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EFFECTIVELY MANAGING CRISES AND REPUTATIONAL RISK FOR HEALTH CARE ORGANIZATIONS

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“A rapid and effective response to a crisis can reduce risk to your employees, facility, and reputation.”

One only has to look at headlines on a news site to find examples of health care facilities under scrutiny for how they handled a crisis. A hospital in Florida recently received high marks for how it handled a mass casualty event. By contrast, another medical facility is still dealing with the fallout after two staff members contracted a deadly disease. Every institution and organization faces the risk of a crisis: extreme weather, fire, a cyber attack, or a mass shooting. For health care facilities, the risk to both the organization and its reputation is compounded by their place in the community. These institutions are highly visible and often held to a higher standard than organizations in many other industries. The public puts its trust in health care facilities in a way that it does with few other organizations. When things go wrong, these facilities need to show that they are taking every step to protect patients and the community at large.

One critical way that health care organizations can be prepared for such events is to have a crisis management plan in place. Being prepared can have a huge impact on short- and long-term recovery, both in terms of the facility’s capabilities and its reputation.

A rapid and effective response to a crisis can reduce risk to your employees, facility, and reputation. In an era where both employees and the public demand transparency, an institution’s reputation can take a serious hit if it cannot effectively communicate its responding to a crisis and how problems are being addressed.

Larger companies benefit from a crisis response strategy by minimizing the risk to supply chains and production. Medium and smaller companies benefit more by protecting their most valuable resource: employees. Smaller companies especially may not have the resources to quickly replace vital workers or facilities. Therefore, reducing the risk posed by a crisis, whatever the cause, is even more important.

What’s clear is that there’s work to be done by institutions of all sizes in preparing for the worst. About two-thirds of companies do not regularly drill or rehearse their crisis response plans, according to a Marsh survey. Further, a recent Marsh & McLennan Agency survey of small and midsize companies showed that more than 55% of all respondents did not have a corporate recovery plan in place.

LEARNING FROM NATURAL DISASTERS

One of the most crucial steps in preparing for future risk is looking at past examples of companies dealing with crisis management.

Consider the compelling examples of hospitals in New Orleans during Hurricane Katrina and in New Jersey during Super Storm Sandy. The New Orleans hospitals were largely unprepared for the severity of Katrina. They didn’t have adequate backup power, they

weren't able to evacuate some of the sickest patients, they weren't prepared for the aftermath of the storm, staff became exhausted, and supplies dwindled.

During Hurricane Katrina, 45 bodies were recovered from a medical facility. In the aftermath, a physician and two nurses were charged with euthanasia in the deaths of four patients. The impact to the reputation of the hospital and its staff was devastating. When Hurricane Sandy hit seven years later, hospitals had learned the lessons of Katrina and were better prepared — even when they suffered setbacks like a loss of emergency generators. After evacuations and repairs, hospitals were fully operational within a fairly short period of time. By having effective disaster plans, these hospitals ensured they did not suffer the catastrophic problems that plagued New Orleans.

WORKPLACE VIOLENCE— PREPARING FOR THE WORST

Hospitals and clinics are normally where victims of violence are brought to be safely treated and cared for, but they can also be sites of violence themselves. For instance, a hospital patient who was guarded by a police officer grabbed the officer's gun and fatally shot him. The assailant was subdued and later died of cardiac arrest, but the incident was a reminder that hospitals need to have well-designed plans in place to ensure the safety of both staff and the community.

FIRST STEPS

An effective strategy for crisis response starts at the top. An executive team, drawing on the best resources, is responsible for crafting a crisis response plan. Buy-in from and communication with the C-suite is crucial, even if the actual implementation of the plan is delegated to lower management. Every company has a different makeup and different capabilities, so deciding on who crafts the plan and who implements it will depend on the strengths of different people in the company.

Oftentimes, an external consultant is the best option for developing an initial crisis management plan and any necessary procedures. Working with an experienced and trained consultant can be more cost-effective than handling this process in-house because the consultant can leverage their previous experience, knowledge, and already-established resources.

A plan needs to be in place, flexible, and practiced. Too many companies assume that because their management teams work well together in day-to-day operations, they will do so in a crisis situation. That's not necessarily the case—daily work is not a crisis. People react differently under extreme stress, communication can break down, and unexpected developments will happen. The only way to be prepared is to do the work and rehearse. Run through drills, discuss scenarios, and make sure people are clear on their assignments.

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