

Be Prepared: Creating a Disaster Recovery Plan Essential for Radiology Practices



Medical organizations were not immune to Hurricane Katrina's wrath when the storm slammed into the Gulf Coast on Aug. 29, 2005. More than 20 hospitals in the New Orleans area were forced to shut down due to damage from wind and water, and countless physician practices were similarly affected.

Many groups – faced with a loss of patients, facilities and records – never recovered and were forced to dissolve in the weeks and months after the hurricane.¹ Those that did survive faced a long, difficult and uncertain road to recovery.

The experiences of healthcare organizations along the Gulf Coast during and after Katrina provide a cautionary tale for physician practices nationwide. Whether it's a tornado in Kansas, an ice storm in Pennsylvania or an earthquake in California, Mother Nature can wreak havoc with healthcare operations in just about every region of the country.

And it's not just the elements that can disrupt a practice. Power blackouts, terrorist attacks, fires and even pandemics are just a few of the hazards that exist in the modern world.

Contingency Planning

Preparing for a hypothetical disaster may not seem essential for most physicians, given the more pressing challenges they face daily. But those who fail to anticipate the worst do so at their peril. For physician practices, creating a disaster recovery plan can spell the difference between staying in business or shutting the doors, should the unthinkable occur.

By developing contingency plans around each major component of the practice – employees, cash flow, communications, financial systems, and paper-based records – practices will be well-positioned to weather any disruption. No matter what type of disaster may strike, one of the most important points to remember is that for your employees their family

issues will take priority over the recovery of your business. A plan must therefore be in place to sustain the business during this challenging time because it may be weeks before the situation stabilizes.

A HIPAA Requirement

Like insurance, a disaster recovery plan represents an upfront investment aimed at mitigating the risks associated with a potentially devastating future event. The business case for this kind of proactive planning is clear for independent physician groups, especially in light of the serious financial damage that an extended disruption can cause. But there also are regulatory reasons for planning ahead.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) mandates healthcare entities analyze emergency risks to patient records, employee information, insurance documentation and other data. Practices must develop policies and procedures to back up, store and recover their data that "adequately and reasonably" addresses

¹ "Pediatric Private Practice After Hurricane Katrina: Proposal for Recovery," *Pediatrics*, Oct. 17, 2008, p. 836

those risks. Fortunately, HIPAA rules leave groups considerable leeway in how this mandate can be met.²

So does that mean creating a disaster recovery plan involves simply backing up electronic data? Not quite. For a plan to be effective, all aspects of the practice must be considered and a range of problems anticipated.

Key Employees

In a disaster affecting a widespread geographic area, it's essential to remember that for employees, it's their families, friends and personal property that will undoubtedly come first. Therefore, the practice may not have anyone in a position to make decisions or take action. With that worst-case scenario in mind, a plan can be created that draws from resources outside the disaster power grid, such as arranging for temporary help from a different area or operating with a skeleton crew of managers or physicians.

Also, a disaster does not always involve violent acts of nature, nor will it necessarily affect everyone in the organization. For example, a key employee may suddenly become stricken with a long and debilitating illness. Because one or two employees can be critical to maintaining ongoing operations in any organization, practices should identify these individuals ahead of time and list in detail their mission-critical tasks.

From this information, contingency plans can be developed to augment or replace key employees, should they become partially or totally unavailable. This cross-training will result in the organization becoming less dependent on a handful of employees.

Developing a recovery plan also presents an opportunity to consider overall succession planning. Succession planning, a sometimes difficult subject, is best addressed before a crisis develops and decisions become emotionally driven.³

Cash Flow

After people, money management is perhaps the second most-important element of disaster recovery. For example, how will your business cope if your banks are closed or your post office is underwater? You need a strategy that can help ensure uninterrupted cash flow. Bills must continue going out, and cash coming in should be redirected immediately to alternative bank accounts or addresses to make sure cash flow is not interrupted. Payors, vendors and patients – along with your existing post office – should be informed immediately about where the mail and money should be sent.

Failing to take these steps in a timely fashion could result in a disastrous interruption in the practice's operations, one that may last for weeks. Once alternatives are developed, you'll also need to be able to monitor cash flow and receipts on a near-real time basis, ideally through a Web-based interface.

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Communications and Financial Systems

Clear protocols should be developed for communicating with employees, hospitals, patients, insurance carriers, vendors and others in the event of a disruption to normal business operations and a loss of traditional telephone or Internet communications. It is particularly important to keep patients informed about previously scheduled appointments, alternate facilities and where payments should be sent.

From a financial management perspective, it may be beneficial to engage an outsourced billing company with the resources to provide a range of disaster recovery capabilities. These can include secure data centers located on separate power grids, redundant data backup and recovery, and the ability to shift claims processing capabilities from one location to another if the billing firm itself is affected.

If not already in place, systems also should be developed to back up and store electronic patient information and other operational electronic data off-site and/or through portable storage devices outside your affected area. A range of vendors and approaches are available for electronic backup. Determine what percentage of servers are backed up, how many servers exist and where they are physically located. This information will tell you how well they'll be able to handle your business in times of a natural disaster.

Paper Records

While most practices continue moving toward converting key records to electronic form, paper records are nonetheless still predominant, and steps should be taken to ensure their survival. For example, documents can be scanned – either in-house or by a vendor – and stored electronically. Paper copies also can be stored off-site in a fire-rated vault, safe, or file cabinet system. On-site storage also can be considered, provided the safe or vault can withstand a range of potential hazards.

Along with medical and patient records, other important paper documents that should be backed up include:⁴

- Contracts, agreements or other documents proving property ownership
- Operational records, including payroll, tax, client accounts and shipping

² "Vital Records Protection for the Physician Practice," *For the Record*, Aug. 15, 2005

³ "Disaster Recovery Planning for Business Continuity," *Physician's News Digest*, May 21, 2010

⁴ "Vital Records Protection for the Physician Practice," *For the Record*, Aug. 15, 2005

- Current vendor files
- Current standard operating procedures
- Business reports and summaries

Appointing a Champion

The process of developing a disaster recovery plan can be enhanced by designating a “champion” to lead the efforts of a committee or planning group and oversee completion of each plan component. In addition, an individual or individuals should be charged with implementing the plan if disaster strikes. Key questions they should be prepared to answer are:

- Have you saved your records?
- Have you saved all in-transit cash and payments?
- Do you have the ability to re-start your A/R management processes outside the affected disaster area?

The development of a disaster recovery plan is an important piece in any strategic business plan and could be the key to survival for a practice hit by an unexpected, adverse natural or man-made event. With a little preparation, groups can avoid a frantic, exhausting scramble to recover in the aftermath of calamity. They’ll also sleep better at night, knowing that everything that can be done, has been done.