HOSPITAL BUSINESS CONTINUITY

5 KEY ELEMENTS OF INTEGRATING CONTINUITY WITH STRATEGY AND OPERATIONS
ANGELA DEVLEN

• International Healthcare Disaster Management and Business Continuity Advisor
• Managing Partner - Wakefield Brunswick
OBJECTIVES

1. To gain a **basic understanding of business continuity principles** and the implementation processes specific to healthcare.

2. To ensure a **holistic approach** that aligns with existing emergency management efforts and executive strategic priorities.

3. To provide **access to resources** for hospitals across California in the development of business continuity tools and materials.
1. **Understanding**: What is Business Continuity?
2. **Approach**: 5 Key Elements
3. **Resources**: Tools and Materials
What’s driving this?

Lessons learned, changing regulatory landscape, and associated funding conditions require that healthcare organizations develop and maintain higher levels of operational resiliency.
What is needed to assist hospitals with their business continuity plan/COOP?

- Resources & Templates?
- Education & Training?
- Governance & Standards?
What is business continuity?

The same as IT disaster recovery planning?

Our internal disaster plan?
What is business continuity?

Plans, procedures and resources established to maintain and/or recover mission critical processes and services impacted by an event causing an interruption of normal healthcare delivery operations.
BACKGROUND

Interruption Scenarios

• Loss of staff
• Loss or closure of mission critical services
• Utilities interruptions
• IT interruptions
• Supply chain interruptions
Cost of EHR Downtime

• One hour of EHR downtime can cost a practice almost $488.00 per physician

• It is estimated that the impact would be approximately $43,000.00 per day for a large practice or a hospital unit
Hurricane Katrina

- 25% fewer hospitals in metro New Orleans than before Katrina.
- 38% fewer hospital beds in New Orleans since Katrina.
- 56% fewer inpatient psychiatric beds compared to before Katrina.
- **$368 million** dollar losses of 5 major metro New Orleans hospitals from Katrina to 2007.
BACKGROUND

Healthcare Emergency Management & Business Continuity Framework

Continuity | Response | Recovery

**Governance & Crisis Management**

**Emergency Operations Planning (EOP)**
Plans, procedures and resources for all four emergency phases (mitigation, preparedness, response, and recovery), for all types of emergencies and disasters.

**Business Continuity Planning (BCP)**
Plans, procedures and resources to maintain and/or recover essential services and functions impacted by an event causing an interruption of normal operations.

**Disaster Recovery Planning (DRP)**
Plans, procedures and resources to maintain and/or recover the information technology systems, network, and telecommunications services.

**Organizational/Departmental Operations for Clinical, Business & Research**

**Safety/Fire**
- Safety Procedures
- Incident Specific Plans
- Emergency Operations

**Utility Interruptions**
- Human, Natural, Technological Hazard Response

**Patient Clinical & Support Activities**
- Management of Staff, Resources and Assets
- HICS, Crisis Comm, Triage, Surge, Public Health, Evacuation

**Business Continuity Branch Director (Service Continuity, Records Preservation and Business Relocation Units)**

**Essential Services**
- Downtime Procedures

**Vital Records, Equipment and Supplies**

**Network**

**Systems and Applications**

**Telecom**

An integrated, multi-disciplinary program focused on supporting and strengthening the organization’s core mission.

A resource provided by The Minnesota Department of Health – Office of Emergency Preparedness (in partnership with Wakefield Brunswick)
Align continuity efforts to build financial resilience and mitigate economic impact of interruptions or crisis events.

KEY ELEMENT 1: FINANCE

- Measure financial impacts
- Stimulate economic recovery
- Control recovery costs

What action(s) can be taken to build financial resilience?
CMS denies N.Y. request for Sandy relief

By Melanie Evans
Posted: January 16, 2013 - 6:45 am ET
Tags: Associated Press (AP), Disaster Preparedness, Finance, Hospitals, Management, Medicaid, New Jersey, New York, Nursing, Patient Care, Revenue

The CMS denied New York State’s request for emergency cash relief for healthcare providers that lost revenue or saw expenses soar as superstorm Sandy forced the evacuation of hospitals and nursing homes.

The state made a request for $427 million under a Medicaid waiver in early November, which would have awarded the greatest relief to hospitals closed by the storm. Hospitals that saw services disrupted by lost power or temporary damage, those that took in evacuated patients, and transportation providers were also included in the relief request.

“CMS notified DOH in late December that while the waiver proposal had merit, it was deemed that the existing channels available to provide assistance, including those through FEMA, Small Business Administration and other Federal programs, were more appropriate,” said Bill Schwarz, a New York State Health Department spokesman said. “The State Health Department is continuing its work to secure sources of federal relief for providers.”
KEY ELEMENT 1: FINANCE

Property Damage Documentation
- Invoices
- Purchase orders
- Repair quotations
- Time and material contracts with expenditures
- Labor time sheets with corresponding payroll journals
- Supply vouchers or requisitions
- Inventory quantities with pricing

Business Interruption Documentation
- Reconstruction schedule
- Past experience of business actual experience during the period of indemnity
- Revenue forecasts
- Additional expenses incurred to reduce the period of reconstruction
- Purchase journals
- Payroll journals
- General ledger
- Profit and loss statements
- Inventory records, quantities and values
Leverage continuity program to improve patient safety, improve efficiency and protect assets.

What action(s) can be taken to leverage the continuity program?

- Finance
- Operations
- Regulations
- Technology
- Strategy

- Ensure Patient Safety
- Availability of Critical Supplies
- Improve Efficiency & Effectiveness
- Protect Assets & People
KEY ELEMENT 2: OPERATIONS

During Event

- Plan for pre-staging, procuring, transporting and set up of supplies.
- Back up fuel topped off.

BCP/COOP Follow Up

- Documented essential functions, not just departments.
- Engaged leadership across the hospital and LTC
- Completed Supply Chain BCP/COOP.
Integrated continuity programs exceed compliance and improve organizational resilience.

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<tr>
<th>Finance</th>
<th>ASPR Preparedness Guidance</th>
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<tbody>
<tr>
<td>Operations</td>
<td>The Joint Commission 96 Hour Planning</td>
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<td>Regulations</td>
<td>HIPAA</td>
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<td>Technology</td>
<td>HITECH ACT/meaningful Use</td>
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<td>Strategy</td>
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What standards and regulations exist for health care continuity?
“...addresses the three key essentials needed to ensure that health care is available during emergencies: safeguarding human resources, ensuring business continuity, and protecting physical resources.”
Integrated continuity programs protect technology investments.

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<th>Finance</th>
<th>Implement Electronic Health Records</th>
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<td>Operations</td>
<td>Document EHR Downtime Procedures</td>
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<td>Regulations</td>
<td>Ensure Privacy and Security</td>
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**What action(s) can be taken to leverage the continuity program and integrate with IT?**
“The disruption severely interfered with our normal operation, particularly with inpatient and outpatient care and pharmacy.”

-Associate Chief of Staff at the VA's Northern California Healthcare System
Goals of EHRs and HIEs

- Improve patient continuity of care from provider to provider.
- Decrease medical errors.
- Reduce duplicative and redundant services and systems for providers.
- Reduce administrative health care costs in order to invest more in health care delivery.
- Business continuity plans to ensure continuity of patient care and maintain custody of data during EHR downtime.
- Mechanics of returning to paper-based patient systems in times of disaster or business interruption ensuring privacy, security of PHI and custody of data during downtime for reporting.
- Integration with EM and BCP risk and business impact analysis allows effort to extend beyond IT functions to the facility, processes and personnel further protecting investments including but not limited to EHR.

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<th>Measure</th>
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| Implement systems to protect privacy and security of patient data in EHR. | Conduct or review security risk analysis, implement security updates as necessary and correct identified security deficiencies. | • Technology used meets or exceeds HIPAA standards and compliance.  
• Vendor conducts regular security, privacy risk analysis assessments of the technology.  
• Physicians and other staff understand HIPAA privacy and security requirements. | By Attestation |

Verifying by Attestation:

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## KEY ELEMENT 4: TECHNOLOGY

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*California Department of Public Health*
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Continuity programs aligned with strategic priorities provides a holistic approach to organizational resilience.

What action(s) can be taken to align strategy and continuity?

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- Demonstrate Social Value
- Leverage Activities within ACO
- Consider Impact of Provider/Insurer Acquisitions
“Leaders have to worry about BCP. First, as broadly as possible, then focus on the key areas, then knit it into other work at the Institution … particularly people who deal with safety, operations and security. Integrating BCP with the business of the institution, as opposed to a function off to the side, not only provides a risk mitigation strategy but a business effectiveness strategy.”

-James Conway, past COO Dana-Farber Cancer Institute, Senior Fellow, Institute for Healthcare Improvement
Establish a governance structure

**Steering Committee**
- **Chairperson**
- **Members**

A committee responsible for program governance who meet at least quarterly to review progress reports and make decisions.

Members include executive sponsor (e.g. COO) and key leaders (e.g. CNO, VP Facilities, CMO, VP Human Resources, Emergency Manager and CIO).

**Continuity Committee**
- **Chairperson**
- **Members**

A committee responsible for executing projects/activities under the continuity program, led by the Continuity Coordinator/Chairperson of this committee.

Members include key operational leaders (e.g. supply chain, clinical support services, finance, risk/compliance, emergency management, IT disaster recovery, security, emergency dept., human resources, nursing).
RESOURCES

• Visit CDPH EPO’s website at: www.CDPHReady.org
  – Presentation Slides
  – Access to Governance Materials
  – Access to BCP Templates
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Thank you!