

the Financial Impact of Preparedness

May 9, 2012

Thank you to our presenters

Anne Award, President/CEO
Caring Health Center

Sally Deane, CEO
Outer Cape Health Services, Inc.

Henry Och, CIO & Director of Operations
Lowell Community Health Center

Caring Health Center

Anne Award, President/CEO

Emergency Preparedness Operations Works in a Real Situation!

*All Massachusetts Health Centers worked to
get Emergency Preparedness and COOP in
place with great support from the
Commonwealth of Massachusetts and the
MassLeague*



Caring Health Center Emergency Operations Plan (EOP)

- *We developed a standard EOP when the big push was on for all health centers to have one on file. The Continuity of Operations Plan is imbedded in our EOP.*



Staff Training and Readiness

- *We do standard training of all new staff on the EOP and the COOP.*
- *New Staff receive their Employee Handbooks and the EOP and COOP are within the handbook*
- *We do mock drills to assess staff response to different incidents and it provides content for training*
- *We do annual training to update all staff on EOP and COOP*



Incident Command System(ICS)

- *When writing your EOP and COOP, you never really plan to use them!*
- *The ICS worked for us, both as a community and within Caring Health Center*



Step 1 in a Natural Disaster

- *Recognize that you are in a natural disaster.*
- *Use your EOP/COOP to take your first steps:*
 - *Acknowledge your ICS: Our VP of Operations (COO equivalent) immediately stepped into the role of Response Leader. She assessed the site, called for window coverage, stayed to try to protect confidential patient information.*



- *Management Team met the morning following the tornado to assess options*
- *Decision to operate out of Forest Park site with split shifts*
- *Notification to staff to report for work at Forest Park in assigned shift.*
- *Staff volunteers worked to get records back and forth*



Many decisions to make...

- *Expansion Project Building badly damaged by tornado. Marked to be demolished. Fight with ICS/FEMA to save building. Win reprieve!*
- *HIPAA protections with recovery contractors moving into damaged clinic site...how to do?*
- *Staff traumatized AND suffering stress due to property damage. Obtain Board approval to reimburse for policy deductibles on damaged vehicles and \$10,000 to one staff whose home was not habitable.*



- *Retained all staff although operations reduced*
- *Capital Expansion project postponed for later consideration*
- *Daily decisions on reconstruction and operations*



Financial Issues Sum up the Dilemmas of a Natural Disaster



Patient Revenues

More than 800 housing units were lost in our immediate neighborhood and most of the residents in those units were our patients

Patients were displaced all over the region

Productivity did not return to 2010 levels until November 2011.

We estimate the loss at \$300,000 in the first 6 months of the fiscal year



Insurance

- *Capital Expansion Project building. Assessed at \$1,000,000 at purchase in 2008, we persuaded the City to lower the assessed value in order to save on taxes.*
- *Insurance based on new assessed value of \$525,000.*
- *Full reimbursement to policy limit*
- *Damage estimated at 1.3 million*
- *Capital Project delayed one year.*



Business Loss Insurance

- *Policy showed lost revenue limit of \$200,000 with coinsurance amount of 50%. We lost \$300,000 so “should” receive \$150,000.*
- *Standard Industry Practice is not written in your policy!*
- *We received \$7,688 for June revenue loss and \$14,092 for July.*



Other Losses

- *Supplies—office, medical records, office equipment,*
- *Lost vaccines (did receive insurance reimbursement of \$26,557 on the loss of \$80,000)*
- *Canopy/awning \$3000.*
- *Etc, etc, etc.*



Management Fatigue

- *CFO dealing with new financials, new areas to assess impact, insurance companies (6), appeals of insurance company decisions, the capital project delay (working and reworking the numbers), FEMA filings*
- *CEO dealing with the community, staff recovery, overall mess, keeping capital project going*



- *COO dealing with facility issues and interface with FEMA*
- *HR dealing with staff trauma and arranging for support and coaching*



Outer Cape Health Services, Inc.

Sally Deane, CEO



Massachusetts League
of Community Health Centers

Massachusetts League of Community Health Centers
Community Health Institute
May 9, 2012

The Financial Impact of Preparedness

*Sally Deane, MPH, CEO
Outer Cape Health Services, Inc.*

Outer Cape Health Services, Inc.

- Rural FQHC, serves 8 outermost Cape Cod towns
- Region vulnerable to summer/fall hurricanes and Nor'Easter winter storms
- Year-round population is approximately 49,000 – swells to almost 230,000 in the summer season
- Three distinct health centers in Harwich, Wellfleet and Provincetown
- A retail and 340(b) pharmacy in Wellfleet



CY 2011 UDS

- 14,673 Patients (32% increase over CY 2010 of 11,092)
- 50,630 visits (44% increase over 2010 of 36,925)
- Opened full service retail/340(b) pharmacy on July 1, 2011 in Wellfleet, separate from health center due to site limits, but also directly on Route 6
- Received emergency waivers to open a health center satellite in Harwich (formerly a private practice) on August 1, 2011

Emergency Preparedness Challenges

- Geographic isolation, limited infrastructure
- Primary provider in 4 of the 8 towns served (the most remote)
- 50 miles to the nearest hospital from the easternmost part of the catchment area
- Most of the route is a single lane highway
- Summer traffic/winter travel issues including fog
- Sagamore Bridge does sometimes close

More Challenges

- Lack of public transportation system – one bus route, one airport in catchment area (Provincetown)
- Multiple health center sites/multiple emergency response providers, 45 minutes travel between one site (Provincetown) and another (Harwich), with Wellfleet in between

OCHS Emergency Preparedness

- Recent IT system investments provide off site automatic back up of all data and full recovery if completely destroyed
- IT back up and recovery allows for business continuity
- Insufficient working capital due to demands of growth, Cape banks only acknowledging real estate assets, not receivables or equipment; plan to address through Mass Development

OCHS Emergency Preparedness

- Emergency Preparedness Plan
- Board of Directors approved
- Site specific and central drills conducted annually
- Specific agreements with each town
- Four key areas:
 - *Mitigation*
 - *Preparedness*
 - *Response*
 - *Recovery*

Emergency Preparedness Plan

- Based on Incident Command Model
- Contains an up-to-date listing of all community agencies we partner with
- Contains the staff emergency phone tree
- Contains the continuity of operations plan
- Mass League funded Emergency Preparedness at OCHS – funds used to purchase generators for each site (3 health centers, Pharmacy, administration)

Emergency Preparedness Plan

- Barnstable County Emergency Preparedness allows for documentation, reimbursement when qualifying for disaster response. For example, Hurricane Irene, OCHS was able to be reimbursed for out of pocket expenses.
- Operating 340(b) Pharmacy with generator back up enables OCHS to assist diabetics and others requiring life saving supplies when residential electricity fails.
- Catchment area towns consider OCHS ‘essential’ to emergency preparedness, linked by citizens band radio provided to each OCHS site. Staff assist public safety to respond to trapped, injured residents.

OCHS Lessons Learned

- Assess your physical location vulnerabilities; plan generator, public safety and access to federal, county and Massachusetts emergency management funds
- Establish full IT offsite backup and redundancy for business continuity
- Establish Emergency Preparedness plan; gain Board of Directors approval
- Establish site specific plans
- Conduct annual or semi-annual drills of the Emergency Preparedness Plan for all levels of staff, functions and by site
- Ensure specific written agreements with towns, if rural; not applicable to urban areas
 - Questions?
 - Suggestions?

Lowell Community Health Center

*Henry Och, CIO & Director of
Operations*

Massachusetts League of Community Health Centers
Community Health Institute
May 9, 2012

The Financial Impact of Preparedness

Henry Och
Lowell Community Health Center

Discussion Points

- Brief organizational overview
- Recent events
- Planning and Preparation
- Closing Notes

Lowell Community Health Center

- 7 sites, 280 employees
- Primary care, BHS and community support programs
- Over 141,000 visits annually
- We treat over 1/3 of the Lowell population
- Lowell CHC been on an electronic health record for 6 years



Lowell Community Health Center

- Planned to grow to treat 45,000 patients annually
- 2 sites, 400 employees
- Expand services to include dental and specialty services
- Community Health Information Exchange



Lowell CHC DR/BC Events

- Extended power outages
- Extreme weather conditions
- Server/infrastructure failures
 - Data loss
- HVAC failures
- Telecommunication link failures

Potential Impact

- Interruption of services
- Patient safety risks
 - Access to health information
- Loss of productivity
- Loss of revenue
- Reputation

Response

- Failure Mode Effects Analysis based risk/hazard assessment
 - Update annually
- Emergency preparedness plan
- Focus on mitigation, preparedness, response and recovery

Response, examples

- IT specific redundancies and backup
- Service contracts
 - IT
 - Facilities
- Paper based drills
- Emergency response pre-planning
 - Emergency response rosters

Current Gaps

- Community disaster drills
 - Realistic scenarios
- Backup power sources
- Disaster recovery site
 - Disaster recovery equipment

Planning for Future Operations

- Backup 450 KW Generator
 - Life Safety, IT and HVAC
 - Server, telecom closets and selected terminals
 - Vaccine Refrigerators
- Redundant Server Room AC
 - 2/3 redundancy
- Cloud backups with virtual server support

Planning for Future Operations

- Days cash on hand
 - Lowell CHC target = 30 Days
- Formal Incident Command System training
 - To include ICS 300 and 400

Plan Rehearsals/Drills

- Validate your plans
- Involve affected staff, vendors and community partners
- Incorporate your patients' needs

Plan Rehearsals/Drills

Responding to a real event should not be the first time you test your DR/BC plan.

Resources

- EP/COOP/BCP/ICS and EPM mean:
 - Time
 - Money
 - Human Resources

Closing Notes

- What is your local community's EP plan and how is your health center involved?
- Budget for emergency preparedness
- Cost of doing business and meeting our mission