

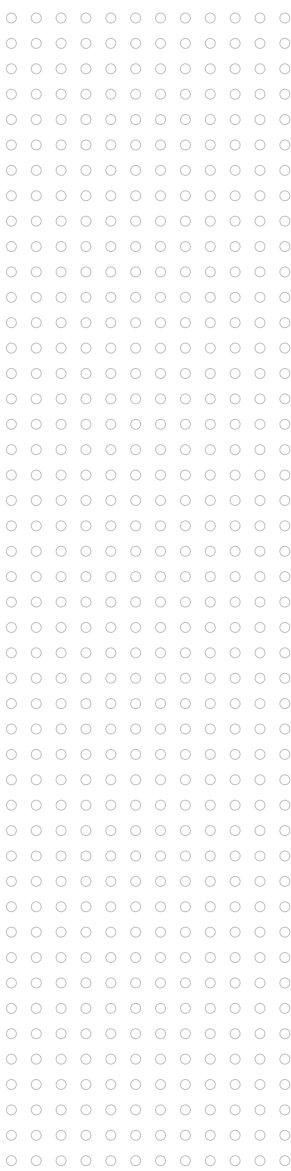


CASE STUDY

Spanish Peaks Regional Health Center

Safeguarding elderly patients and residents from the Spring Creek Wildfire

It wasn't quite 10 p.m. on June 28, 2018, the second day of the worsening Spring Creek Fire in southern Colorado — what would be the third worst wildfire in the state's history. Dave McGraw, Safety and Security Officer for the Spanish Peaks Regional Health Center, was walking across the parking lot in preparation for its evacuation when a curtain of heavy smoke from the blaze descended before him. It was apocalyptic, he remembers.



The street lights on the other side of the road weren't visible. Ash fell like snow. Three employees immediately required respiratory treatment. It would prove impossible to keep the smoke and ash from invading the building.

McGraw, the facility's chief executive officer Kay Whitley, and their team worked past 3 a.m., then again during the next day, until the six patients of Spanish Peaks' 20-bed hospital, the 98 residents of the Veterans Administration's long-term care facility the center manages, and a vast assortment of supplies and equipment – from wipes to wheelchairs — were transported to safer facilities away from the danger zone. The evacuation was completed by 1:00 p.m. on June 29.

Whitley's next order of business was to call the hospital's insurance broker at HUB International. She recalls: "As CEO, the safety and emotional well-being of our patients and staff were my first responsibilities. Now I needed to see to one that was just as urgent — keeping our doors open. We were going to feel the loss of income and more. I needed to make sure we were covered."

HUB's team of relationship managers, claims advocates and risk specialists sprang into action to start the claims process, develop business income worksheets and run interference with insurance carriers to secure sufficient advances on extra expenses for cleanup costs. They even shared regular alerts on air quality ratings so the hospital would know when it would be safe to bring patients and residents back.

Ten days after the evacuation, the smoke had dissipated enough that it was safe to bring everyone home, even though the fire would not be 100 percent contained until early September. By early November, the majority of the hospital's claims -had been paid. It was an extraordinarily fast turnaround given the circumstances.

Claims Paid

\$108,000

to cover the cost of 12 ambulances and vans needed for the evacuation

\$75,324

for loss of business by hospital departments like cardiology and general surgery that were closed due to the smoke

\$17,000

advance covering property damage and cleaning costs for filters, linens, curtains, etc



A Plan Well-Executed to Ensure Patient and Resident Safety...

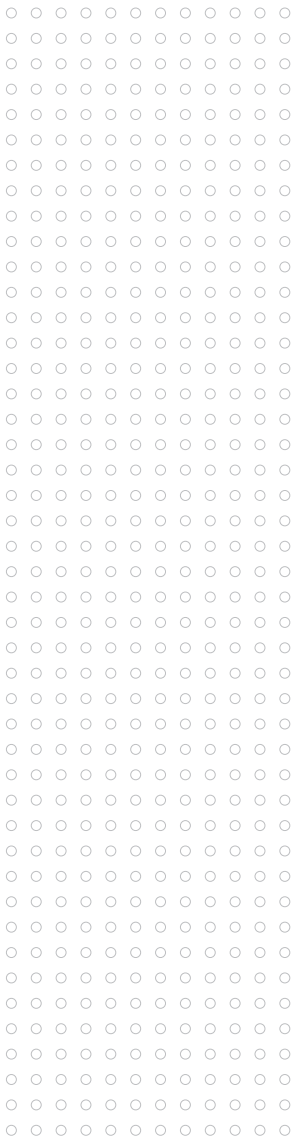
Spanish Peaks Regional Health Center is a critical access hospital located in the high plains of southeastern Colorado, below the Spanish Peaks mountain range. It's well-prepared for emergency situations like the Spring Creek Fire and, in fact, had run a regular emergency drill shortly before the blaze broke out. Further, when another wildfire got within seven miles of the campus in 2013, the plan's weaknesses were exposed, providing learnings that McGraw used to good effect this time around.

Evacuation staging, for example, was a critical facet. People, equipment, medications and records all were identified and gathered at the staging area according to plan. Details were confirmed, specifically where people would go and what care would be required. The Spanish Peaks Veterans Center, for example, has a 16-bed Alzheimer's unit; it was critical to ensure its residents were relocated to a secure environment, not an open ward.

Eight different facilities between 40 to 110 miles from the Spanish Peaks campus opened their doors to Spanish Peaks' community of mainly VA residents, the oldest being 102. They were transported in buses and ambulances, accompanied by medical staff they knew along with necessary equipment and supplies. Their families also were updated so they'd know their loved ones were in good hands.

Their safe departure removed one burden from Whitley. But her worries over the financial toll were mounting. Would Spanish Peaks be financially responsible for the cost of VA residents' stays in other facilities? Recouping the worsening revenue drain of empty hospital beds and shuttered services was an even bigger concern. The emergency room remained open for the duration, but another issue was keeping up with non-stop laundering and replacing air filters.

The hospital's management team had done its job to ensure the community's health and safety. Now it was HUB's turn to step up with Spanish Peaks' carriers to ensure it didn't come up short financially.



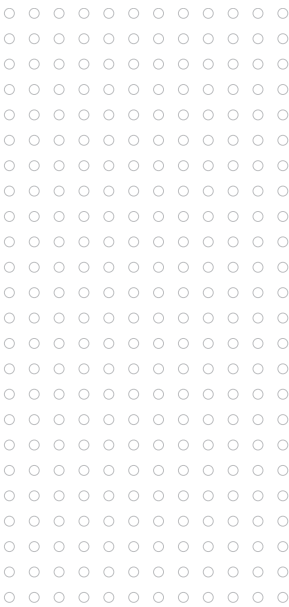


...But an Emergency with Costs

The Spring Creek Fire burned through 108,000 acres and 141 structures and added to the toll of \$130 million that wildfires cost Colorado in 2018 alone.

If you're not local to the west — more to the point, if you're not a claims adjuster who is local to the west — you will find it difficult to comprehend the extent of the problems that wildfires create for insureds. The first adjuster assigned to the Spanish Peaks claim was not local, and that was the first hurdle the HUB team had to overcome in getting the hospital's claims processed. Ultimately, a different adjuster was requested and put on the job.

Another big hurdle involved the actual trigger for the Spanish Peaks claim. There was no direct physical loss to the hospital's structure, which is often a requirement for payment to be made. There had been significant damage because of the smoke, however. Careful documentation of filter changes and laundry specifics were required to help claims adjusters understand the nature and extent of the damage that triggered the claim.



The Challenges Never End

The Spring Creek Fire, Whitley reflects, was the worst disaster she has experienced in all her years as a nurse or administrator. It's not likely to be the last. And if Spanish Peaks Regional Health Center came out whole for this situation, it's well-positioned to manage whatever else might come.

"First of all, we didn't lose anyone. All of our residents came back in good health (and, by the way, their personal insurance covered their costs)," she says. "We are far better prepared and have a better outlook for emergencies — something we always have taken seriously anyway. And now, we have another advantage with the support and resources we get from HUB."

That's going to take on even more importance moving forward. The state has already warned that the Spring Creek Fire left a 23-mile burn scar with an alarming severity ranking of 68 percent. The upshot is a high risk of floods as the affected ground can't absorb water. The hospital's Laveta Clinic is directly on the path.

Not surprisingly, Whitley already turned to HUB to line up \$2 million in flood insurance. As she's found out and will be the first to tell you, it helps to be prepared — and to have the right partners at your side.

Safeguarding Seniors During Catastrophes

When natural disasters and other emergencies strike, the most vulnerable patients need to be taken care of immediately, but that's not always the case.

During California's 2017 wildfires, 100 residents of two Santa Rosa senior homes were abandoned by facilities' staff. Ultimately, the residents survived when family members went to the homes to check on them and took on the evacuation themselves.

The situation has led to proposed new legislation in California that would add "abandonment" to the state's civil elder abuse laws, expanding on the existing civil and criminal legal liability faced by those who hurt or allow harm to befall elderly dependents.

Such occurrences are not unusual. In fact, current Medicare and Medicaid requirements for emergency and disaster preparedness plans for long-term care facilities stemmed from 2005's Hurricane Katrina. Over half the people who died were over 65, including 200 who were residents of long-term care facilities.

Disaster preparedness plans must include procedures to deal with everything from hurricanes to wildfires to cyber attacks. But, as the Spanish Peaks team will attest, it takes more than plans and procedures to keep residents safe. Spanish Peaks Regional Health Center has been conducting testing, ongoing training and regular live drills for more than 17 years to ensure the plan, when needed, will be executed without a hitch.

We're HUB

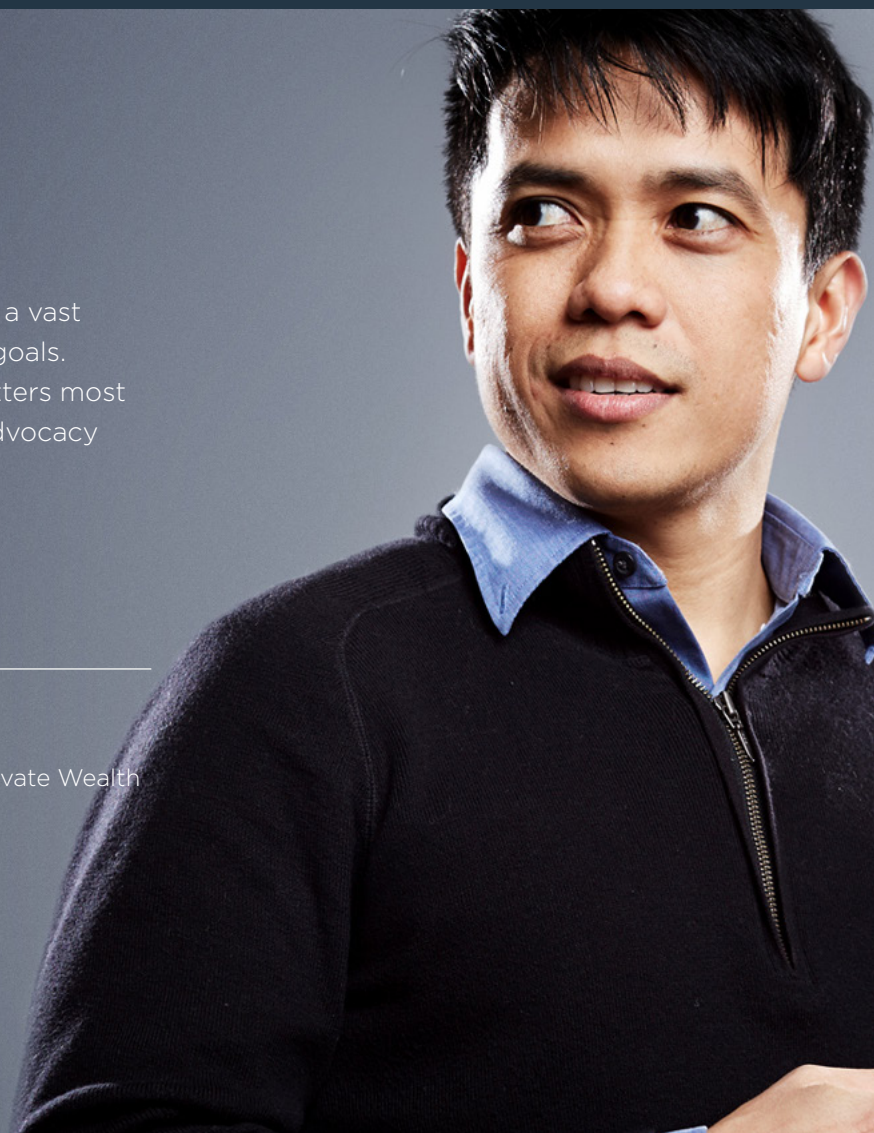
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