



## Creating a Contingency Plan

**March 17, 2020**

In a crisis, emergency or pandemic, which do happen from time-to-time like the one the world is experiencing right now with COVID-19, it is vital you have a preparedness or what is better referred to as a Contingency Plan in place. The question is, how do you prepare one and how complex should it be? I will provide you with the steps I take and what they consist of throughout this article but keep in mind that once a crisis hits, it's too late to start planning as many are figuring out right now. However, we can take the lessons learned during a crisis and use those in the future to keep from making the same mistake(s) and being better prepared to deal with what comes our way. I am and have been a "Prepper" for almost 2 decades and while many have teased me about it over the years, I stuck with it and held on to my training so that in the event TSHTF my family and closest friends would be well protected and have the essentials to survive long-term if everything were to shut down. Part of my planning was to create a contingency plan so that each member of my family, whether they were at my home or in another location, would know the steps to take to ensure their safety and security until the all-clear was given. I am fortunate that in our family my son is a First Responder (Firefighter/EMT) as is one of my brothers-in-law, and my son-in-law is in the Army Special Forces. And as such, they bring another level of preparedness to our family. Since this article is not about escape and evade or how to survive off-grid after a nuclear or biological fallout, I will focus on just the basics steps to follow in order to create an effective contingency plan.

As a Compliance Officer, my job is not only to focus on policy and procedure but to develop contingency plans for each of my clients based on their size and geographic location. It is critical here, just like with OIG Compliance, that it's not one-size fits all. Each plan has to be tailored to the organization and the individuals that make it up and since during a crisis I am not going to be there with them to hold their hand step-by-step, they will have to depend on their training and what they retained during education sessions prior to the crisis to ensure they come out the other side just fine.

Obviously, the bigger your practice, hospital network or delivery health system the more moving parts there will be and the higher-levels of complexity there will be with your plan. The key to creating a successful Contingency Plan is scalability. I think we have all learned a significant lesson with COVID-19 which is no matter how small your company, how long you have been in business and what sector you operate in, a contingency plan is an absolute must have.

Being from Georgia, I am a meat and potato kind of guy, which means you can keep the sides of veggies for someone else and that is precisely how I write. So, let's get after it by focusing on the essentials of a contingency plan.

A contingency plan is honestly, nothing more than a set of steps that are in writing much like your policies would be for OIG, HIPAA, OSHA, etc. The steps that your team must take during an emergency need to be written in plain text and in a manner that is easy to follow since they will most likely be used during the actual emergency. If you make things too convoluted or jargon filled, people will improvise and that is when things go from bad to worse. I tell my team that when they are writing a contingency plan, write it on the level of a 4<sup>th</sup> grader since people's minds are not fully prepared for how to react and what to do during an emergency. Remember, not every one has served in the military and specifically in the Marines where they are taught to improvise, adapt and overcome! Not everyone has received first responder training so, again using the KISS principle is a must.

As in life, there are always primary objectives (My adult objectives: education, marriage, kids, buy a house, plan for retirement and have funeral arrangements in place... not necessarily in that order...) and the same can be said regarding the establishment of a contingency plan:

1. Minimize damage and loss by containing the situation and slowing or preventing escalation
2. Continue to function as closely as possible to normal, while keeping in mind things are not normal.
3. You have to determine best how to work with those not prepared to deal with the crisis
4. There is no "Black and White" in crisis. Things remain fluid and your plan must be able to adapt with the fluidness of the situation.
5. Create your contingency plan as soon as possible and ensure you have effectively communicated it to your entire organization. Monitor and update your plan often since things and environments are always changing. Take into account if you are in a rural or urban area, along a fault line or in a coastal area since this will have direct impact on your planning.

## The "Keys" to Contingency Planning:

### Safety

Safety should always be the number one concern of an employer. Safety of your employees and customers is paramount. Not everyone is blessed with common sense and as such, it is critical staff know exactly what to do or what is expected of them during an emergency. Establish a Crisis Team and appoint Leaders and ensure they know their role and where emergency supplies are located and how to use them in the event things escalate and people are injured. Depending on 911 during a crisis is foolish since these professionals are going to be stretched thin. Time is not your friend in a crisis and quick, concise action will make all the difference between containment and escalation. The time to educate your staff is at the time of hire or what most refer to as onboarding. Expecting folks to know what and how to do things in a crisis is unrealistic and is what leads to injury and/or death.

### Communication

Remaining in control during a crisis demonstrates strength and brings a level of calm to those looking to you for leadership. During a crisis, it is possible the power is out and typical phone (land and cellular) communications are not available. I believe every practice, hospital network and delivery health system should have a satellite phone or something that converts their normal cell phone into a sat-phone or global hotspot. Believe it or not, these items are not very expensive nor are the plans. I use something called [somewear \(https://www.somewearlabs.com/\)](https://www.somewearlabs.com/), which allows my cell phone to operate as a global hotspot when all normal communications are down. Remember, when there is a power outage charging your cell phone is not possible unless you have a generator or a portable solar power panel kit (I use the: ACOPOWER 120W Portable Solar Panel Kits, 12V Foldable Solar Panel with 10A Charge Controller in Suitcase), of which there are lots of options available. Remember, the ability to communicate during an emergency or crisis is critical. I encourage all of our employees to have solar rechargeable devices for themselves and to keep one in their car and one at home. These things are cheap and typically run less than \$50.00 (Portable Charger RAVPower 22000mAh Power Bank External Battery Pack with 5.8A Output 3-Port (iSmart 2.0 USB Ports,) Compatible with iPhone and Android) and don't forget to keep it charged!

Make sure that your employee phone list is updated on a regular basis especially if you have folks coming and going. There is nothing worse than needing to contact someone and we don't have their number. Make sure the Crisis Team Leaders have the most up-to-date phone list and if possible, laminate it to protect it from elements such as rain.

### **Back-up and Recovery**

It is never too late to begin backing up your data. If you haven't done it yet, shame on you, what are you waiting for? All companies, especially in health care have and store data. There is no argument that data is key to any companies' survival and without you're a dead stick. If you do not have a data backup and recovery plan, you need to call the folks at Sword and Shield or your General Liability Carrier for a recommendation. There is no time like the present to take that first step to security! If you lose power and you have a generator, you're in good shape. If you don't have a generator and you lose power but everything is stored in the cloud, you're also in good shape. The bottom line here is do something so you are not left behind when things restore after a crisis.

### **Finances**

"Cash is King" is what my late brother Michael would always say to me. The problem is paper currency during a crisis tends to not be worth the paper it is printed on. Diversification for businesses and personal finances is critical. Never keep all of your money in one bank or in one account, especially funds over \$250,000. Unfortunately, banks today are paying pretty much nothing when it comes to interest so you might as well keep a stash in a fireproof safe that is bolted into the cement ground in your house or office. Personally, I think \$5,000 for a family of 4 is sufficient and if used wisely can last an extended period of time and \$10,000 - \$15,000 for small businesses is sufficient (Hospital Networks and Health Systems typically cannot maintain the amount of cash that would be required to function on hand but you can rest assure they all have a strong contingency and recovery plan in place for when a crisis strikes) but you best talk to your CPA and attorney about this one. Keep in mind that Uncle Sam likes his share and ever since the Patriot Act was put into place, keeping cash in your safety deposit box at the bank is a no-no.

I talked about diversification earlier, which means you should own gold and silver and believe it or not, many of my clients have stashes of both and other precious metals. Right now is not the time to buy either since they are commodities and when the markets take hits like they have over the past 2-3 weeks, precious metal prices go through the roof. If you have a strong financial advisor who is able to forecast what the markets will do if they see a Pandemic or other crisis is possible in the near future like COVID-19, they can move your position from stocks to municipal bonds to protect your wealth and then once the markets recover to avoid inflation move your position away from the municipal bonds back to stocks. Again, this is something for your licensed and experienced financial investor to advise you on, but knowing what questions to ask will make the discussion that much easier. The bottom line here is you have to prepare for a rainy day!

### **The What ifs**

None of us has a crystal ball or are tapped in to Nostradamus, so being able to predict when and where a disaster will strike is impossible. However, thinking about some of the worst-case scenarios even though none of us like thinking about bad situations will ensure we are better or as well prepared as we can be in a crisis. Some of the not so fun things to think about are:

- Natural disasters (power outages, Nor'easters, ice storms, hurricanes, tornados, floods, earthquakes, etc.)
- Medical Pandemics (Influenza, Swine Flu, COVID-19, Ebola, Plague, etc.)
- Financial System Collapse
- Employee or competitor sabotage

The thing to keep in mind with a crisis or disaster situation is that no one knows how long it will actually last. Depending on the State or Federal Government to get it right should never be your first thought or hope. Yes, in times of crisis like COVID-19 we are all in this together but truth be told we are all looking out for ourselves and our loved ones. Being prepared in the areas discussed (Safety, Communication, Back-up and Retrieval, and Finance) will ensure you minimize disruptions to your operations and put you in a stronger position to re-open when the all-clear is given. Working with your Crisis Team and talking through the What Ifs will go a very long way to ensuring a cohesiveness with your team on when and how best to respond to a crisis. What you determine to be the steps taken in the various types of What Ifs addressed above should be clearly documented in your contingency plan and published for the entire staff to educate themselves on.

Once you have your plan in place, remember, just like your OIG Compliance Plan, it needs to be a living breathing document that adjusts as things change and the world evolves. At a minimum, you need to review your plan annually to ensure it is up-to-date. If you live in an area prone to natural disasters or strong winter storms or high summer heat, review your plan at the start of each changing season. And if you experienced an emergency or crisis, compare what you did to what you documented and determine what worked and what didn't. Then make the necessary adjustments within your plan. I say it all the time, "Everyone enters a fight with a plan until they get hit; then everything changes!" My point is anticipating the worst-case scenarios and What Ifs and applying common sense and easy to carry out steps to first and foremost ensure safety and second survival until things taper off is the winning combination in your fight against a crisis.

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