



Loss Control TIPS

Technical Information Paper Series

Innovative Safety and Health SolutionsSM

Contingency Planning Overview: Health Care Facilities

The purpose of contingency planning is to have a ready-made "plan of attack" for recognizing and responding to with unplanned closings, shutdowns, or evacuations from a nursing facility,. A contingency plan provides policy and information both in terms of making a decision about how to cope with that exposure, and in terms of what needs to be done within an organization to carry out that decision.

Overview

The Need For Contingency Planning

In spite of vigilant efforts to control loss and minimize accidents, some hazards are not within your control. Accidents can and do occur, and when they occur, our natural instinct is survival in the face of potentially crippling accidental losses. The most effective and logical way to survive an accident is to prepare in advance. Nursing facility staff who are unfamiliar with proper crisis management procedures may even compound an already unfavorable situation. Prior planning can prevent poor performance, once an accident happens.

Another external factor influencing the decision to implement a plan is the potential for loss of public good will. The longer a facility is closed, the greater the risk that some of your residents will transfer to another facility.

Consider, too, the potential for public liability and injury to employees. Employers have a duty to provide a safe work environment, and are responsible for injuries to workers under the workers' compensation system. A nursing home may also be liable for third party claims from injury to the members of the public. This is why some insurance companies advocate that some type of preparedness system be in place.

Phases Of a Comprehensive Contingency Plan

Use of a generic contingency plan can result in situations where the resources necessary to implement a required action are not available. Each nursing home is different, and each has different concerns and resources available. For this reason, contingency programs must be specifically tailored to each facility and the hazards most likely to occur. A comprehensive contingency plan consists of the following sequential phases:



- **Prevention**, which includes actions that can be taken to minimize the possibility of an occurrence that will create a major disturbance to your operation.
- **Preparedness**, which is manifested through the development plan, which identifies activities, resources, and responsibilities necessary to respond to a disabling contingency.
- **Response**, which includes actions that may reduce the consequences of an accident before it escalates in magnitude.
- **Recovery**, which embodies all the activities necessary to bring the nursing home back to normal or routine operations. Part of being prepared for a disaster is being able to rebound quickly from the event to resume normal operations as soon as possible. Preparation will make recovery less difficult and more efficient; this will translate into smaller losses and shorter “down” time. Recovery operations should be focused in *two* areas: *salvage of property and physical assets*, and *restoration of business operations*, including provision of health care.
 - *Salvage of property and physical assets* includes not only repairing or restoring property once damage has occurred, but also includes steps taken to prevent further damage. If the facility has sustained large-scale damage, prioritize equipment repairs based upon what is most needed to expedite recovery.
 - Quick *restoration of business operations* is paramount for minimizing losses. Extended down time can result in the loss of residents to competitors. Remember, no service is irreplaceable. The misfortune of one facility can be another’s opportunity. Once begun, construction projects are subject to disruption by weather, strikes, and other unpredictable events. Delays are common, and the availability of equipment and furnishings may be a factor in reopening. Advance preparation and planning can minimize controllable delays.

Key Elements Of an Effective Contingency Plan

To produce predictable and effective results, a comprehensive contingency plan should include, at a minimum, the following elements:

- A *statement of purpose*, including the various contingencies to which the plan will apply.
- A *strategy for preparedness*, response and recovery for each contingency, developed by a team of facility staff.
- *Effective implementation*, including communication to and training of people who have responsibility to make the plan work.
- A *regular review* of the plan, to keep it current.

A plan is only as good as the information upon which it is based, and the ability to implement it. A plan that looks wonderful on paper but assumes that certain response capabilities exist, which in fact do not, could be disastrous. At the same time, without proper training and communication of responsibilities, a thoroughly researched plan will be equally ineffective.

An effective audit procedure is essential for plan longevity. A common pitfall in planning is to forget that facility needs and resources will vary over time. *The plan must be kept current* so that it accurately addresses your needs.

Developing the Plan

For effective execution, be sure to specify exactly who is responsible for what, and who can perform which activities. Developing an effective plan requires a team effort. Do not rely on one person to develop the entire plan. Comprehensive knowledge is gained only through participation of the planning team. A plan developed by only one person may be incomplete or biased.

These five essential elements of contingency planning will be addressed below:

1. Identify the Hazards and Assess the Risks
2. Assess Your Capabilities And Resources
3. Develop a Public Relations Plan
4. Conduct Training, Drills, and Exercises
5. Develop/Review/Audit the Contingency Plan

Identify the Hazards and Assess the Risks

A company cannot be prepared for an event it has never considered could happen, and it is pointless to waste time and money preparing for an event that may never occur, or that will be of little consequence. To be able to develop your program successfully, begin with a thorough knowledge of the potential hazards that could adversely affect your business. To determine what this would be within your facility, conduct a "brainstorming" session to identify *all* events that could lead to a financial loss. This assessment typically includes

1. an estimate of both the *probability* and *frequency* of events occurring
2. a determination of the *types of hazards* posed and the *consequences* of their occurrence,
3. an estimate of the *number of people or things* likely to be exposed to the hazard as well as the number likely to suffer adverse consequences, and
4. which of these exposures are insurable (cost effectively) and which are considered a business risk.

Insurance Coverage. With regard to insurance coverage, the facility's management staff should be knowledgeable of what coverage they are buying, and should work closely with their agent to be certain there are no gaps or surprises. Check insurance policies for any exclusions that eliminate important coverages relative to your needs, in the event of a serious incident. Consider coverage for all exposures, with management considering the potential costs and benefits of purchasing additional coverage, or modifying existing coverage.

Examples of insurable risks are:

- Reduction in revenues because of a full or partial shutdown
- Additional expenses (e.g., substitute buildings or equipment rental)
- Higher than normal costs following the restart of your operations

Business Risk Considerations. The cost of property damage and business interruption can, for the most part, be offset with adequate insurance coverage. However, when any major catastrophe strikes, uninsured losses will also occur. The following are some of the business risk exposures associated with catastrophic losses, more key reasons for advance planning.

- Loss of market share (residents) to other homes
- Severance pay and unemployment insurance costs for laid off employees, where loss of market share forces a reduction in operations.

Be sure to consider each of these exposures, as well as others you may think of, in the development of your contingency plan.

Assess Your Capabilities and Resources

Once you have completed a hazard evaluation and risk analysis, assess the facility's current preparedness, prevention, and response capabilities. If one of the crises identified were to occur today, would your facility have the proper equipment and materials for responding to the event? If the equipment is not in your home, how can it be acquired? Do your staff know how to use the equipment? Has a chain of command been established?

All contingency plans should contain the following:

- The *Structure* which identifies the responsibilities and authorities of employees when implementing the plan;
- The *Procedures* which outline the actions to be taken to prepare for, respond to and recover from the event; and
- The *Resources* that identify the facilities and equipment required to implement the plan.

Public Relations and Handling the Media

The contingency plan should give consideration to the media's response to the situation, as well as the public's right to know. The public relations and media interaction component of the plan should be thought out well in advance of the occurrence of an actual crisis.

Public relations, especially effectively handling the media, becomes a critical activity during an emergency. How the media and public relations are handled determines how well the contingency plan succeeds, because media response can undermine even the best efforts of an organization. A single staff member (with a back-up) should be assigned the responsibility of handling media and public relations. No other employee should be permitted to respond to questions or inquiries from the media or the general public.

Conduct Training/Drills/Exercises

In developing your plan, do not forget that there will be a need to train personnel on how to respond to an accident. It will be very important that each employee understands his or her role and can react promptly to the situation. Use drills and other training exercises to provide simulations of potential accidents. This is the closest that employees will get to a real accident, short of an actual event. The experience provided by these drills is invaluable and cannot be stressed enough. Other benefits of running these simulations are to:

- Reveal deficiencies in the plan and assess its practicality
- Evaluate the effectiveness of communications (both internal and external) by personnel who have contingency plan responsibilities
- Help in identifying resources that are missing
- Evaluate the adequacy of detailed action plans
- Review first aid and rescue procedures
- Enhance the overall capabilities of the response team.

Develop, Review, and Audit the Contingency Plan

If you are developing a plan for the first time, your planning committee has just identified what contingencies can potentially affect your facility and what needs to be done to restore operations as quickly as possible. If an old plan exists, review and update it.

Once your plan is developed, it is important to remember that no emergency plan would be complete without a plan to audit and update it. Changes at your facility (staffing, hazards, buildings, etc.) will require changes to the plan. On reviewing the plan, consider whether it fully addresses all the contingencies now facing your operations.

One of the most important concepts of a contingency plan is the idea that it is a working, usable program. If there are difficulties with any part of it, that part should be revised until all the participants are comfortable with their respective responsibilities. The plan must be kept current at all times, and the people on the emergency response team, as well as other employees, should be cognizant of the plan in its entirety.

Suggested Outline for a Contingency Plan

Here is a suggested outline for a contingency plan. The pages which follow offer a brief discussion of the information to include in each section of the contingency plan.

1.0 Table of Contents

2.0 Introduction

- Incident Information Summary Form
- Purpose of Plan and Company's Policy
- Basis of Plan Execution
- Abbreviations and Definitions
- Assumptions
- Planning Factors
- Organization and Responsibilities
- Plan Distribution
- Emergency Telephone Roster

3.0 General Prevention Policy

- Prevention Policy
- Safety and Health Reviews
- Inspections
- Safety Committee

4.0 General Preparedness Policy

- Training
- Drills and Exercises
- Plan Audits/Reviews
- Updating the Plan
- Mutual Aid

5.0 General Response Policy

- Direction and Control of an Incident
- Incident Response
- Direction and Control Team
- Notification of Response Personnel
- Facility and Public Incident Notification System
- Resource Management
- Ongoing Incident Assessment
- Incident Response Plans
- Fire and Explosion
- Bomb Threats
- Sabotage
- Natural Hazards

6.0 Recovery

- Damage Assessment
- Cleanup and Disposal
- Restoration
- Incident Documentation and Follow-up

7.0 Appendices

- Plans and Maps
- References

Suggested Contingency Plan Outline: Discussion

1.0 Table of Contents

A listing of all the sections of the plan.

2.0 Introduction

2.1 Incident Summary Form

Initial information is critical to effective management of the incident. This form makes it easy to record essential information about the incident. Information on the form includes who, what, where, when, and how it happened.

2.2 Purpose of Plan and Institution Policy

This section defines the procedural framework for the management of incidents that affect your nursing home. This includes the structure of the Crisis Management Team, including the chain of command and the composition and general responsibilities of the emergency teams appointed to deal with crises stemming from various perils.

2.3 Basis of Plan Execution

In this section, the potential hazards to the organization are identified and the conditions under which the plan is to be executed are described. Examples are fire and explosion, hurricanes, tornadoes, flooding, earthquakes, winter storms, utility outages, bomb threats, riot and civil commotion, and labor unrest.

2.4 Abbreviations and Definitions

Frequently used abbreviations, acronyms and definitions are listed for easy reference.

2.5 Assumptions

Certain assumptions have been made concerning what would happen in the event of an incident. An example of an assumption might be that the local fire department will be available to respond and provide necessary support. This section provides a summary of these assumptions.

2.6 Planning Factors

This section provides a summary of the local conditions that make planning necessary. Information for this section is usually derived from the hazard identification and analysis. Examples of planning factors are: a nursing home in the Northern states should plan for the occurrences of heavy ice build up or snow; and a nursing home in the Southern states should have plans to handle high winds, tornadoes, or hurricanes.

2.7 Organization and Responsibilities

This section outlines the organizational structure and includes brief statements of precisely what is to be accomplished should an incident occur. It lists all the individuals who have been assigned responsibility for executing the plan and clearly describes their roles. It also includes information on the role expected to be played by outside companies in responding to an incident. This could include duties of the Facility's Management/Owners, Emergency Committee, Maintenance Staff, Security Personnel, etc.

2.8 Plan Distribution

A list of individuals (both internal and external) who have received a copy of the plan is included in this section.

2.9 Emergency Telephone Roster

This section includes a current and complete list of all personnel, including alternates, involved in implementing the plan. Be sure to include 24-hour telephone numbers. Also provide a separate list of outside facilities' agencies, with contact names and phone numbers. Assign responsibility for keeping the lists up-to-date. Examples of outside companies are hot-site vendors, ambulance services, attorney, authorized inspection agency, bomb disposal squad, building inspector, city clerk, city engineer, mayor, dump truck rental, electric company, electric generator rental, electric inspectors, equipment rental, Federal Bureau of Investigation, fire department, hospital, insurance broker, media, OSHA, police, telephone company, trash removal company, etc.

3.0 Prevention Policy

Prevention is the practice of activities that are designed to prevent accidents from occurring. The loss prevention measures implemented by a home reduce the probability of an incident occurring.

Although these measures are normally found in a policy and procedures' manual, the contingency plan should contain reference to them since they will impact the severity of the incident. The purpose of the plan is to give management a guide to aid it in the development of its own comprehensive pre-emergency plan. It lists the types of emergencies that may occur; explains the duties of the Emergency Coordinator and points out the need to train the staff to handle emergencies; tells what to do before, during, and after an emergency; and, most importantly, shows how to develop a custom-tailored pre-emergency plan.

4.0 Preparedness Policy

4.1 Training

Training is vital to the successful implementation of a contingency plan since it will assure that everyone is competent and can react properly without delay. Training is required of personnel at all levels who serve to coordinate or have responsibilities under the plan. The requirements for the training of personnel are summarized in this section.

4.2 Drills and Exercises

The plan should be evaluated through drills and exercises as a means of testing the adequacy of the plans provisions. The types of drills and exercises, and their frequency, is provided in this section, as well as the individual who has been assigned responsibility for conducting the drills and exercises.

4.3 Plan Audits and Reviews

Periodic audits and reviews reduce the risk that addressed, inadequate or obsolete portions of the plan could reduce its effectiveness. The results of the drills and exercises should be reviewed to identify problem areas and develop recommended corrective actions. When an incident does occur, a review of the response to it is a means of evaluating the plan's effectiveness.

4.4 Updating the Plan

Maintaining an up-to-date plan is a difficult task. The plan has to be re-evaluated on a regular basis to assure the accuracy of information and that it is current. Telephone numbers, persons named with particular responsibilities, and equipment locations and availability must be checked regularly. The recommendations developed from the audit process should be reviewed by the contingency planning

committee and necessary changes integrated into the plan. All changes, corrections or additions should be documented.

4.5 Mutual Aid

State the nursing home policy with regard to mutual aid agreements with other facilities. Agreements with local organizations are noted.

5.0 Response Policy

5.1 Direction and Control of An Incident

Outline the provisions for the overall management of contingency operations. It specifies who is responsible for the overall management as well as the logistical aspects of the contingency operations. It also includes the criteria for requesting outside assistance, the types of assistance available, and how this assistance is coordinated. An accurate log of all response activities should be maintained for later review and critique.

5.2 Incident Response Team

Describe the responsibilities of the incident response team. These responsibilities could include: Identifying those hazards that could effect normal operations, keep management informed of the latest methods of loss prevention and control, supervise and evaluate periodic property inspections, keep the plan up-to-date, advise management of bottlenecks that might delay prompt resumption of service, maintain contact with suppliers who can assist in obtaining materials essential to prompt restoration after an emergency, etc.

5.3 Notification of Response Personnel

Provide the protocol for summoning response personnel, including off-duty personnel, and outside organizations. The protocol is structured so that the level of response is based on the severity of the incident. Reference to the emergency telephone roster is included.

5.4 Facility and Public Incident Notification System

Describes the methods used to notify employees, the insurance company, and the general public of an incident, and for keeping them informed.

5.5 Resource Management

List the equipment and vehicles available for response, and their location. The location of such items can be shown on plan drawings for quick access.

5.6 Ongoing Incident Assessment

With some incidents, it is important that assessments be made of their impact, both on and off site. Indicate who is responsible to monitor the incident and how this is accomplished. Decisions about response personnel safety, public safety, and cleanup operations will depend on this assessment.

5.7 Incident Response Plan

Provide checklists or action guides of the procedures for responding to an incident. This should include those actions to be taken prior to or immediately after the emergency strikes. Different emergencies require different crisis management plans for two reasons. First, the actions and resources for coping with one emergency usually differ from those suitable for another. For example, a fire or explosion emergency calls for a different response than a windstorm or ice storm. Second, some emergencies (such as a hurricane) typically offer more advance warning than do others (such as earthquakes) and therefore, afford more time for pre-emergency action.

Pre-Emergency:

1. Are all vehicles removed from the area immediately adjacent to the facility in the event of a hurricane, or tornado?
2. Is the emergency generator filled and ready for use in the event of power failure?
3. Have the necessary personnel been notified of the pending emergency?
4. Have the appropriate contacts been made to repair or rebuild the facility if it is damaged or destroyed?
5. Have the necessary arrangements been made for salvage operations?
6. Have prior arrangements been made and are they in writing on being able to use another home's facilities until you can get yours back operational?

Post-Emergency:

1. In the event that you have to evacuate the building due to a pending disaster, shut off all utilities to the facility (if possible).
2. Call personnel on emergency notification list.
3. Implement the pre-development action plan to relocate the residents to a safe location.
4. Notify the insurance company.
5. Notify the salvage company.
6. Notify the media of the event.

6.0 Recovery

6.1 Damage Assessment

Outline the procedure for assessing the damage to the structures, equipment and materials. Those items affected by the incident may need to be inspected and tested to establish whether or not they have been damaged.

6.2 Cleanup and Disposal

Procedures for the cleanup and disposal of damaged materials should be established and the details outlined.

6.3 Restoration

Once the damage assessment has been completed, efforts should be concentrated on returning the nursing home back to normal operations. List steps necessary and people required to safely resume normal operations. Functions to be performed by the owners/administration, maintenance, staff, accounting and recovery team members should be addressed. Priority should be given to the restoration of fire protection and other emergency equipment that may have been damaged during the incident.

6.4 Incident Documentation and Follow-up

Initiate a post-incident investigation as soon as possible to determine the exact circumstances and cause of the incident, and to make recommendations on corrective measures to prevent further occurrences. In some instances, resuming normal activities may be delayed until the cause of the incident has been established. Critique the log of response activities to determine whether response activities were effective, whether plan revisions are necessary, and what follow-up training is needed.

Answer these questions:

1. What caused the incident, and was it preventable?
2. What contributed to its scope?
 - a. What was the degree of damage?
 - b. How long will it take to restore operations?
3. Has the incident revealed deficiencies in any of the following?
 - a. Construction
 - b. Protection
 - c. Operating procedures
 - d. Employee training
 - e. Employee performance
 - f. Coordination with public agencies
 - g. Notification of insurance carrier
 - h. Restoration of fire and other protection systems
 - i. Restoration of production
 - j. Equipment design, application, and use
4. What recommendations or actions are needed to prevent a similar incident?
5. With reference to the pre-emergency plan:
 - a. Did it anticipate the incident?
 - b. Did it provide a proper response to the incident?
 - c. Are any modifications needed to allow for better response?

7.0 Appendices

7.1 Plans and Maps

Provide plans of the facility showing sources and distribution of utilities, diagrams of sprinkler systems and fire hydrants, local area maps showing fire departments, hospitals, etc., and any other plans or maps that would aid in responding to, or handling, the incident.

7.2 References

Provide a list of technical references on incident planning. Prepare a telephone directory of technical support services, such as cleanup contractors, equipment manufacturers, and any other resources whose advice may be needed in assessing the impact of an incident.

References

1. Armenante, Piero M. *Contingency Planning For Industrial Emergencies*. New York: Van Nostrand Reinhold, 1991.
2. *Guide to Catastrophe Preparedness*. Alexandria, VA: Independent Insurance Agents of America, 1990
3. Head, George L., *Essentials of Risk Control*, Vol. II. Malvern, PA: Insurance Institute of America.
4. Kelly, Robert B. *Industrial Emergency Preparedness*. New York: Van Nostrand Reinhold, 1991.

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