	\$0	(\$6,743)	(\$13,166)	(\$19,282)	(\$25,107)	(\$30,655)
Number of Primary Care Providers						
Total Primary Care Providers	8	8	8	8	8	8
Cost	\$0	(\$56,645)	(\$56,645)	(\$56,645)	(\$56,645)	(\$56,645)
Net Annual Cash Flow	\$0	(\$56,645)	(\$56,645)	(\$56,645)	(\$56,645)	(\$56,645)
PV of Net Annual Cash Flow		(\$53,947)	(\$51,379)	(\$48,932)	(\$46,602)	(\$44,383)
Cummulative PV Net Annual Cash Flow	\$0	(\$53,947)	(\$105,326)	(\$154,258)	(\$200,860)	(\$245,242)
<b>Total System Perspective</b>						
Primary Care Provider						\$8,594
Specialist						(\$15,409)
Insurance/Patient Payments to Providers						(\$1,003,156)
Travel Costs Avoided						(\$1,381,956)
Value of Reduced Patient Lost Time During Travel						\$189,670
Value of Reduced Patient Time Waiting in Queue						(\$16,869)
Telecom Universal Service Fund						(\$245,242)

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**Value of Lost Time and Time in Queue +  
Incremental Cash Flows with Tele-health Consults**

	0	0	0	0	0	0
Units	Year	1	2	3	4	5
	0					

Patient/Payer Perspective								
Payments to providers - (increment) / decrement			(\$215,038)	(\$219,643)	(\$224,817)	(\$242,897)	(\$261,763)	
8 Primary Care Providers - (increment) / decrement			(\$198,211)	(\$202,510)	(\$207,069)	(\$224,592)	(\$242,956)	
1 Specialist - (increment) / decrement			(\$16,827)	(\$17,133)	(\$17,747)	(\$18,304)	(\$18,807)	
Patient Travel & Time - Savings			\$219,299	\$223,685	\$228,158	\$232,721	\$237,376	
Travel Savings		\$/year	\$177,126	\$180,668	\$184,282	\$187,967	\$191,727	
Patient Trips Savings		trips	281	287	293	298	304	
Cost of Patient Trips		\$/trip	\$177,126	\$180,668	\$184,282	\$187,967	\$191,727	
\$300 Airfare		\$/trip	\$84,346	\$86,033	\$87,753	\$89,508	\$91,298	
50% \$300 Parent Airfare		\$/trip	\$42,173	\$43,016	\$43,877	\$44,754	\$45,649	
\$130 Hotel		\$/trip	\$36,550	\$37,281	\$38,026	\$38,787	\$39,563	
\$50 Per Diem		\$/trip	\$14,058	\$14,339	\$14,626	\$14,918	\$15,216	
Cumulative PV Patient Lost Time Due to Travel			0	\$40,165	\$79,182	\$117,084	\$153,903	\$189,670
PV - Patient Lost Time Due to Travel			0	\$40,165	\$39,017	\$37,902	\$36,819	\$35,767
Value of patient lost time due to travel		\$/year	\$42,173	\$43,016	\$43,877	\$44,754	\$45,649	
\$150 Patient lost time due to travel		\$/day	\$150	\$150	\$150	\$150	\$150	
1 Patient lost days due to travel		days/trip * days	281	287	293	298	304	
<a href="#">0 Reduce Wait Time in Queue</a>								
Incremental value of reduced wait time in queue		\$	\$0	\$0	\$0	\$0	\$0	
\$160 Value of reduced wait time in Queue for Specialty Care		\$/week	\$160	\$160	\$160	\$160	\$160	
Number of patients vs. avg. patient wait time = function of case specific queue specifications. These specific changes in queue statistics are based on a limited case study and may not be applicable to other settings.		"Freed Up" Specialist Capacity to Devote to reducing patient queue	encounters/yr	(1)	0	0	0	0
		Patients In Queue Backlog		1,936				
		Avg. Weeks in Queue		24.6				
		Incremental Capacity	encounters/yr	1	0	0	0	0
		Patients in Queue (EOY)		1,935	1,935	1,935	1,935	1,935
		Patients In Queue (MOY)		1,936	1,935	1,935	1,935	1,935
0.0126 0.1770		Avg. Weeks in Queue		24.6	24.6	24.6	24.6	24.6
		Patient Weeks Saved (Avg. wait * # of patients)	patient weeks per year	69	12	0	0	0
Net Annual Value			\$0	\$4,261	\$4,041	\$3,342	(\$10,175)	(\$24,387)
5.0% Net Present Value				(\$16,066)				

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ASSUMPTIONS + RESULTS

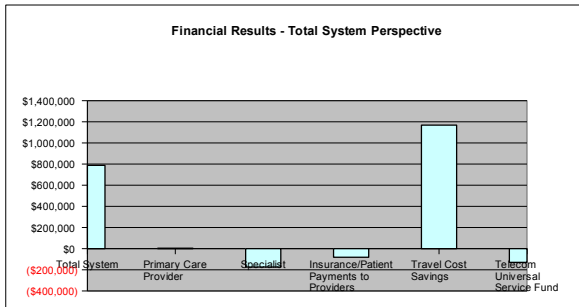
Remote Rural Illustrative Case Results; Specialist experiences net loss of revenue due to fewer referrals - offset by patient travel savings

Discount Rate 3.0%

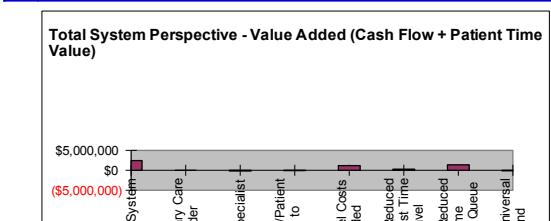
#/week	8.0	8.0
#/month	31.8	31.8

<b>1 Net Present Value of Incremental Cash Flows with Tele-consults</b>	
	Net Benefit (Cost)
Total System	\$787,758
4 Primary Care Provider	\$4,007
1 Specialist	(\$173,962)
Insurance/Patient Payments to Providers	(\$81,281)
Travel Costs Avoided	\$1,168,703
Telecom Universal Service Fund	(\$129,708)

Sensitivity Testing	Base Case Remote Rural	Sensitivity	Pct
Total System	\$787,758	\$787,758	0%
Primary Care Provide	\$4,007	\$4,007	0%
Specialist	(\$173,962)	(\$173,962)	0%
Insurance/Patient Pa	(\$81,281)	(\$81,281)	0%
Travel Cost Savings	\$1,168,703	\$1,168,703	0%
Telecom Universal S	(\$129,708)	(\$129,708)	0%



<b>2 Net Present Value of Incremental Cash Flows with Tele-consults + Value of Reduced Wait for Specialist Reduced time lost to traveling</b>	
	Net Benefit (Cost)
Total System	\$2,431,705
4 Primary Care Provider	\$4,007
1 Specialist	(\$173,962)
Insurance/Patient Payments to Providers	(\$81,281)
Travel Costs Avoided	\$1,168,703
Value of Reduced Patient Lost Time During Travel	\$278,263
Value of Reduced Patient Time Waiting in Queue	\$1,365,684
Telecom Universal Service Fund	(\$129,708)



Encounter Referral Patterns:	Units	Without	With TH	Without	With
Potential Local Patient Encounters	annual	382	382		
Potential telehealth encounters receiving service	%	100%	100%		
Bypass of local Primary Care Provider	%	10%	5%		
Specialist Telemed Consults	%	na	50%		
Specialist referrals	%	50%	40%		
Specialist share of direct bypass	%	90%	95%		
Number of PCP nodes referring to Specialist	#	4	4		

Primary Care Provider Parameters:	Medicaid	Medicare	3rd Party	Contract (\$/patient/yr)	Patient
Payer Mix	25%	15%	10%		0%
Fee Schedule	Link	Link	Link	\$3,000	
Denial Rate	10%	10%	10%		
Pct of reclaimed bypass patients new to system	100%				
Encounter Mix	New	Established	ck sum	Procedure Mix	
Before (Eval & Mngmnt)	16%	84%	100%	Link	
After (Eval & Mngmnt)	16%	84%	100%	Link	
Treatment Encounters - Average RVU	1.5	0.5			
System Capacity/Cost	Units	Without	With TH		
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	3.0%	calc		
Minimum Labor Increments					2
Primary Care Provider Base Salary	\$/year	\$40,000			CHA Test
	Labor Increment	Week	Month	Ann	
		Clinical	Telecom	Telecom Circuits (\$/yr)	
Initial Capital Investment	\$	\$30,000	\$120,000	\$2,388	
Pct of Initial Capital attributed to Cart	%	10%	5%		
Annual O&M Costs	% of capital	12%	8%		8%

Specialist Parameters:	Medicaid	Medicare	3rd Party	Contract (\$/p/yr)	Patient
Payer Mix	25%	15%	10%		0%
Fee Schedule	Link	Link	Link	\$300	
Denial Rate	5%	5%	5%		
Pct of reclaimed bypass patients new to system	100%				
Encounter Mix	New	Established	ck sum	Procedure Mix	
Before (Eval & Mngmnt)	16%	84%	100%	Link	
After (Eval & Mngmnt)	16%	84%	100%	Link	
Encounters at Specialist Facility	Without	With TH			
Specialist Encounters at Primary Care	80%	90%			
Treatment Encounters - Average RVU	20%	10%			
System Capacity/Cost	Units	Without	With TH		
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	4.0%	calc		
Minimum Labor Increments					3
Specialist Base Salary	\$/year	\$300,000			
	Labor Increment	Week	Month	Ann	
		Clinical	Telecom	Telecom Circuits (\$/yr)	
Initial Capital Investment	\$	\$12,000	\$120,000	\$2,388	
Pct of Initial Capital attributed to Cart	%	5%	5%		5%
Annual O&M Costs	% of capital	12%	4%		8%

Patient Travel Parameters:	%	Value
Pct of Patient Trips with Parent	50%	
Cost of Patient Trips		
Airfare	\$/RT	\$300
Hotel	\$/RT	\$130
Per Diem	\$/RT	\$50
Value of Patient Lost Time due to Travel	\$/day	\$150
		1 days lost/RT travel

Teled Financial Template  
Telehealth Cart

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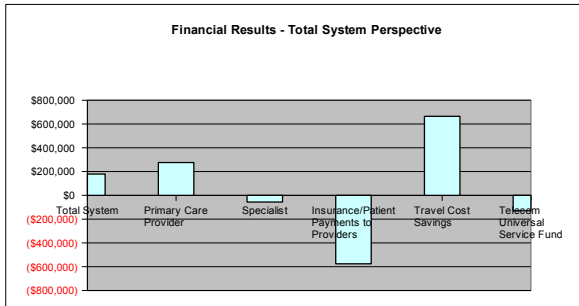
ASSUMPTIONS + RESULTS

Underserved Population Illustrative Case Results, Significant Increase in Primary Care & Specialist Revenue

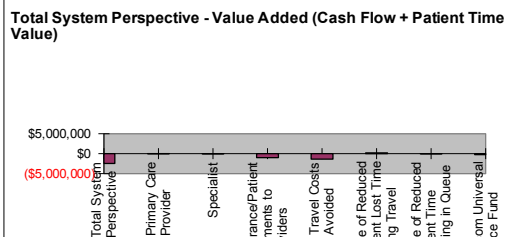
Discount Rate	3.0%	
[Potential local patient encounters]		
#/week	8.0	8.0
#/month	31.8	31.8

<b>1 Net Present Value of Incremental Cash Flows with Tele-consults</b>	
	Net Benefit (Cost)
Total System	\$179,015
4 Primary Care Provider	\$275,862
1 Specialist	(\$56,142)
Insurance/Patient Payments to Providers	(\$575,554)
Travel Costs Avoided	\$664,557
Telecom Universal Service Fund	(\$129,708)

Sensitivity Testing	Base Case - Remote Rural	Sensitivity - Underserved Population	Pct
Total System	\$787,758	\$179,015	-77%
Primary Care Provider	\$4,007	\$275,862	6785%
Specialist	(\$173,962)	(\$56,142)	-68%
Insurance/Patient Pa	(\$81,281)	(\$575,554)	608%
Travel Cost Savings	\$1,168,703	\$664,557	-43%
Telecom Universal S	(\$129,708)	(\$129,708)	0%



<b>2 Net Present Value of Incremental Cash Flows with Tele-consults + Value of Reduced Wait for Specialist Reduced time lost to traveling</b>	
	Net Benefit (Cost)
Total Total System	\$584,473
4 Primary Care Provider	\$275,862
1 Specialist	(\$56,142)
Insurance/Patient Payments to Providers	(\$575,554)
Travel Costs Avoided	\$664,557
Value of Reduced Patient Lost Time During Travel	\$158,228
Value of Reduced Patient Time Waiting in Queue	\$247,231
Telecom Universal Service Fund	(\$129,708)



Encounter Referral Patterns:	Units	Without	With TH	Without	With
Potential Local Patient Encounters	annual	382	382		
Potential telehealth encounters receiving service	%	85%	100%		
Bypass of local Primary Care Provider	%	10%	5%		
Specialist Teled Consults	%	na	50%		
Specialist referrals	%	50%	40%		
Specialist share of direct bypass	%	0%	0%		
Number of PCP nodes referring to Specialist	#	4	4		

Primary Care Provider Parameters:	Medicaid	Medicare	3rd Party	Contract (\$/patient/yr)	Patient
Payer Mix	25%	15%	10%		50%
Fee Schedule	Link	Link	Link	\$3,000	
Denial Rate	10%	10%	10%		
Pct of reclaimed bypass patients new to system	100%				
Encounter Mix	New	Established	ck sum	Procedure Mix	
Before (Eval & Mngmnt)	16%	84%	100%	Link	
After (Eval & Mngmnt)	16%	84%	100%	Link	
Treatment Encounters - Average RVU	1.5	0.5			
System Capacity/Cost	Units	Without	With TH		
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	3.0%	calc		
Minimum Labor Increments					2
Primary Care Provider Base Salary	\$/year	\$40,000			CHA Test
		<input type="radio"/> We <input type="radio"/> Mor <input type="radio"/> Ani			
		Clinical	Telecom	Telecom Circuits (\$/yr)	
Initial Capital Investment	\$	\$30,000	\$120,000	\$2,388	
Pct of Initial Capital attributed to Cart	%	10%	5%		
Annual O&M Costs	% of capital	12%	8%		

Specialist Parameters:	Medicaid	Medicare	3rd Party	Contract (\$/p/yr)	Patient
Payer Mix	25%	15%	10%		50%
Fee Schedule	Link	Link	Link	\$300	
Denial Rate	5%	5%	5%		
Pct reclaimed bypass patients new to system	100%				
Encounter Mix	New	Established	ck sum	Procedure Mix	
Before (Eval & Mngmnt)	16%	84%	100%	Link	
After (Eval & Mngmnt)	16%	84%	100%	Link	
		Without	With TH		
Encounters at Specialist Facility		80%	90%		
Specialist Encounters at Primary Care		20%	10%		
Treatment Encounters - Average RVU		3.0	1.0		
System Capacity/Cost	Units	Without	With TH		
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	4.0%	calc		
Minimum Labor Increments					0
Specialist Base Salary	\$/year	\$300,000			
		<input type="radio"/> We <input type="radio"/> Mor <input type="radio"/> Ani			
		Clinical	Telecom	Telecom Circuits (\$/yr)	
Initial Capital Investment	\$	\$12,000	\$120,000	\$2,388	
Pct of Initial Capital attributed to Cart	%	5%	5%		
Annual O&M Costs	% of capital	12%	4%		

Patient Travel Parameters:		
Pct of Patient Trips with Parent	%	50%
Cost of Patient Trips		
Airfare	\$/RT	\$300
Hotel	\$/RT	\$130
Per Diem	\$/RT	\$50
Value of Patient Lost Time due to Travel	\$/day	\$150
Value of Patient Time Waiting for Specialist	\$/week	\$160
		1 days lost/RT travel

Teled Financial Template

Telehealth Cart

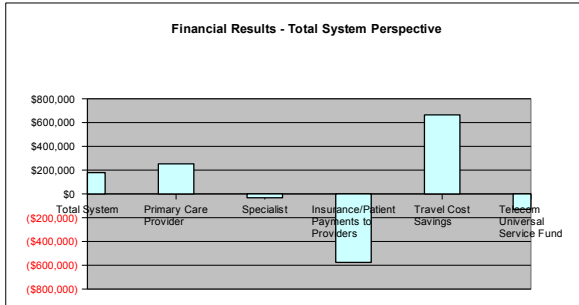
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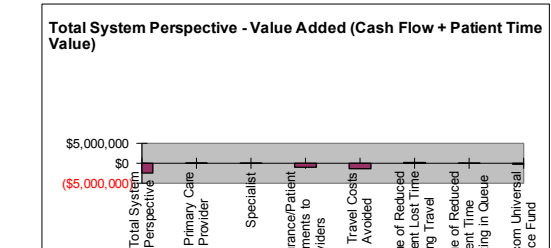
**ASSUMPTIONS + RESULTS**

<b>1 Net Present Value of Incremental Cash Flows with Tele-consults</b>	
	<b>Net Benefit (Cost)</b>
<b>Total System</b>	\$179,015
4 Primary Care Provider	\$252,623
1 Specialist	(\$32,649)
Insurance/Patient Payments to Providers	(\$575,807)
Travel Costs Avoided	\$664,557
Telecom Universal Service Fund	(\$129,708)

Sensitivity Testing	Base Case - Underserved Population	Sensitivity - Reduce Itinerant specialist with telehealth	Pct
Total System	\$179,015	\$179,015	0%
Primary Care Provider	\$275,862	\$252,623	-8%
Specialist	(\$56,142)	(\$32,649)	-42%
Insurance/Patient Pa	(\$575,554)	(\$575,807)	0%
Travel Cost Savings	\$664,557	\$664,557	0%
Telecom Universal S	(\$129,708)	(\$129,708)	0%



<b>2 Net Present Value of Incremental Cash Flows with Tele-consults + Value of Reduced Wait for Specialist + Reduced time lost to traveling</b>	
	<b>Net Benefit (Cost)</b>
<b>Total System</b>	(\$2,464,367)
4 Primary Care Provider	\$8,594
1 Specialist	(\$15,409)
Insurance/Patient Payments to Providers	(\$1,003,156)
Travel Costs Avoided	(\$1,381,956)
Value of Reduced Patient Lost Time During Travel	\$189,670
Value of Reduced Patient Time Waiting in Queue	(\$16,869)
Telecom Universal Service Fund	(\$245,242)



Reduce Itinerant specialist travel to remote clinics, substitute telehealth consults where appropriate			
Discount Rate	3.0%		
		[Potential local patient encounters]	
		#/week	8.0
		#/month	31.8

Sensitivity Analysis		Units	Without	With TH	Without	With
<b>Encounter Referral Patterns:</b>						
Potential Local Patient Encounters	annual	382	382			
Potential telehealth encounters receiving service	%	85%	100%			
Bypass of local Primary Care Provider	%	10%	5%			
Specialist Teled Consults	%	na	50%			
Specialist referrals	%	50%	40%			
Specialist share of direct bypass	%	0%	0%			
Number of PCP nodes referring to Specialist	#	4	4			

Primary Care Provider Parameters:					
	Medicaid	Medicare	3rd Party	Contract (\$/patient/yr)	Patient
<b>Payer Mix</b>	25%	15%	10%		50%
Fee Schedule	Link	Link	Link	\$3,000	
Denial Rate	10%	10%	10%		
Pct of reclaimed bypass patients new to system	100%				
<b>Encounter Mix</b>					
Before (Eval & Mngmnt)	16%	84%	100%		Link
After (Eval & Mngmnt)	16%	84%	100%		Link
Treatment Encounters - Average RVU	1.5	0.5			
System Capacity/Cost	Units	Without	With TH		
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	3.0%	calc		
Minimum Labor Increments					2
Primary Care Provider Base Salary	\$/year	\$40,000			CHA Test
		<input type="radio"/> We <input type="radio"/> Mo <input type="radio"/> An			
Initial Capital Investment	\$	\$30,000	\$120,000		\$2,388
Pct of Initial Capital attributed to Cart	%	10%	5%		5%
Annual O&M Costs	% of capital	12%	8%		8%

Specialist Parameters:					
	Medicaid	Medicare	3rd Party	Contract (\$/p/yr)	Patient
<b>Payer Mix</b>	25%	15%	10%		50%
Fee Schedule	Link	Link	Link	\$300	
Denial Rate	5%	5%	5%		
Pct reclaimed bypass patients new to system	100%				
<b>Encounter Mix</b>					
Before (Eval & Mngmnt)	16%	84%	100%		Link
After (Eval & Mngmnt)	16%	84%	100%		Link
Encounters at Specialist Facility		50%	100%		
Specialist Encounters at Primary Care		50%	0%		
Treatment Encounters - Average RVU		3.0	1.0		
System Capacity/Cost	Units	Without	With TH		
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	4.0%	calc		
Minimum Labor Increments					
Specialist Base Salary	\$/year	\$300,000			
		<input type="radio"/> We <input type="radio"/> Mo <input type="radio"/> An			
Initial Capital Investment	\$	\$12,000	\$120,000		\$2,388
Pct of Initial Capital attributed to Cart	%	5%	5%		5%
Annual O&M Costs	% of capital	12%	4%		8%

Patient Travel Parameters:		
Pct of Patient Trips with Parent	%	50%
<b>Cost of Patient Trips</b>		
Airfare	\$/RT	\$300
Hotel	\$/RT	\$130
Per Diem	\$/RT	\$50
Value of Patient Lost Time due to Travel	\$/day	\$150
Value of Patient Time Waiting for Specialist	\$/week	\$160

Teled Financial Template  
Telehealth Cart

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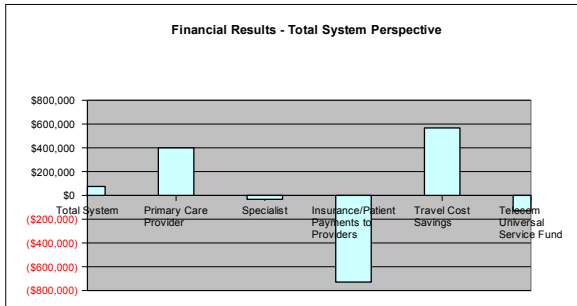
31-Mar-06

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ASSUMPTIONS + RESULTS

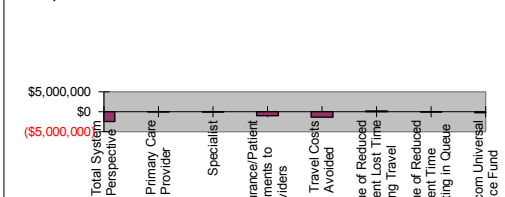
<b>1 Net Present Value of Incremental Cash Flows with Tele-consults</b>	
	<b>Net Benefit (Cost)</b>
<b>Total System</b>	<b>\$74,794</b>
4 Primary Care Provider	\$399,420
1 Specialist	(\$33,266)
Insurance/Patient Payments to Providers	(\$728,817)
Travel Costs Avoided	\$567,165
Telecom Universal Service Fund	(\$129,708)

Sensitivity Testing	Base Case - Underserved Population	Sensitivity	Pct
Total System	\$179,015	\$74,794	-58%
Primary Care Provide	\$275,862	\$399,420	45%
Specialist	(\$56,142)	(\$33,266)	-41%
Insurance/Patient Pa	(\$575,554)	(\$728,817)	27%
Travel Cost Savings	\$664,557	\$567,165	-15%
Telecom Universal S	(\$129,708)	(\$129,708)	0%



<b>2 Net Present Value of Incremental Cash Flows with Tele-consults + Value of Reduced Wait for Specialist + Reduced time lost to traveling</b>	
	<b>Net Benefit (Cost)</b>
<b>Total System</b>	<b>\$183,220</b>
4 Primary Care Provider	\$399,420
1 Specialist	(\$33,266)
Insurance/Patient Payments to Providers	(\$728,817)
Travel Costs Avoided	\$567,165
Value of Reduced Patient Lost Time During Travel	\$135,039
Value of Reduced Patient Time Waiting in Queue	(\$26,613)
Telecom Universal Service Fund	(\$129,708)

**Total System Perspective - Value Added (Cash Flow + Patient Time Value)**



Recapture Local Bypass - net gain in Primary and Specialist Revenue (if specialist not current receiving share of bypass); travel savings diminished if bypass travel is not part of system reimbursement (patient travel to bypass queue)

Discount Rate	3.0%
[Potential local patient encounters]	
#/week	8.0
#/month	31.8

Encounter Referral Patterns:	Units	Without	With TH	Without	With
Potential Local Patient Encounters	annual	382	382		
Potential telehealth encounters receiving service	%	85%	100%		
Bypass of local Primary Care Provider	%	15%	5%		
Specialist Telemed Consults	%	na	50%		
Specialist referrals	%	50%	40%		
Specialist share of direct bypass	%	0%	0%		
Number of PCP nodes referring to Specialist	#	4	4		

Primary Care Provider Parameters:	Medicaid	Medicare	3rd Party	Contract (\$/patient/yr)	Patient
Payer Mix	25%	15%	10%	50%	0%
Fee Schedule	Link	Link	Link	\$3,000	
Denial Rate	10%	10%	10%		
Pct of reclaimed bypass patients new to system → 100%					
<b>Encounter Mix</b>					
	New	Established	ck sum	Procedure Mix	
Before (Eval & Mngmnt)	16%	84%	100%	Link	
After (Eval & Mngmnt)	16%	84%	100%	Link	
Treatment Encounters - Average RVU	1.5	0.5			
System Capacity/Cost					
	Units	Without	With TH		
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	3.0%	calc		
Minimum Labor Increments					
Primary Care Provider Base Salary	\$/year	\$40,000		CHA Test	
	Labor Increment		We Mor Ani		
			Clinical	Telecom	Telecom Circuits (\$/yr)
Initial Capital Investment	\$	\$30,000	\$120,000	\$2,388	
Pct of Initial Capital attributed to Cart	%	10%	5%	5%	
Annual O&M Costs	% of capital	12%	8%	8%	

Specialist Parameters:	Medicaid	Medicare	3rd Party	Contract (\$/p/yr)	Patient
Payer Mix	25%	15%	10%	50%	0%
Fee Schedule	Link	Link	Link	\$300	
Denial Rate	5%	5%	5%		
Pct reclaimed bypass patients new to system → 100%					
<b>Encounter Mix</b>					
	New	Established	ck sum	Procedure Mix	
Before (Eval & Mngmnt)	16%	84%	100%	Link	
After (Eval & Mngmnt)	16%	84%	100%	Link	
Encounters at Specialist Facility	Without		With TH		
Specialist Encounters at Primary Care	80%		90%		
Treatment Encounters - Average RVU	3.0		1.0		
System Capacity/Cost					
	Units	Without	With TH		
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	4.0%	calc		
Minimum Labor Increments					
Specialist Base Salary	\$/year	\$300,000			
	Labor Increment		We Mor Ani		
			Clinical	Telecom	Telecom Circuits (\$/yr)
Initial Capital Investment	\$	\$12,000	\$120,000	\$2,388	
Pct of Initial Capital attributed to Cart	%	5%	5%	5%	
Annual O&M Costs	% of capital	12%	4%	8%	

Patent Travel Parameters:		
Pct of Patient Trips with Parent	%	50%
Cost of Patient Trips		
Airfare	\$/RT	\$300
Hotel	\$/RT	\$130
Per Diem	\$/RT	\$50
Value of Patient Lost Time due to Travel	\$/day	\$150
Value of Patient Time Waiting for Specialist	\$/week	\$160
		1 days lost/RT travel



Teled Financial Template

Telehealth Cart

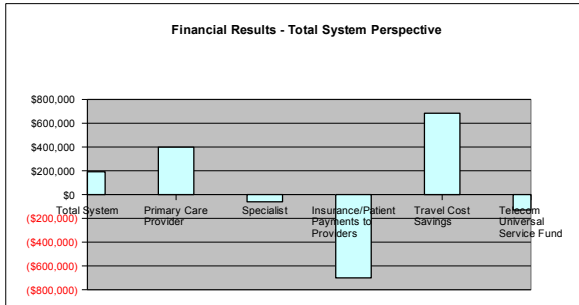
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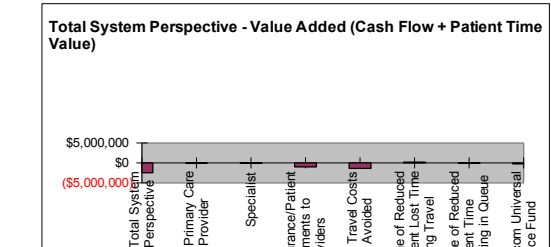
ASSUMPTIONS + RESULTS

<b>1 Net Present Value of Incremental Cash Flows with Tele-consults</b>	
	Net Benefit (Cost)
Total System	\$191,664
4 Primary Care Provider	\$398,564
1 Specialist	(\$60,850)
Insurance/Patient Payments to Providers	(\$700,376)
Travel Costs Avoided	\$684,035
Telecom Universal Service Fund	(\$129,708)

Sensitivity Testing	Base Case - Reduce Local Bypass Case 1	Sensitivity	Pct
Total System	\$74,794	\$191,664	156%
Primary Care Provide	\$399,420	\$398,564	0%
Specialist	(\$33,266)	(\$60,850)	83%
Insurance/Patient Pa	(\$728,817)	(\$700,376)	-4%
Travel Cost Savings	\$567,165	\$684,035	21%
Telecom Universal S	(\$129,708)	(\$129,708)	0%



<b>2 Net Present Value of Incremental Cash Flows with Tele-consults + Value of Reduced Wait for Specialist Reduced time lost to traveling</b>	
	Net Benefit (Cost)
Total System	\$501,053
4 Primary Care Provider	\$398,564
1 Specialist	(\$60,850)
Insurance/Patient Payments to Providers	(\$700,376)
Travel Costs Avoided	\$684,035
Value of Reduced Patient Lost Time During Travel	\$162,865
Value of Reduced Patient Time Waiting in Queue	\$146,524
Telecom Universal Service Fund	(\$129,708)



**Reduce Local Bypass Case 2 (Specialist had a share of pre-existing bypass) - Specialists losses revenue, increase in travel savings due to fewer patients jumping queue**

Discount Rate	3.0%
[Potential local patient encounters]	
#/week	8.0
#/month	31.8

Sensitivity Analysis		Units	Without	With TH	Without	With
<b>Encounter Referral Patterns:</b>						
Potential Local Patient Encounters	annual	382	382			
Potential telehealth encounters receiving service	%	85%	100%			
Bypass of local Primary Care Provider	%	15%	5%			
Specialist Teled Consults	%	na	50%			
Specialist referrals	%	50%	40%			
Specialist share of direct bypass	%	20%	0%			
Number of PCP nodes referring to Specialist	#	4	4			

Primary Care Provider Parameters:					
	Medicaid	Medicare	3rd Party	Contract (\$/patient/yr)	Patient
<b>Payer Mix</b>	25%	15%	10%		50%
Fee Schedule	Link	Link	Link		\$3,000
Denial Rate	10%	10%	10%		
Pct of reclaimed bypass patients new to system → 100%					
<b>Encounter Mix</b>					
	New	Established	ck sum	Procedure Mix	
Before (Eval & Mngmnt)	16%	84%	100%	Link	
After (Eval & Mngmnt)	16%	84%	100%	Link	
Treatment Encounters - Average RVU	1.5	0.5			
System Capacity/Cost					
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	3.0%	calc		
Minimum Labor Increments					
Primary Care Provider Base Salary \$/year \$40,000					
Labor Increment <input type="radio"/> We <input type="radio"/> Mor <input type="radio"/> Ani					
Initial Capital Investment \$ \$30,000 \$120,000 \$2,388					
Pct of Initial Capital attributed to Cart % 10% 5% 5%					
Annual O&M Costs % of capital 12% 8% 8%					

Specialist Parameters:					
	Medicaid	Medicare	3rd Party	Contract (\$/p/yr)	Patient
<b>Payer Mix</b>	25%	15%	10%		50%
Fee Schedule	Link	Link	Link		\$300
Denial Rate	5%	5%	5%		
Pct reclaimed bypass patients new to system → 100%					
<b>Encounter Mix</b>					
	New	Established	ck sum	Procedure Mix	
Before (Eval & Mngmnt)	16%	84%	100%	Link	
After (Eval & Mngmnt)	16%	84%	100%	Link	
Encounters at Specialist Facility		80%	90%		
Specialist Encounters at Primary Care		20%	10%		
Treatment Encounters - Average RVU		3.0	1.0		
System Capacity/Cost					
Labor Capacity (RVU/yr)	Link	4,400	calc		
Spare Capacity (pct of RVU/yr Capacity)	%	4.0%	calc		
Minimum Labor Increments					
Specialist Base Salary \$/year \$300,000					
Labor Increment <input type="radio"/> We <input type="radio"/> Mor <input type="radio"/> Ani					
Initial Capital Investment \$ \$12,000 \$120,000 \$2,388					
Pct of Initial Capital attributed to Cart % 5% 5% 5%					
Annual O&M Costs % of capital 12% 4% 8%					

Patient Travel Parameters:		
Pct of Patient Trips with Parent	%	50%
Cost of Patient Trips		
Airfare	\$/RT	\$300
Hotel	\$/RT	\$130
Per Diem	\$/RT	\$50
Value of Patient Lost Time due to Travel	\$/day	\$150
Value of Patient Time Waiting for Specialist	\$/week	\$160

Telemed Financial Template  
Telehealth Cart

Remote Rural Illustrative Case Results

Comments to: 12-Mar-06  
mafa@gci.net

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[SUMMARY](#)

**Incremental Cash Flows with Tele-health Consults**

\$0 \$0 \$0 \$0 \$0

Blue Shading Indicates Linked to Financial Results Charts

Year

0 1 2 3 4 5

**Total System Perspective**

Revenue		\$0	\$0	\$0	\$0	\$0
Cost (Cost Savings)	\$78,952	(\$179,532)	(\$184,441)	(\$189,449)	(\$194,557)	(\$199,767)
Net Annual Cash Flows	(\$78,952)	\$179,532	\$184,441	\$189,449	\$194,557	\$199,767
PV of Net Annual Cash Flow	(\$78,952)	\$174,303	\$173,854	\$173,373	\$172,861	\$172,320
Cummulative PV Net Annual Cash Flow	(\$78,952)	\$95,350	\$269,204	\$442,577	\$615,438	\$787,758

**Primary Care Provider**

Individual Primary Care Provider Location

Revenue	\$0	\$11,449	\$11,739	\$12,091	\$14,035	\$12,731
Cost	\$16,910	\$8,469	\$8,469	\$8,469	\$8,469	\$8,469
Net Annual Cash Flow	(\$16,910)	\$2,980	\$3,270	\$3,622	\$5,566	\$4,262
PV of Net Annual Cash Flow	(\$16,910)	\$2,893	\$3,082	\$3,315	\$4,945	\$3,677
Cummulative PV Net Annual Cash Flow	(\$16,910)	(\$14,017)	(\$10,935)	(\$7,620)	(\$2,675)	\$1,002

Number of Primary Care Providers

4 4 4 4 4 4

Total Primary Care Providers

Revenue	\$0	\$45,796	\$46,955	\$48,365	\$56,141	\$50,925
Cost	\$67,642	\$33,876	\$33,876	\$33,876	\$33,876	\$33,876
Net Annual Cash Flows	(\$67,642)	\$11,920	\$13,079	\$14,489	\$22,265	\$17,049
PV of Net Annual Cash Flow	(\$67,642)	\$11,573	\$12,328	\$13,260	\$19,782	\$14,707
Cummulative PV Net Annual Cash Flow	(\$67,642)	(\$56,069)	(\$43,741)	(\$30,482)	(\$10,700)	\$4,007

**Specialist**

Revenue	\$0	(\$29,823)	(\$30,885)	(\$31,796)	(\$32,845)	(\$33,808)
Cost	\$11,310	\$3,743	\$3,743	\$3,743	\$3,743	\$3,743
Net Annual Cash Flows	(\$11,310)	(\$33,566)	(\$34,628)	(\$35,539)	(\$36,588)	(\$37,551)
PV of Net Annual Cash Flow	(\$11,310)	(\$32,588)	(\$32,640)	(\$32,523)	(\$32,508)	(\$32,392)
Cummulative PV Net Annual Cash Flow	(\$11,310)	(\$43,899)	(\$76,539)	(\$109,062)	(\$141,570)	(\$173,962)

**Insurance/Patient Payments**

Insurance/Patient Payments to Providers		(\$15,973)	(\$16,070)	(\$16,569)	(\$23,296)	(\$17,117)
PV of Net Annual Cash Flow	\$0	(\$15,508)	(\$15,147)	(\$15,163)	(\$20,698)	(\$14,765)
Cummulative PV Net Annual Cash Flow	\$0	(\$15,508)	(\$30,655)	(\$45,818)	(\$66,516)	(\$81,281)

Travel Costs Avoided

\$245,473 \$250,383 \$255,390 \$260,498 \$265,708

PV of Net Annual Cash Flow \$0 \$238,323 \$236,010 \$233,718 \$231,449 \$229,202

Cummulative PV Net Annual Cash Flow \$0 \$238,323 \$474,333 \$708,051 \$939,501 \$1,168,703

**Telecom Universal Service Fund**

Individual Primary Care Provider Location

Cost		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
Net Annual Cash Flows		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
PV of Net Annual Cash Flow	\$0	(\$6,874)	(\$6,674)	(\$6,480)	(\$6,291)	(\$6,108)
Cummulative PV Net Annual Cash Flow	\$0	(\$6,874)	(\$13,549)	(\$20,028)	(\$26,319)	(\$32,427)

Number of Primary Care Providers

4 4 4 4 4 4

Total Primary Care Providers

Cost	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
Net Annual Cash Flow	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
PV of Net Annual Cash Flow		(\$27,497)	(\$26,697)	(\$25,919)	(\$25,164)	(\$24,431)
Cummulative PV Net Annual Cash Flow	\$0	(\$27,497)	(\$54,194)	(\$80,113)	(\$105,277)	(\$129,708)

**Total System Perspective**

\$787,758

**Primary Care Provider**

\$4,007

**Specialist**

(\$173,962)

**Insurance/Patient Payments to Providers**

(\$81,281)

**Travel Costs Avoided**

\$1,168,703

**Telecom Universal Service Fund**

(\$129,708)

**Sum of Primary Care Providers + Specialists**

PV of Net Annual Cash Flow	(\$78,952)	(\$21,015)	(\$20,312)	(\$19,264)	(\$12,726)	(\$17,686)
Cummulative PV Net Annual Cash Flow	(\$78,952)	(\$99,968)	(\$120,280)	(\$139,544)	(\$152,270)	(\$169,955)

Telemed Financial Template  
Telehealth Cart

Underserved Population Illustrative Case Results

Comments to: 31-Mar-06  
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SUMMARY

Incremental Cash Flows with Tele-health Consults

	Year	\$0	\$0	\$0	\$0	\$0
	0	1	2	3	4	5
<b>Total System Perspective</b>						
Revenue		\$0	\$0	\$0	\$0	\$0
Cost (Cost Savings)	\$78,952	(\$51,028)	(\$53,776)	(\$56,316)	(\$59,270)	(\$62,066)
Net Annual Cash Flows	(\$78,952)	\$51,028	\$53,776	\$56,316	\$59,270	\$62,066
PV of Net Annual Cash Flow	(\$78,952)	\$49,542	\$50,689	\$51,537	\$52,661	\$53,538
Cummulative PV Net Annual Cash Flow	(\$78,952)	(\$29,410)	\$21,279	\$72,816	\$125,477	\$179,015

Primary Care Provider

Individual Primary Care Provider Location						
Revenue	\$0	\$30,864	\$31,558	\$32,391	\$34,684	\$35,522
Cost	\$16,910	\$14,122	\$14,133	\$14,210	\$14,198	\$14,240
Net Annual Cash Flow	(\$16,910)	\$16,741	\$17,425	\$18,181	\$20,486	\$21,282
PV of Net Annual Cash Flow	(\$16,910)	\$16,254	\$16,424	\$16,638	\$18,202	\$18,358
Cummulative PV Net Annual Cash Flow	(\$16,910)	(\$657)	\$15,768	\$32,406	\$50,607	\$68,966
Number of Primary Care Providers						
	4	4	4	4	4	4
Total Primary Care Providers						
Revenue	\$0	\$123,455	\$126,231	\$129,564	\$138,736	\$142,087
Cost	\$67,642	\$56,490	\$56,533	\$56,841	\$56,791	\$56,958
Net Annual Cash Flows	(\$67,642)	\$66,965	\$69,698	\$72,723	\$81,945	\$85,129
PV of Net Annual Cash Flow	(\$67,642)	\$65,015	\$65,697	\$66,552	\$72,807	\$73,433
Cummulative PV Net Annual Cash Flow	(\$67,642)	(\$2,627)	\$63,070	\$129,622	\$202,429	\$275,862

Specialist

Revenue	\$0	(\$5,600)	(\$5,897)	(\$6,129)	(\$6,340)	(\$6,321)
Cost	\$11,310	\$3,743	\$3,743	\$3,743	\$3,743	\$3,743
Net Annual Cash Flows	(\$11,310)	(\$9,343)	(\$9,640)	(\$9,872)	(\$10,083)	(\$10,064)
PV of Net Annual Cash Flow	(\$11,310)	(\$9,071)	(\$9,086)	(\$9,034)	(\$8,959)	(\$8,681)
Cummulative PV Net Annual Cash Flow	(\$11,310)	(\$20,381)	(\$29,467)	(\$38,502)	(\$47,461)	(\$56,142)

Patient/Payer

Insurance/Patient Payments to Providers		(\$117,855)	(\$120,334)	(\$123,434)	(\$132,396)	(\$135,766)
PV of Net Annual Cash Flow	\$0	(\$114,422)	(\$113,427)	(\$112,960)	(\$117,632)	(\$117,113)
Cummulative PV Net Annual Cash Flow	\$0	(\$114,422)	(\$227,849)	(\$340,809)	(\$458,440)	(\$575,554)
Travel Costs Avoided						
		\$139,583	\$142,374	\$145,222	\$148,126	\$151,089
PV of Net Annual Cash Flow	\$0	\$135,517	\$134,202	\$132,899	\$131,608	\$130,331
Cummulative PV Net Annual Cash Flow	\$0	\$135,517	\$269,719	\$402,618	\$534,226	\$664,557

Telecom Universal Service Fund

Individual Primary Care Provider Location						
Cost		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
Net Annual Cash Flows		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
PV of Net Annual Cash Flow	\$0	(\$6,874)	(\$6,674)	(\$6,480)	(\$6,291)	(\$6,108)
Cummulative PV Net Annual Cash Flow	\$0	(\$6,874)	(\$13,549)	(\$20,028)	(\$26,319)	(\$32,427)
Number of Primary Care Providers						
	4	4	4	4	4	4
Total Primary Care Providers						
Cost	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
Net Annual Cash Flow	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
PV of Net Annual Cash Flow		(\$27,497)	(\$26,697)	(\$25,919)	(\$25,164)	(\$24,431)
Cummulative PV Net Annual Cash Flow	\$0	(\$27,497)	(\$54,194)	(\$80,113)	(\$105,277)	(\$129,708)

<b>Total System Perspective</b>						\$179,015
<b>Primary Care Provider</b>						\$275,862
<b>Specialist</b>						(\$56,142)
<b>Insurance/Patient Payments to Providers</b>						(\$575,554)
<b>Travel Costs Avoided</b>						\$664,557
<b>Telecom Universal Service Fund</b>						(\$129,708)

<b>Sum of Primary Care Providers + Specialists</b>						
PV of Net Annual Cash Flow	(\$78,952)	\$55,944	\$56,611	\$57,518	\$63,848	\$64,752
Cummulative PV Net Annual Cash Flow	(\$78,952)	(\$23,008)	\$33,603	\$91,120	\$154,968	\$219,721

Telemed Financial Template

Telehealth Cart

Reduce itinerant Specialist Travel; substitute telehealth consults where appropriate

Comments to: 31-Mar-06  
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**Incremental Cash Flows with Tele-health Consults**

	Year					
	0	1	2	3	4	5
	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total System Perspective</b>						
Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Cost (Cost Savings)	\$78,952	(\$51,028)	(\$53,776)	(\$56,316)	(\$59,270)	(\$62,066)
Net Annual Cash Flows	(\$78,952)	\$51,028	\$53,776	\$56,316	\$59,270	\$62,066
PV of Net Annual Cash Flow	(\$78,952)	\$49,542	\$50,689	\$51,537	\$52,661	\$53,538
Cummulative PV Net Annual Cash Flow	(\$78,952)	(\$29,410)	\$21,279	\$72,816	\$125,477	\$179,015
<b>Primary Care Provider</b>						
Individual Primary Care Provider Location						
Revenue	\$0	\$29,667	\$30,325	\$31,121	\$33,376	\$34,174
Cost	\$16,910	\$14,122	\$14,133	\$14,210	\$14,198	\$14,240
Net Annual Cash Flow	(\$16,910)	\$15,545	\$16,192	\$16,911	\$19,178	\$19,935
PV of Net Annual Cash Flow	(\$16,910)	\$15,092	\$15,263	\$15,476	\$17,040	\$17,196
Cummulative PV Net Annual Cash Flow	(\$16,910)	(\$1,818)	\$13,444	\$28,920	\$45,960	\$63,156
Number of Primary Care Providers	4	4	4	4	4	4
Total Primary Care Providers						
Revenue	\$0	\$118,669	\$121,301	\$124,485	\$133,504	\$136,697
Cost	\$67,642	\$56,490	\$56,533	\$56,841	\$56,791	\$56,958
Net Annual Cash Flows	(\$67,642)	\$62,180	\$64,768	\$67,644	\$76,713	\$79,739
PV of Net Annual Cash Flow	(\$67,642)	\$60,368	\$61,050	\$61,904	\$68,158	\$68,784
Cummulative PV Net Annual Cash Flow	(\$67,642)	(\$7,273)	\$53,777	\$115,681	\$183,839	\$252,623
<b>Specialist</b>						
Revenue	\$0	(\$762)	(\$913)	(\$995)	(\$1,051)	(\$872)
Cost	\$11,310	\$3,743	\$3,743	\$3,743	\$3,743	\$3,743
Net Annual Cash Flows	(\$11,310)	(\$4,505)	(\$4,656)	(\$4,738)	(\$4,794)	(\$4,615)
PV of Net Annual Cash Flow	(\$11,310)	(\$4,374)	(\$4,389)	(\$4,336)	(\$4,259)	(\$3,981)
Cummulative PV Net Annual Cash Flow	(\$11,310)	(\$15,684)	(\$20,073)	(\$24,409)	(\$28,668)	(\$32,649)
<b>Patient/Payer</b>						
Insurance/Patient Payments to Providers		(\$117,907)	(\$120,388)	(\$123,490)	(\$132,453)	(\$135,825)
PV of Net Annual Cash Flow	\$0	(\$114,473)	(\$113,478)	(\$113,011)	(\$117,683)	(\$117,164)
Cummulative PV Net Annual Cash Flow	\$0	(\$114,473)	(\$227,950)	(\$340,961)	(\$458,643)	(\$575,807)
Travel Costs Avoided		\$139,583	\$142,374	\$145,222	\$148,126	\$151,089
PV of Net Annual Cash Flow	\$0	\$135,517	\$134,202	\$132,899	\$131,608	\$130,331
Cummulative PV Net Annual Cash Flow	\$0	\$135,517	\$269,719	\$402,618	\$534,226	\$664,557
<b>Telecom Universal Service Fund</b>						
Individual Primary Care Provider Location						
Cost		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
Net Annual Cash Flows		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
PV of Net Annual Cash Flow	\$0	(\$6,874)	(\$6,674)	(\$6,480)	(\$6,291)	(\$6,108)
Cummulative PV Net Annual Cash Flow	\$0	(\$6,874)	(\$13,549)	(\$20,028)	(\$26,319)	(\$32,427)
Number of Primary Care Providers	4	4	4	4	4	4
Total Primary Care Providers						
Cost	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
Net Annual Cash Flow	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
PV of Net Annual Cash Flow		(\$27,497)	(\$26,697)	(\$25,919)	(\$25,164)	(\$24,431)
Cummulative PV Net Annual Cash Flow	\$0	(\$27,497)	(\$54,194)	(\$80,113)	(\$105,277)	(\$129,708)
<b>Total System Perspective</b>						\$179,015
<b>Primary Care Provider</b>						\$252,623
<b>Specialist</b>						(\$32,649)
<b>Insurance/Patient Payments to Providers</b>						(\$575,807)
<b>Travel Costs Avoided</b>						\$664,557
<b>Telecom Universal Service Fund</b>						(\$129,708)
<b>Sum of Primary Care Providers + Specialists</b>						
PV of Net Annual Cash Flow	(\$78,952)	\$55,995	\$56,662	\$57,568	\$63,899	\$64,803
Cummulative PV Net Annual Cash Flow	(\$78,952)	(\$22,958)	\$33,704	\$91,272	\$155,171	\$219,974

Telemed Financial Template  
Telehealth Cart

Reduce Local Bypass 2 (Specialist with share of bypass)

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**Incremental Cash Flows with Tele-health Consults**

	Year	\$0	\$0	\$0	\$0	\$0
	0	1	2	3	4	5
<b>Total System Perspective</b>						
Revenue		\$0	\$0	\$0	\$0	\$0
Cost (Cost Savings)	\$78,952	(\$53,841)	(\$56,570)	(\$59,186)	(\$61,904)	(\$64,752)
Net Annual Cash Flows	(\$78,952)	\$53,841	\$56,570	\$59,186	\$61,904	\$64,752
PV of Net Annual Cash Flow	(\$78,952)	\$52,273	\$53,322	\$54,164	\$55,001	\$55,856
Cummulative PV Net Annual Cash Flow	(\$78,952)	(\$26,679)	\$26,643	\$80,807	\$135,808	\$191,664
<b>Primary Care Provider</b>						
Individual Primary Care Provider Location						
Revenue	\$0	\$37,553	\$38,440	\$39,425	\$42,004	\$43,011
Cost	\$16,910	\$14,442	\$14,478	\$14,557	\$14,625	\$14,675
Net Annual Cash Flow	(\$16,910)	\$23,111	\$23,962	\$24,868	\$27,379	\$28,336
PV of Net Annual Cash Flow	(\$16,910)	\$22,438	\$22,586	\$22,758	\$24,326	\$24,443
Cummulative PV Net Annual Cash Flow	(\$16,910)	\$5,528	\$28,114	\$50,872	\$75,198	\$99,641
Number of Primary Care Providers						
Total Primary Care Providers	4	4	4	4	4	4
Revenue	\$0	\$150,212	\$153,761	\$157,699	\$168,015	\$172,045
Cost	\$67,642	\$57,767	\$57,913	\$58,227	\$58,499	\$58,700
Net Annual Cash Flows	(\$67,642)	\$92,445	\$95,848	\$99,472	\$109,516	\$113,345
PV of Net Annual Cash Flow	(\$67,642)	\$89,752	\$90,346	\$91,031	\$97,304	\$97,773
Cummulative PV Net Annual Cash Flow	(\$67,642)	\$22,111	\$112,457	\$203,488	\$300,791	\$398,564
<b>Specialist</b>						
Revenue	\$0	(\$6,665)	(\$6,850)	(\$7,254)	(\$7,338)	(\$7,318)
Cost	\$11,310	\$3,743	\$3,743	\$3,743	\$3,743	\$3,743
Net Annual Cash Flows	(\$11,310)	(\$10,408)	(\$10,593)	(\$10,997)	(\$11,081)	(\$11,061)
PV of Net Annual Cash Flow	(\$11,310)	(\$10,104)	(\$9,985)	(\$10,064)	(\$9,846)	(\$9,542)
Cummulative PV Net Annual Cash Flow	(\$11,310)	(\$21,415)	(\$31,400)	(\$41,463)	(\$51,309)	(\$60,850)
<b>Patient/Payer</b>						
Insurance/Patient Payments to Providers		(\$143,548)	(\$146,910)	(\$150,445)	(\$160,677)	(\$164,726)
PV of Net Annual Cash Flow	\$0	(\$139,367)	(\$138,477)	(\$137,679)	(\$142,759)	(\$142,094)
Cummulative PV Net Annual Cash Flow	\$0	(\$139,367)	(\$277,844)	(\$415,523)	(\$558,282)	(\$700,376)
Travel Costs Avoided		\$143,674	\$146,548	\$149,478	\$152,468	\$155,517
PV of Net Annual Cash Flow	\$0	\$139,489	\$138,135	\$136,794	\$135,466	\$134,151
Cummulative PV Net Annual Cash Flow	\$0	\$139,489	\$277,624	\$414,418	\$549,884	\$684,035
<b>Telecom Universal Service Fund</b>						
Individual Primary Care Provider Location						
Cost		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
Net Annual Cash Flows		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
PV of Net Annual Cash Flow	\$0	(\$6,874)	(\$6,674)	(\$6,480)	(\$6,291)	(\$6,108)
Cummulative PV Net Annual Cash Flow	\$0	(\$6,874)	(\$13,549)	(\$20,028)	(\$26,319)	(\$32,427)
Number of Primary Care Providers						
Total Primary Care Providers	4	4	4	4	4	4
Cost	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
Net Annual Cash Flow	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
PV of Net Annual Cash Flow		(\$27,497)	(\$26,697)	(\$25,919)	(\$25,164)	(\$24,431)
Cummulative PV Net Annual Cash Flow	\$0	(\$27,497)	(\$54,194)	(\$80,113)	(\$105,277)	(\$129,708)
<b>Total System Perspective</b>						
Primary Care Provider						\$191,664
Specialist						(\$60,850)
Insurance/Patient Payments to Providers						(\$700,376)
Travel Costs Avoided						\$684,035
Telecom Universal Service Fund						(\$129,708)
<b>Sum of Primary Care Providers + Specialists</b>						
PV of Net Annual Cash Flow	(\$78,952)	\$79,648	\$80,361	\$80,968	\$87,458	\$88,231
Cummulative PV Net Annual Cash Flow	(\$78,952)	\$696	\$81,057	\$162,024	\$249,482	\$337,713

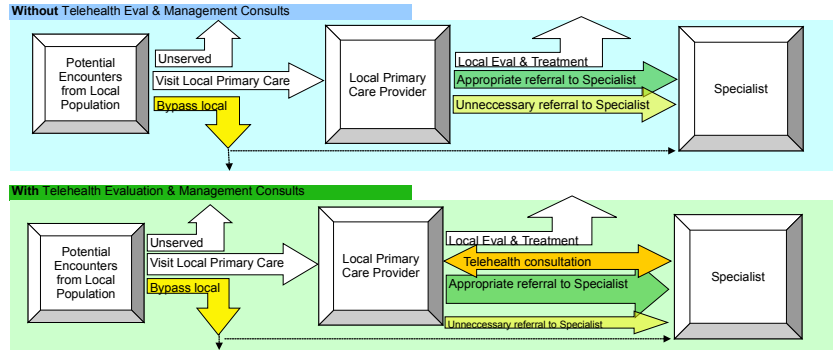
Teled Financial Template  
Telehealth Cart

Remote Rural Scenario Comparison Case

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Incremental Cash Flows with Tele-health Consults  
REFERRAL PATTERN DETAIL

Remote Rural Scenario



Encounter Statistics										Specialist Referrals			
Assumptions:	Units	Annual	Local Triage	Local Triage with Specialist Consult	Local Treatment	Bypass of Local	Bypass to outside system	Bypass to In-System Specialist	In-System Specialist Referrals	High Intensity Pct.	Low Intensity Pct.	High Intensity	Low Intensity
<b>Encounters (Without Tele-health Consults)</b>													
Total potential telehealth encounters from local pop	encount/yr	382											
100% Potential telehealth encounters receiving service	encount/yr	382											
10% Bypass of local Primary Care Provider	encount/yr	38				38	4						
90% Total Local Primary Care Provider Encounters	encount/yr	344	344		172								
0% Specialist consults as share of PCP encounters	encount/yr	0											
50% Specialist referrals as share of PCP encounters	encount/yr	172							172	50%	50%	86	86
90% Specialist share of direct bypass of local	encount/yr	34							34	50%	50%	17	17
<b>Encounters (With Tele-health Consults)</b>													
Total potential telehealth encounters from local pop	encount/yr	382											
100% Potential telehealth encounters receiving service	encount/yr	382											
5% Bypass of local Primary Care Provider	encount/yr	19				19	1						
95% Total Local Primary Care Provider Encounters	encount/yr	363	363		272								
Specialist telemed consults	pct	50%											
Specialist telemed consults	encount/yr	181		181									
Specialist telemed consults resulting in specialist referral	pct	30%											
Specialist telemed consults resulting in specialist referral	encount/yr	54							54	95%	5%	52	3
10% Specialist referrals without telemed consults	encount/yr	36							36	95%	5%	34	2
Specialist referrals - total	encount/yr	91											
95% Specialist share of direct bypass of local	encount/yr	18							18	50%	50%	9	9
<b>Incremental Encounters With Tele-health Consults per PCP</b>													
Local primary care provider encounters	encount/yr/pcp	19	19										
Local primary care treatment	encount/yr/pcp	100			100								
Specialist consults	encount/yr/pcp	181		181									
Specialist referrals	encount/yr/pcp	(81)										0	(81)
Specialist direct bypass	encount/yr/pcp	(16)										(8)	(8)
Other						(19)	(3)	(16)	(81)			(8)	(89)
8 Number of primary care providers referring to specialist	# of pcp nodes	4	4	4	4	4	4	4	4	4	4	4	4
<b>Incremental Encounters</b>													
Local primary care provider(s)	encount/yr	76	76										
Local primary care treatment	encount/yr	401			401								
Specialist consults	encount/yr	726		726									
Specialist referrals	encount/yr	(325)										(32)	(356)
Direct bypass of local to Specialist	encount/yr	(65)											
Other						(76)	(11)	(65)	(325)				

Telemed Financial Template  
Telehealth Cart

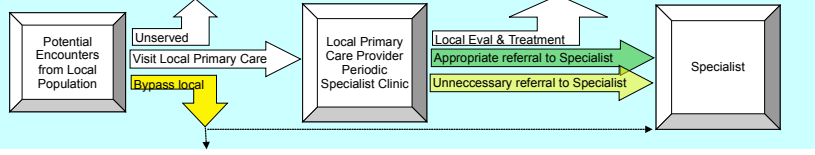
Underserved Population Illustrative Case Results

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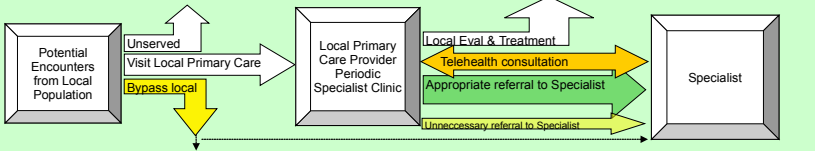
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Underserved Population

Without Telehealth Eval & Management Consults



With Telehealth Evaluation & Management Consults



Encounter Statistics

Assumptions:	Units	Annual	Local Triage	Local Triage with Specialist Consult	Local Treatment	Bypass of Local	Bypass to outside system	Bypass to In-System Specialist	In-System Specialist Referrals	Specialist Referrals			
										High Intensity Pct.	Low Intensity Pct.	High Intensity	Low Intensity
<b>Encounters (Without Tele-health Consults)</b>													
Total potential telehealth encounters from local pop	encount/yr	382											
85% Potential telehealth encounters receiving service	encount/yr	325											
10% Bypass of local Primary Care Provider	encount/yr	32				32	32						
90% Total Local Primary Care Provider Encounters	encount/yr	292	292		146								
0% Specialist consults as share of PCP encounters	encount/yr	0											
50% Specialist referrals as share of PCP encounters	encount/yr	146							146	50%	50%	73	
0% Specialist share of direct bypass of local	encount/yr	0							0	50%	50%	0	
0												73	
0												0	
<b>Encounters (With Tele-health Consults)</b>													
Total potential telehealth encounters from local pop	encount/yr	382											
100% Potential telehealth encounters receiving service	encount/yr	382											
5% Bypass of local Primary Care Provider	encount/yr	19				19	19						
95% Total Local Primary Care Provider Encounters	encount/yr	363	363		272								
Specialist telemed consults	pct	50%											
Specialist telemed consults	encount/yr	181		181									
Specialist telemed consults resulting in specialist referral	pct	30%											
Specialist telemed consults resulting in specialist referral	encount/yr	54						54		95%	5%	52	
10% Specialist referrals without telemed consults	encount/yr	36						36		95%	5%	34	
Specialist referrals - total	encount/yr	91										34	
0% Specialist share of direct bypass of local	encount/yr	0							0	50%	50%	0	
0												0	
<b>Incremental Encounters With Tele-health Consults per PCP</b>													
Local primary care provider encounters	encount/yr/pcp	71	71										
Local primary care treatment		126			126								
Specialist consults	encount/yr/pcp	181		181									
Specialist referrals	encount/yr/pcp	(55)							(55)			13	
Specialist direct bypass	encount/yr/pcp	0										0	
Other						(13)	(13)					0	
												13	
												(68)	
												0	
8 Number of primary care providers referring to specialist	# of pcp nodes	4	4	4	4	4	4	4	4	4	4	4	
<b>Incremental Encounters</b>													
Local primary care provider(s)	encount/yr	283	283										
Local primary care treatment		504			504								
Specialist consults	encount/yr	726		726									
Specialist referrals	encount/yr	(222)										52	
Direct bypass of local to Specialist	encount/yr	0							0	(222)		(272)	
Other						(53)	(53)						

Telemed Financial Template  
Telehealth Cart

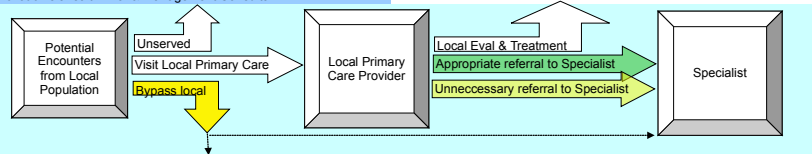
**Itinerant Specialist**

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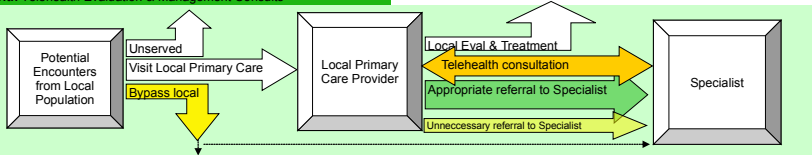
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**Incremental Cash Flows with Tele-health Consults**  
REFERRAL PATTERN DETAIL

**Itinerant Specialist**

Without Telehealth Eval & Management Consults



With Telehealth Evaluation & Management Consults



Encounter Statistics

Assumptions:	Units	Annual	Local Triage	Local Triage with Specialist Consult	Local Treatment	Bypass of Local	Bypass to outside system	Bypass to In-System Specialist	In-System Specialist Referrals	Specialist Referrals			
										High Intensity Pct.	Low Intensity Pct.	High Intensity	Low Intensity
<b>Encounters (Without Tele-health Consults)</b>													
Total potential telehealth encounters from local pop	encount/yr	382											
100% Potential telehealth encounters receiving service	encount/yr	382											
30% Bypass of local Primary Care Provider	encount/yr	115				115	115						
70% Total Local Primary Care Provider Encounters	encount/yr	267	267		53								
0% Specialist consults as share of PCP encounters	encount/yr	0											
80% Specialist referrals as share of PCP encounters	encount/yr	214							214	50%	50%	107	
0% Specialist share of direct bypass of local	encount/yr	0							0	50%	50%	0	
<b>Encounters (With Tele-health Consults)</b>													
Total potential telehealth encounters from local pop	encount/yr	382											
100% Potential telehealth encounters receiving service	encount/yr	382											
10% Bypass of local Primary Care Provider	encount/yr	38				38	38						
90% Total Local Primary Care Provider Encounters	encount/yr	344	344		237								
Specialist telemed consults	pct	70%											
Specialist telemed consults	encount/yr	241		241									
Specialist telemed consults resulting in specialist referral	pct	30%											
Specialist telemed consults resulting in specialist referral	encount/yr	72							72	95%	5%	69	
10% Specialist referrals without telemed consults	encount/yr	34							34	95%	5%	33	
Specialist referrals - total	encount/yr	107											
0% Specialist share of direct bypass of local	encount/yr	0							0	50%	50%	0	
<b>Incremental Encounters With Tele-health Consults per PCP</b>													
Local primary care provider encounters	encount/yr/pcp	76	76										
Local primary care treatment	encount/yr/pcp	184			184								
Specialist consults	encount/yr/pcp	241		241									
Specialist referrals	encount/yr/pcp	(107)										(5)	
Specialist direct bypass	encount/yr/pcp	0										(101)	
Other						(76)	(76)	0				0	
												(5)	
												(101)	
8 Number of primary care providers referring to specialist	# of pcp nodes	8	8	8	8	8	8	8	8	8	8	8	
<b>Incremental Encounters</b>													
Local primary care provider(s)	encount/yr	611	611										
Local primary care treatment	encount/yr	1470			1470								
Specialist consults	encount/yr	1925		1925									
Specialist referrals	encount/yr	(859)										(40)	
Direct bypass of local to Specialist	encount/yr	0						0	(859)			(808)	
Other						(611)	(611)	0					



Telemed Financial Template  
Telehealth Cart

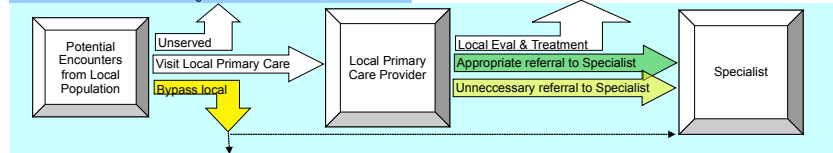
**Local Bypass**

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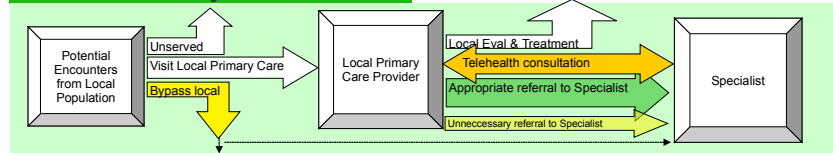
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**Local Bypass Scenario**

**Without Telehealth Eval & Management Consults**



**With Telehealth Evaluation & Management Consults**



Encounter Statistics

Assumptions:	Units	Annual	Local Triage	Local Triage with Specialist Consult	Local Treatment	Bypass of Local	Bypass to outside system	Bypass to In-System Specialist	In-System Specialist Referrals	Specialist Referrals						
										High Intensity Pct.	Low Intensity Pct.	High Intensity	Low Intensity			
<b>Encounters (Without Tele-health Consults)</b>																
Total potential telehealth encounters from local pop	encount/yr	382														
100% Potential telehealth encounters receiving service	encount/yr	382														
30% Bypass of local Primary Care Provider	encount/yr	115				115	115									
70% Total Local Primary Care Provider Encounters	encount/yr	267	267		53											
0% Specialist consults as share of PCP encounters	encount/yr	0														
80% Specialist referrals as share of PCP encounters	encount/yr	214							214	50%	50%	107	107			
0% Specialist share of direct bypass of local	encount/yr	0							0	50%	50%	0	0			
<b>Encounters (With Tele-health Consults)</b>																
Total potential telehealth encounters from local pop	encount/yr	382														
100% Potential telehealth encounters receiving service	encount/yr	382														
10% Bypass of local Primary Care Provider	encount/yr	38				38	38									
90% Total Local Primary Care Provider Encounters	encount/yr	344	344		237											
Specialist telemed consults	pct	70%														
Specialist telemed consults	encount/yr	241		241												
Specialist telemed consults resulting in specialist referral	pct	30%														
Specialist telemed consults resulting in specialist referral	encount/yr	72							72	95%	5%	69	4			
10% Specialist referrals without telemed consults	encount/yr	34							34	95%	5%	33	2			
Specialist referrals - total	encount/yr	107														
0% Specialist share of direct bypass of local	encount/yr	0							0	50%	50%	0	0			
<b>Incremental Encounters With Tele-health Consults per PCP</b>																
Local primary care provider encounters	encount/yr/pcp	76	76													
Local primary care treatment	encount/yr/pcp	184			184											
Specialist consults	encount/yr/pcp	241		241												
Specialist referrals	encount/yr/pcp	(107)										(5)	(101)			
Specialist direct bypass	encount/yr/pcp	0										0	0			
Other						(76)	(76)	0								
8 Number of primary care providers referring to specialist	# of pcp nodes	8	8	8	8	8	8	8	8	8	8	8	8			
<b>Incremental Encounters</b>																
Local primary care provider(s)	encount/yr	611	611													
Local primary care treatment	encount/yr	1470			1470											
Specialist consults	encount/yr	1925		1925												
Specialist referrals	encount/yr	(859)										(40)	(808)			
Direct bypass of local to Specialist	encount/yr	0						0								
Other						(611)	(611)	0								

Telemed Financial Template  
Telehealth Cart

Remote Rural

Comments to: 31-Mar-06  
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SUMMARY

**Value of patient time +**

**Incremental Cash Flows with Tele-health Consults**

	Year	0	1	2	3	4	5
		\$0	\$0	\$0	\$0	\$0	\$0
<b>Total System Perspective</b>							
Revenue		\$0	\$0	\$0	\$0	\$0	\$0
Cost (Cost Savings)		\$78,952	(\$525,924)	(\$537,984)	(\$549,884)	(\$555,806)	(\$574,886)
Net Annual Cash Flows		(\$78,952)	\$525,924	\$537,984	\$549,884	\$555,806	\$574,886
PV of Net Annual Cash Flow		(\$78,952)	\$510,606	\$507,102	\$503,222	\$493,826	\$495,902
Cummulative PV Net Annual Cash Flow		(\$78,952)	\$431,653	\$938,755	\$1,441,977	\$1,935,804	\$2,431,705
<b>Primary Care Provider</b>							
Individual Primary Care Provider Location							
Revenue		\$0	\$11,449	\$11,739	\$12,091	\$14,035	\$12,731
Cost		\$16,910	\$8,469	\$8,469	\$8,469	\$8,469	\$8,469
Net Annual Cash Flow		(\$16,910)	\$2,980	\$3,270	\$3,622	\$5,566	\$4,262
PV of Net Annual Cash Flow		(\$16,910)	\$2,893	\$3,082	\$3,315	\$4,945	\$3,677
Cummulative PV Net Annual Cash Flow		(\$16,910)	(\$14,017)	(\$10,935)	(\$7,620)	(\$2,675)	\$1,002
Number of Primary Care Providers		4	4	4	4	4	4
Total Primary Care Providers							
Revenue		\$0	\$45,796	\$46,955	\$48,365	\$56,141	\$50,925
Cost		\$67,642	\$33,876	\$33,876	\$33,876	\$33,876	\$33,876
Net Annual Cash Flows		(\$67,642)	\$11,920	\$13,079	\$14,489	\$22,265	\$17,049
PV of Net Annual Cash Flow		(\$67,642)	\$11,573	\$12,328	\$13,260	\$19,782	\$14,707
Cummulative PV Net Annual Cash Flow		(\$67,642)	(\$56,069)	(\$43,741)	(\$30,482)	(\$10,700)	\$4,007
<b>Specialist</b>							
Revenue		\$0	(\$29,823)	(\$30,885)	(\$31,796)	(\$32,845)	(\$33,808)
Cost		\$11,310	\$3,743	\$3,743	\$3,743	\$3,743	\$3,743
Net Annual Cash Flows		(\$11,310)	(\$33,566)	(\$34,628)	(\$35,539)	(\$36,588)	(\$37,551)
PV of Net Annual Cash Flow		(\$11,310)	(\$32,588)	(\$32,640)	(\$32,523)	(\$32,508)	(\$32,392)
Cummulative PV Net Annual Cash Flow		(\$11,310)	(\$43,899)	(\$76,539)	(\$109,062)	(\$141,570)	(\$173,962)
<b>Patient/Payer</b>							
Insurance/Patient Payments to Providers			(\$15,973)	(\$16,070)	(\$16,569)	(\$23,296)	(\$17,117)
PV of Net Annual Cash Flow		\$0	(\$15,508)	(\$15,147)	(\$15,163)	(\$20,698)	(\$14,765)
Cummulative PV Net Annual Cash Flow		\$0	(\$15,508)	(\$30,655)	(\$45,818)	(\$66,516)	(\$81,281)
Travel Costs Avoided			\$245,473	\$250,383	\$255,390	\$260,498	\$265,708
PV of Net Annual Cash Flow		\$0	\$238,323	\$236,010	\$233,718	\$231,449	\$229,202
Cummulative PV Net Annual Cash Flow		\$0	\$238,323	\$474,333	\$708,051	\$939,501	\$1,168,703
<b>Patient Lost Time During Travel</b>							
Value of patient lost time due to travel			\$58,446	\$59,615	\$60,807	\$62,023	\$63,264
PV - Patient Lost Time Due to Travel		\$0	\$56,744	\$56,193	\$55,647	\$55,107	\$54,572
Cumulative PV Patient Lost Time Due to Travel			\$56,744	\$112,936	\$168,584	\$223,691	\$278,263
<b>Patient Time in Queue Waiting for Specialist</b>							
Value of reduced patient wait time in queue		\$0	\$287,946	\$293,928	\$299,628	\$299,226	\$311,855
PV - Reduced patient wait time in queue		\$0	\$279,559	\$277,055	\$274,202	\$265,858	\$269,009
Cumulative PV -Reduced patient wait time in queue		\$0	\$279,559	\$556,615	\$830,817	\$1,096,675	\$1,365,684
<b>Telecom Universal Service Fund</b>							
Individual Primary Care Provider Location							
Cost			(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
Net Annual Cash Flows			(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
PV of Net Annual Cash Flow		\$0	(\$6,874)	(\$6,674)	(\$6,480)	(\$6,291)	(\$6,108)
Cummulative PV Net Annual Cash Flow		\$0	(\$6,874)	(\$13,549)	(\$20,028)	(\$26,319)	(\$32,427)
Number of Primary Care Providers		4	4	4	4	4	4
Total Primary Care Providers							
Cost		\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
Net Annual Cash Flow		\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
PV of Net Annual Cash Flow			(\$27,497)	(\$26,697)	(\$25,919)	(\$25,164)	(\$24,431)
Cummulative PV Net Annual Cash Flow		\$0	(\$27,497)	(\$54,194)	(\$80,113)	(\$105,277)	(\$129,708)
<b>Total System Perspective</b>							\$2,431,705
<b>Primary Care Provider</b>							\$4,007
<b>Specialist</b>							(\$173,962)
<b>Insurance/Patient Payments to Providers</b>							(\$81,281)
<b>Travel Costs Avoided</b>							\$1,168,703
<b>Value of Reduced Patient Lost Time During Travel</b>							\$278,263
<b>Value of Reduced Patient Time Waiting in Queue</b>							\$1,365,684
<b>Telecom Universal Service Fund</b>							(\$129,708)

Telemed Financial Template  
Telehealth Cart

Underserved Population

31-Mar-06

Comments to: mafa@gci.net

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SUMMARY

**Value of patient time +**

**Incremental Cash Flows with Tele-health Consults**

	Year	\$0	\$0	\$0	\$0	\$0
	0	1	2	3	4	5
<b>Total System Perspective</b>						
Revenue		\$0	\$0	\$0	\$0	\$0
Cost (Cost Savings)	\$78,952	(\$139,224)	(\$143,614)	(\$147,257)	(\$145,537)	(\$149,335)
Net Annual Cash Flows	(\$78,952)	\$139,224	\$143,614	\$147,257	\$145,537	\$149,335
PV of Net Annual Cash Flow	(\$78,952)	\$135,169	\$135,370	\$134,761	\$129,308	\$128,818
Cummulative PV Net Annual Cash Flow	(\$78,952)	\$56,217	\$191,586	\$326,347	\$455,655	\$584,473
<b>Primary Care Provider</b>						
Individual Primary Care Provider Location						
Revenue	\$0	\$30,864	\$31,558	\$32,391	\$34,684	\$35,522
Cost	\$16,910	\$14,122	\$14,133	\$14,210	\$14,198	\$14,240
Net Annual Cash Flow	(\$16,910)	\$16,741	\$17,425	\$18,181	\$20,486	\$21,282
PV of Net Annual Cash Flow	(\$16,910)	\$16,254	\$16,424	\$16,638	\$18,202	\$18,358
Cummulative PV Net Annual Cash Flow	(\$16,910)	(\$657)	\$15,768	\$32,406	\$50,607	\$68,966
Number of Primary Care Providers	4	4	4	4	4	4
Total Primary Care Providers						
Revenue	\$0	\$123,455	\$126,231	\$129,564	\$138,736	\$142,087
Cost	\$67,642	\$56,490	\$56,533	\$56,841	\$56,791	\$56,958
Net Annual Cash Flows	(\$67,642)	\$66,965	\$69,698	\$72,723	\$81,945	\$85,129
PV of Net Annual Cash Flow	(\$67,642)	\$65,015	\$65,697	\$66,552	\$72,807	\$73,433
Cummulative PV Net Annual Cash Flow	(\$67,642)	(\$2,627)	\$63,070	\$129,622	\$202,429	\$275,862
<b>Specialist</b>						
Revenue	\$0	(\$5,600)	(\$5,897)	(\$6,129)	(\$6,340)	(\$6,321)
Cost	\$11,310	\$3,743	\$3,743	\$3,743	\$3,743	\$3,743
Net Annual Cash Flows	(\$11,310)	(\$9,343)	(\$9,640)	(\$9,872)	(\$10,083)	(\$10,064)
PV of Net Annual Cash Flow	(\$11,310)	(\$9,071)	(\$9,086)	(\$9,034)	(\$8,959)	(\$8,681)
Cummulative PV Net Annual Cash Flow	(\$11,310)	(\$20,381)	(\$29,467)	(\$38,502)	(\$47,461)	(\$56,142)
<b>Patient/Payer</b>						
Insurance/Patient Payments to Providers		(\$117,855)	(\$120,334)	(\$123,434)	(\$132,396)	(\$135,766)
PV of Net Annual Cash Flow	\$0	(\$114,422)	(\$113,427)	(\$112,960)	(\$117,632)	(\$117,113)
Cummulative PV Net Annual Cash Flow	\$0	(\$114,422)	(\$227,849)	(\$340,809)	(\$458,440)	(\$575,554)
Travel Costs Avoided		\$139,583	\$142,374	\$145,222	\$148,126	\$151,089
PV of Net Annual Cash Flow	\$0	\$135,517	\$134,202	\$132,899	\$131,608	\$130,331
Cummulative PV Net Annual Cash Flow	\$0	\$135,517	\$269,719	\$402,618	\$534,226	\$664,557
<b>Patient Lost Time During Travel</b>						
Value of patient lost time due to travel		\$33,234	\$33,899	\$34,577	\$35,268	\$35,974
PV - Patient Lost Time Due to Travel	\$0	\$32,266	\$31,953	\$31,643	\$31,335	\$31,031
Cumulative PV Patient Lost Time Due to Travel		\$32,266	\$64,219	\$95,861	\$127,197	\$158,228
<b>Patient Time in Queue Waiting for Specialist</b>						
Value of reduced patient wait time in queue	\$0	\$54,962	\$55,939	\$56,364	\$50,999	\$51,296
PV - Reduced patient wait time in queue	\$0	\$53,361	\$52,728	\$51,581	\$45,312	\$44,248
Cumulative PV -Reduced patient wait time in queue	\$0	\$53,361	\$106,089	\$157,670	\$202,982	\$247,231
<b>Telecom Universal Service Fund</b>						
Individual Primary Care Provider Location						
Cost		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
Net Annual Cash Flows		(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)	(\$7,081)
PV of Net Annual Cash Flow	\$0	(\$6,874)	(\$6,674)	(\$6,480)	(\$6,291)	(\$6,108)
Cummulative PV Net Annual Cash Flow	\$0	(\$6,874)	(\$13,549)	(\$20,028)	(\$26,319)	(\$32,427)
Number of Primary Care Providers	4	4	4	4	4	4
Total Primary Care Providers						
Cost	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
Net Annual Cash Flow	\$0	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)	(\$28,322)
PV of Net Annual Cash Flow		(\$27,497)	(\$26,697)	(\$25,919)	(\$25,164)	(\$24,431)
Cummulative PV Net Annual Cash Flow	\$0	(\$27,497)	(\$54,194)	(\$80,113)	(\$105,277)	(\$129,708)
<b>Total System Perspective</b>						\$584,473
<b>Primary Care Provider</b>						\$275,862
<b>Specialist</b>						(\$56,142)
<b>Insurance/Patient Payments to Providers</b>						(\$575,554)
<b>Travel Costs Avoided</b>						\$664,557
<b>Value of Reduced Patient Lost Time During Travel</b>						\$158,228
<b>Value of Reduced Patient Time Waiting in Queue</b>						\$247,231
<b>Telecom Universal Service Fund</b>						(\$129,708)