HEALTH CARE CLUSTER

Overview

Business continuity for the health care industry cluster has three purposes; providing continuing care for public health, maintaining fiscal solvency, and meeting regulatory compliance. As a result there is an added imperative that health care providers, especially smaller providers, to continue meeting the needs of their current patients while being responsive to increased needs in patient care.

The cluster is comprised of the following types of organizations:

Ambulatory Health Care Services

- Offices of Physicians
- Offices of Mental Health Physicians
- Offices of Dentists
- Offices of Chiropractors
- Offices of Optometrists
- Offices of Mental Health Practitioners
- Offices of Specialty Therapists
- Offices of Podiatrists
- Offices of Miscellaneous Health Practitioners
- Family Planning Centers
- Outpatient Mental Health Centers
- HMO Medical Centers
- Kidney Dialysis Centers
- Freestanding Emergency Medical Centers
- Medical Laboratories
- Diagnostic Imaging Centers
- Home Health Care Services
- Ambulance Services
- Blood and Organ Banks

Hospitals

- General Medical and Surgical Hospitals
- Psychiatric and Substance Abuse Hospitals
- Other Hospitals

Nursing and Residential Care Services

- Nursing Care Facilities
- Residential Mental Retardation Facility
- Residential Mental and Substance Abuse Care
- Continuing Care Retirement Communities
- Homes for the Elderly

Business Continuity Overview for the Health Care Industry Cluster

Business Continuity is the creation of a plan to resume critical business processes after a disruption. Having a plan in place before a disruption, and practicing the plan, will enable a business to resume critical processes much more swiftly, efficiently and cost-effectively than an improvised response. According to FEMA, 75 percent of businesses that do not have Business Continuity Plans (BCPs) fail within three years of a natural disaster.[2] Encouraging suppliers to demonstrate their continuity capabilities can also be a competitive requirement for future business – to provide more confidence in the suppliers' capacity to deliver on their orders. Integrating continuity planning up and down the supply chain can help identify efficiencies in "peace time" and build surety in production during disruption.

Common risks and potential actions to reduce those risks for Health Care companies are identified below:

Risk	Potential Protective action
Denial of access to facilities	• Continuously update status on social media sites, website, and the press let patients and employees know the current status and plans to resume operations • Find temporary space if needed
Denial of access to systems & information (computer systems, credit card machines)	• Develop manual transaction processes to work with patients, medical providers, insurance companies, and suppliers. • Establish robust off-site data replication of key information systems and databases • Acquire alternative communication methods to support technology and patient care requirements.
Loss of staff (health, hiring, catastrophe)	• Invest the time to ensure staff are appropriately trained and experienced in carrying out any key aspect that does not require specific credentials (e.g. Nurses that have been trained to process financial transactions, etc.).
Vandalism and/or theft	• Develop plans with local law enforcement and emergency management to ensure safety of the facility and patients

[2] http://www.usfa.fema.gov/pdf/efop/efo47103.pdf

Common Risks cont.

Risk	Potential Protective action
Physical damage	• Develop contact lists of construction contractors, roofers, plumbers, landlords, etc. who can be responsive to physical damage.
Loss of critical vendors or supply chain disruption	• Develop BCP in partnership with suppliers of critical elements of care, such as medication, and critical equipment that may be damaged in a disaster. Form agreements with other institutions, even competitors, to provide reciprocal access to facilities and services.
Loss of customer confidence	• Keep status of business updated on social media and the business' website; inform local media that your business survived the event. Reach out to current customers via email blasts and courtesy calls (if possible). If the location is no longer accessible, search for a temporary location nearby and publicize that address.
Disruption of customers operations	• Work with customers and suppliers to understand their continuity plans to appropriately set expectations for when and how those key links will be restored.

A reliable Business Continuity Plan (BCP) should be developed using a systematic, orderly approach. The questions below include processes any BCP should address.

Key Questions	How to proceed
What are our most critical processes?	Think of processes that are customer-facing, employee-facing or facilitate cash-flow.
Who performs these processes?	Create an employee call tree or employee accountability and notification system.
What do they need to perform these processes?	Create a list of critical tools, supplies, data sources, etc.
Where can the people who perform our critical processes work if our business-as-usual facility is unavailable?	If possible enable employees to work from home, put in place an agreement with similar businesses to reciprocally provide emergency workspace, create a list of local realtors who have appropriate space to lease.
How well do you and your employees know your plan?	Have all involved walk through the steps of the plan in a tabletop exercise. Identify gaps in the plan and fix them. Document fixes. Do this annually and this basic plan will be kept up-to-date and will improve over time.

After Hurricane Katrina, the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO)[3] enacted a requirement that all healthcare facilities have a disaster plan in place to minimize risk and exposure. JCAHO mandated that healthcare organizations maintain an emergency management program that enables them to respond to disasters within their healthcare network and the community they serve. This document is not intended to alter or modify the requirements enacted by JCAHO. The mandate includes directives on identifying roles in disasters, the training of network staff, alternative communication systems, and hospital sites. The ultimate goal is that healthcare organizations be able to provide uninterrupted primary care access to members in all situations.[4] The major tenants of the mandate are:

1. **A comprehensive and well-constructed Business Continuity Plan for the Health Care Industry Cluster should[5]:**

   - Augment goodwill, as well as internal credibility with staff and external credibility with clients, vendors, and the community

   - Encompass a thoroughly researched, all-hazards effort to ensure capabilities are developed to maintain business operations before, during and after a disaster

   - Be communicated throughout the organization

   - Have buy-in from essential stakeholders such as executive leadership and senior management, as well as from the board of directors, staff, and vendors

   - Include consideration of all financial circumstances related to cash flow

   - Bear community interests in mind by maintaining a level of service to the community, disasters are the time when communities need their local health systems the most

   - Recognize the positive effect a BCP has after a disruption: qualified staff are retained, thereby maintaining institutional knowledge, thereby preserving patient loyalty

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[3] http://www.jointcommission.org/
[4] http://www.jointcommission.org/facts_about_joint_commission_accreditation_standards/
[5] http://www.nahc.org/assets/1/7/EP_Binder.pdf

2. **Sample Objectives from a well-constructed Business Continuity Plan for Health Care Industry Cluster[6]**

   - Identify who will staff roles within the Incident Command System

   - Identify primary and alternative command centers

   - Identify staff roles and responsibilities

   - Allow for the timely identification of patients who are affected

   - Coordinate staff members in patient care and evaluation, as well as in providing assistance with care of those in the community who are affected by the emergency

3. **Help Patients, Family, and Staff Create Emergency Preparedness Plans for Home Care**

   - Home care providers must include educating patients and staff on disaster preparedness in their emergency preparedness plans. Critical to patient and staff preparedness is the need to have a well-developed family emergency preparedness plan as well. The Patient, Family, and Staff Emergency Preparedness Plans are sample plans home care agencies can distribute and review with patients, families and staff. The tools may be used as constructed in this packet or altered to meet individual patient, family, or agency needs.

   - The Patient Emergency Preparedness Plan was designed to address patients with varying care needs. The plan is divided into two sections; the first section includes general instructions for emergency preparedness and is applicable to all patients, while the second section addresses considerations for individuals with special needs. The Family Emergency Preparedness Plan is a comprehensive plan that can be distributed to the families of both patients and agency staff members. The Staff Emergency Preparedness Plan specifically addresses considerations for emergency planning that are unique to home care personnel. A free, downloadable Emergency Preparedness Plan Packet for Home Health Agencies is available at http://www.nahc.org/assets/1/7/EP_Binder.pdf

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[6] http://www.nahc.org/assets/1/7/EP_Binder.pdf

Hazard Mitigation for the Health Care Industry Cluster

Hazard Mitigation is the assessment of the hazards that are most likely to strike a particular business type or location, and the creation of a plan to lessen the effect of those hazards before they strike.[7] The most common example of hazard mitigation is a fire alarm: the vast majority of all construction is vulnerable to fire, and advance warning of a fire hugely diminishes the risk of loss of life or property. Each business should plan for the hazards they are most likely to face for example, a business in the Midwest is not likely to experience storm surge from a hurricane, so hurricane mitigation should be a lesser priority. Hazard mitigation is distinct from business continuity planning; hazard mitigation activities are undertaken before a disruption to physically reduce the effect or damage on the business. Hazard mitigation tools and resources are available from the following link to FEMA.

Establishing a Shelter in Place plan can be critical. Healthcare institutions that provide critical care may not be able to evacuate due to the physical condition of some patients. In those instances, shelter in place may be the only option Some of the issues that should be considered for a shelter in place plan are:

- o Install a generator for emergency power; ensure it is maintained at all times
- o Create a stockpile of food, water, medications and medical supplies adequate to cover everyone in the facility for at least 72 hours and ideally up to a week

Examples of Potential Hazards	Examples of Mitigation Actions
Flooding	• Build with flood damage resistant materials: http://www.fema.gov/media-library-data/20130726-1503-20490-6330/fema15.pdf • Raise electrical system components: http://www.ready.gov/floods • Anchor fuel tanks • Install sewer backflow valves • Elevate buildings in low lying areas • Consider utilizing the National Flood Insurance Program (NFIP): http://www.fema.gov/national-flood-insurance-program

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[7]http://www.fema.gov/what-mitigation/federal-insurance-mitigation-administration

Hazard Mitigation continued:

Examples of Potential Hazards	Examples of Mitigation Actions
Loss of Power	• Invest in and regularly test an emergency generator: http://www.emd.wa.gov/preparedness/GeneratorSafety.shtml • Have battery-operated light sources on hand, keep stock of batteries: http://www.ready.gov/blackouts • Invest in an Uninterruptible Power Supply (UPS): http://www.energystar.gov/index.cfm?c=new_specs.uninterruptible_power_supplies, http://en.wikipedia.org/wiki/Uninterruptible_power_supply • Plug computer and electronic equipment into surge protectors: http://www.disastersafety.org/blog/surge-protector-and-power-strip-know-the-important-difference/ • Unplug any sensitive electronic equipment in advance of severe storms
Strong Winds	• Utilize Exterior Insulation and Finish System (EIFS): http://www.fema.gov/media-library-data/20130726-1627-20490-4852/how2027_eifs_walls_4_11.pdf • Elevate items in house/business that could flood; bring in items from outdoors that could become projectiles: http://www.ready.gov/severe-weather • Protect windows and doors with covers: http://www.ohsep.louisiana.gov/factsheets/avoidingwinddamage.pdf • Reinforce or replace garage/loading doors • Secure metal siding and metal roofs • Secure built-up and single-ply roofs • Secure composition shingle roofs • Brace gable end roof framing
Fire	• Eliminate electrical outlet overloads: http://www.usfa.fema.gov/citizens/home_fire_prev/ • Test smoke detectors regularly: http://www.ready.gov/fires • Replace long-term use of extension cords with permanent wiring • Replace broken or frayed electrical cords • All employees now how and where to shut off electrical power • Separate incompatible materials (flammables and corrosives): http://www.lbl.gov/ehs/chsp/html/storage.shtml • Keep flammables in approved safety containers: https://www.osha.gov/dte/library/flammable_liquids/flammable_liquids.html • Use flammable liquids only in well-ventilated areas

Insurance Considerations Specific to the Health Care Industry Cluster

Medical facilities/practices can purchase bundled coverage, like the Commercial Package Policy (CPP). The CPP combines Commercial Liability and Commercial Property and some additional policies designed for the health care industry for issues such as loss of life due to disruption of critical care in a disaster. The Commercial Package Policy provides both property and liability coverage but has more flexibility to tailor the insurance coverage to the specific needs of a specific type of business, such as a health care facility.

Commercial Property Insurance will provide coverage for any building owned or leased, including improvements and permanent fixtures and equipment, business property on premises and personal property of others in the 'care, custody or control' of the company.

It is important to note that perils not covered under a current insurance policy are also not covered for business interruption caused by those same perils. For example if wind is not a covered peril, any business interruption caused by wind will not be covered. Check with the insurance provider on the process to have specific perils covered by insurance. Even if the healthcare provider purchases business interruption coverage, allow for sufficient funds for the provider or institution to operate for the first few days. This type of coverage is not activated for a specified time period after a disrupting incident occurs. The time period will be listed in the policy. [8]

The National Flood Insurance Program (NFIP)[9] was created by Congress in response to increasing costs of floods, primarily due to disasters. At the time NFIP was enacted, flood insurance was not readily available or affordable through the private insurance market. Congress agreed to subsidize the cost of the insurance so premiums would be affordable. NFIP was recently changed, and the following links provide critical information on the program and those changes.

- Flood Insurance Issues in Recovery
- National Flood Insurance Program and Reforms
- National Flood Insurance Program
- Building Higher

[8] http://www.aiadc.org/AIAdotNET/docHandler.aspx?DocID=287081
[9] http://www.fema.gov/national-flood-insurance-program

Common Questions to Ask an Insurance Provider

Firms should have an annual insurance policy review with their providers. Included below are some common questions to ask during those reviews:

1. Which perils are or are not covered under the current policy?

2. What insurance regulation changes are coming in the next year?

3. What increases in coverage should be considered?

4. What is the provider's biggest concern with current insurance coverage?

5. Are there any additional options?

6. Are there any incentives or benefits available to businesses that have undertaken mitigation or continuity activities?

Questions Specific to the Health Care Industry Cluster to Ask an Insurance Provider

The following questions are specific to the Health Care Industry and should be asked during an annual (or more frequent if circumstances change) insurance policy review:

1. Is coverage available to offset the costs of finding, transporting, and/or communicating both patients and key staff members, particularly those staff members with unique skills?

2. Is there coverage for liability to patients due to power outages, lack of medication, inability to perform needed procedures, and similar issues caused by a disaster?

3. Does coverage include very specialized or customized medical equipment and fixtures?

4. Can financial risk due to supplier interruption and/or patient insurance claims be covered?

5. Is there provision or financial risk instrument available for loss of business due to public sector mandated care and/or use of facilities in a disaster?