

# COVID-19 and Health Center Boards

## FOCUS AREA: LOOKING BEYOND THE PANDEMIC

### The Role of Health Center Boards in Business Continuity Planning

#### BACKGROUND

The COVID-19 public health emergency demonstrated the importance of planning for emergency events. One way health centers can do this is by engaging in Business Continuity Planning (BCP). NACHC's publication, **Creating a Business Continuity Plan for Your Health Center**, provides the following description of this process:<sup>1</sup>

Business Continuity Planning is the process that outlines the potential impacts of an unplanned disruption in operations and identifies the steps organizations will take to prepare for, respond to, recover from, and mitigate potential impacts. Business Continuity Planning identifies the critical business functions of an organization, developing solutions to maintain those functions during a disruption, testing those solutions, and updating and revising solutions on a continuous cycle. The goal of business continuity planning is to enable critical business functions to continue uninterrupted during an emergency or disaster.

A BCP serves as a realistic guide for good decision making, and to direct the actions of staff in the immediate aftermath of a disaster. Putting such plans into place while the organization is not under threat is important so there is a roadmap during crisis. As outlined in **Creating a Business Continuity Plan**

**for Your Health Center**, the primary objectives of a BCP are to:<sup>2</sup>

- Protect life and safety before, during, and after an emergency or disaster
- Safeguard and preserve our health center assets
- Minimize the impact of an emergency or disaster on our health center operations
- Minimize the time, effort, and uncertainty in reacting to an emergency or disaster situation
- Restore health center services and return to acceptable levels of operation in the short-term
- Return to normal business operations in the long-term

Staff—under the leadership of the CEO—will develop the BCP, and detailed guidance for staff can be found in NACHC's publication, **Creating a Business Continuity Plan for Your Health Center**.<sup>3</sup>

**This short article outlines key considerations for health center boards and questions boards can ask the CEO at their health center.**

#### Items to Consider

Below are six considerations related to BCP for health center boards.

**1. Set the expectation that the center has an active Business Continuity Plan**—A recent article pointed out that “Boards have a special responsibility for building the necessary resilience in this environment. They have a fiduciary responsibility to ensure the business is sustainable.”<sup>4</sup> The COVID-19 pandemic has given new meaning to BCP, which might have previously seemed more like an exercise in low-probability scenario planning. Additionally, multiple natural disasters (e.g., wildfires, snowstorms in Texas) have further reinforced the importance of planning.

1 From NACHC's publication, **Creating a Business Continuity Plan for Your Health Center**.

2 From NACHC's publication, **Creating a Business Continuity Plan for Your Health Center**.

3 Staff may also wish to view recordings from NACHC's three-part **Business Continuity Institute**.

4 “How Boards Can Plan for the Disasters That No One Wants to Think About” by Seymour Burchman and Blair Jones, *Harvard Business Review* (September 4, 2020).

Boards can set the expectation that the center have an active and dynamic BCP in place that addresses a variety of disasters, including:<sup>5</sup>

- Natural disasters (e.g., hurricanes, tornadoes, pandemics)
- Manmade disasters (e.g., cyberattacks)
- Technological disasters (e.g., aviation, railroad accidents)

Boards at health centers that already have a plan in place will want to be sure the plans are up-to-date. The board can play a critical role in setting expectations around scenarios to prioritize, and that the plan be rooted in the center's overall mission and values.<sup>6</sup>

## 2. Signal the board's support and buy-in within the Business Continuity Plan

—The Executive Summary accompanying the BCP can include language signaling the board's support of the plan. Sample language can be found in Appendix B (Executive Summary Template) in **Creating a Business Continuity Plan for Your Health Center**.<sup>7</sup>

## 3. Ensure the Business Continuity Plan is reviewed with the board on a regular basis (e.g., annually)

—It is important for the management team to review the

BCP with the board on a regular basis; for many organizations, this means setting aside an annual review process. During the review process, boards can consider:<sup>8</sup>

- Does the plan reflect high priority scenarios and/or risks? Has the board been engaged to identify and prioritize the health center's vulnerabilities (perhaps at a regular board meeting or part of an annual retreat)?<sup>9</sup>
- Does the plan include critical components such as:
  - A defined continuity planning team
  - Hazard Vulnerability Analysis (HVA), which is an event-focused approach to identify, assesses, and prioritize each hazard that may affect a health center. It identifies the health center's vulnerabilities.
  - Business Impact Analysis (BIA), which is the process of identifying and quantifying the impacts of an emergency or disaster in both financial and non-financial terms on an organization. It considers essential critical processes that are required to conduct business during an emergency event.
  - Mitigation plan/strategies for identified risks

- Identify leadership orders of succession/delegations of authority
- Identify recovery strategies
- Design implementation timeline (including education, training, and exercises)
- Do additional resources need to be budgeted to support Business Continuity Planning?
- What processes are in place for updates to the BCP due to changing/emerging vulnerabilities?
- How and when is the BCP updated after an emergency?

## 4. Ensure the center meets emergency preparedness Centers for Medicare & Medicaid Services (CMS) training requirements

—CMS Operations Manual Appendix Z states, "The [Emergency Preparedness Program] encompasses four core elements: an emergency plan based on a Risk Assessment (i.e., HVA); policies and procedures, Communications Plan; and a Training and Testing Program."<sup>10</sup> All staff and board members should be trained on emergency preparedness policies, procedures, and plans on an annual basis.

## 5. Ensure the plan anticipates when/how to report to the board once the plan is activated

—The BCP can include information about

5 NACHC, *Creating a Business Continuity Plan for Your Health Center*.

6 Helen Hopper, "What Role Does the Board Play in Business Continuity Planning," December 28, 2020 <https://diligent.com/en-gb/blog/what-role-does-the-board-play-in-business-continuity-planning/>.

7 NACHC, *Creating a Business Continuity Plan for Your Health Center*.

8 NACHC, *Creating a Business Continuity Plan for Your Health Center*.

9 An article is available from NACHC on *Virtual Board Retreats*.

10 Centers for Medicare & Medicaid Services, "Appendix Z," April 16, 2021. [https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/som107ap\\_z\\_emergprep.pdf](https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/som107ap_z_emergprep.pdf).

when/how management will report to the board during the crisis. Some centers specify that the CEO will communicate with the Board Chair until the situation is “stable” and the Board Chair will, in turn, be responsible for communication to the full board. This approach frees up the CEO to focus on stabilizing operations. Plans may also differentiate reporting based on the scenario. In addition to the board maintaining situational awareness, the board may need to act on certain requests such as approving above-normal expenditures or leveraging existing relationships to assist the health center in recovery. It is important to balance ensuring the board has access to information while allowing the CEO and their team to address the situation.<sup>11</sup>

**6. Ensure the board has a plan in place to continue governance in case of crisis**—Boards must continue to govern during crisis. Additionally, the Health Resources and Services Administration (HRSA) requires that boards adhere to the monthly board meeting requirement regardless of circumstances.<sup>12</sup> Accordingly, the board will want to be sure it has its own plan around continuity of governance during emergencies. The plan might address procedures for emergency meetings, accessing information, and other topics.

Given the COVID-19 pandemic, many boards already have plans in place for accessing board information electronically and for virtual meetings.

### Discussion Questions

Below are questions health center board members may want to ask during board meetings:

- Does the center have a BCP? Is it up to date? How often is it updated? Where is the plan kept?
- What circumstances led to the most recent BCP activation and how were lessons learned from that experience incorporated into any plan updates?
- How often is the BCP reviewed with the board (e.g., annually)?
- Are additional resources or investments needed to support Business Continuity Planning?
- What plans are in place to support the board’s own governance processes in case of emergency or crisis?
- How do we make new board members aware of the BCP during new board member orientation?

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For additional resources from NACHC related to COVID-19, please visit <https://www.healthcenterinfo.org/priority-topics/covid-19/> and <http://www.nachc.org/coronavirus/>. Please contact Emily Heard, Director of Health Center Governance at NACHC, with questions ([trainings@nachc.com](mailto:trainings@nachc.com)).

11 Helen Hopper, “What Role Does the Board Play in Business Continuity Planning,” December 28, 2020 <https://diligent.com/en-gb/blog/what-role-does-the-board-play-in-business-continuity-planning/>

12 HRSA Health Center Program Compliance Manual, Chapter 19: Board Authority, <https://bphc.hrsa.gov/programrequirements/compliancemanual/index.html>.