

Disaster Planning, Part 2: Understanding Practice Risk

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This is the second article in a two-part series on disaster planning. In the January/February 2018 issue we addressed the potential risk to your practice, your practice's fit into the larger context and state law. This month we provide recommendations for restoring your business to normal operations as quickly as possible, addressing documentation, human resources planning, insurance coverage, backing up information and testing the disaster plan in advance.

Documenting Important Information

One of the most frustrating aspects of business interruption is the inability to recreate the systems and processes that existed prior to the occurrence of the disaster. We're talking about data on patients, employees, suppliers and vendors, other important contacts and critical business functions (e.g. claims, payroll). You can avoid the risk of lost information by documenting important information about your practice and by storing duplicate copies online, in hard copy and/or in a safe place that is outside of your premises. Make sure that all vendor contracts include language on vendor responsibilities in case of disaster.

Human Resources Planning

An important part of disaster planning is staffing, both administrative and clinical. Determine in advance who will be in charge and how you will delegate responsibilities to various staff members. Create a plan for job-sharing, so that if some workforce members are unable to report to work, other can perform their duties.

Uncertainty about who will report to work is always challenging. The first concern of your entire workforce will be their immediate families. Only when they are confident that their families' safety and other needs are met will they direct their attention to work responsibilities. You can help your workforce address their personal needs by providing services such as emergency transportation, on-site daycare services and guidance in developing home-based disaster plans.

Insurance Coverage

Check your insurance coverage and make sure you have the policies that you need before disaster strikes. Here are our recommendations as well as suggestions from physicians who have previously filed disaster-related claims and learned important lessons the hard way.

- **Decide what Coverage You Need** - Every practice doesn't need the same type and level of disaster insurance protection. If you're not sure what coverage to purchase, use the Federal Emergency Management Agency (FEMA) listing of disasters as your base. Determine the likelihood of occurrence in your geographical area and identify preventive steps you can take.

Regardless of the type and amount of insurance that you purchase, most policies address the two primary obligations of the insurance company: (1) its duty to indemnify or protect you; and (2) its duty to defend against suits against you. Check the conditions that must be fulfilled before the carrier is obligated to pay for damages.

- **Determine from Whom You Will Purchase Coverage** - You can purchase insurance coverage directly from an insurance company or through a captive or independent insurance agency. Search the Web for choices of insurance carriers, policies and premiums. Then reach out to either an employee of the company or to an insurance agent. Exclusive/captive agents work exclusively for one company, while independent agents represents several companies and look for the best policies and rates. Whatever your choice, make sure you are working with a reputable company and/or agent.
- **Select the Coverage that's Right for Your Practice** - Collaborate with the insurance company and agent of your choice to select the types of insurance that are most appropriate for you. Start with basic coverage (insufficient for most practices) and consider add-ons. For

example, basic property coverage applies to the structure and contents of the practice. Optional add-ons would be named peril coverage (e.g. fire) and comprehensive all-risk coverage. Optional property endorsements that cover both natural disasters and mechanical breakdowns would include business interruption, electronic data processing, earthquake and flood, personal items, records, extra expenses, leasehold interest and automobile.

- **File the Claim to Get the Best Results** - If you file a business insurance claim, do it carefully in order to maximize your chances for reimbursement and the amount that you receive. Contact your insurance company and/or insurance agent. Report all burglaries to the police. Read your policy. Take steps to protect your property against additional damage. If you make immediate temporary repairs, keep all damaged parts. If you are considering corrective action, obtain at least two bids.

Simplify the filing of any insurance claim by taking two easy steps ahead of time. List all insurance policies that you have and keep an extra copy of each policy on line and/or in a safe place. Take pictures of your facility and equipment so you can show them to your insurer.

Back-up Important Information

Regardless of how you have set up your medical practice and the degree to which you rely on information technology, make sure to develop and regularly maintain back-up efforts that are directed toward your operating system, your application software and your data.

As you develop and implement your back-up systems, ask yourself several important questions:

- How much clinical patient data can you afford to lose in a disaster? If you can't afford to lose anything at all, make sure you have a robust back-up system.

If you can operate without 100% of your information, do a little less. Your answer to this question will guide you in developing a back-up system.

- Will you need to restore 100% of your patient scheduling and financial data? This information changes frequently, so do regular back-ups more frequently than you do for some of your other functions.
- How long you can afford to be out of commission before resuming patient care? For example, if you have a computer virus or theft that affects only your data and not your facility and staff, patients will continue to show up for their scheduled appointments. Your recovery time objective (RTO) is short. If a major disaster affects your practice, your recovery time objective is longer.

As you determine your plans for backing up your operating system and data, it's important to categorize the different types of data that you need to back up. For example, some data is static (your operat-

ing system, computer applications, and patient financial and clinical software). Other data like patient clinical files and accounts receivable changes regularly. For static data, keep backup both on and off-site. For more transitory data, the challenge is more difficult. You need daily or more frequent back-ups.

Test the Disaster Plan in Advance

Once you have developed appropriate disaster precautions, test them out. Meet with all staff members, share the plan and solicit feedback. It's to make changes when the wind and water aren't outside your door. Schedule regular test disaster drills for your practice and make adjustments as needed. Should you need to put the plan into effect during an actual disaster, be sure to evaluate the effectiveness of what you've done so you can take corrective action before the next event.

Disasters happen, but with advance preparation you can lessen the impact. Good luck!

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