

REFLECTIONS FROM GROUND ZERO: DISASTER PLANNING FOR COMPLIANCE (OR WHAT TO DO WHEN YOUR BUILDING FALLS DOWN)

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SHIELD



Empire Blue Cross Blue Shield



- Not for Profit Health Insurer
- 28 Counties in New York
- Medicare Part A & B Administrator
- Over 6000 Employees
- Commenced operations in late 1930s

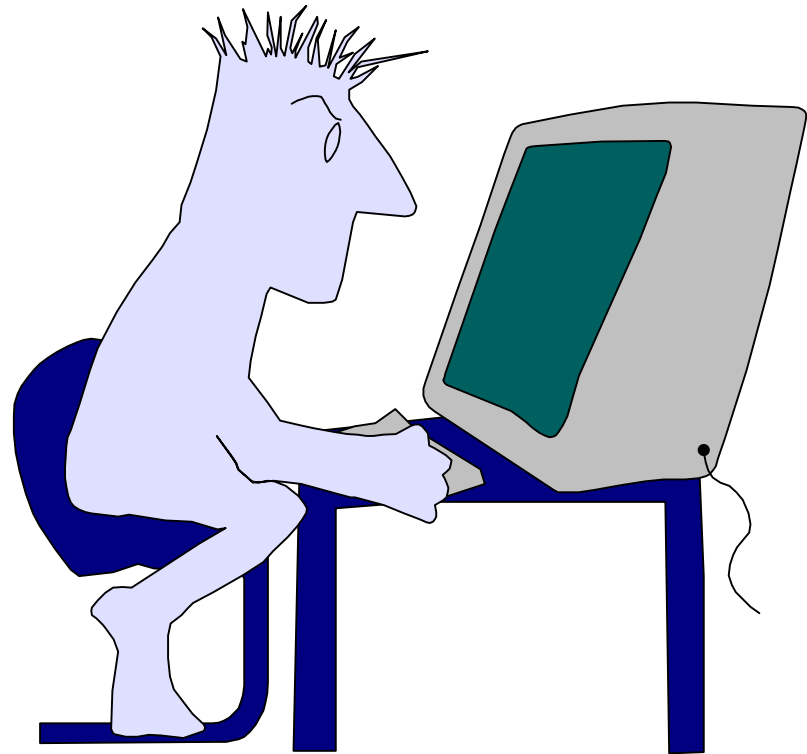
Multiple Locations

- Melville, LI
- Bohemia, LI
- Middletown, NY
- Albany, NY
- Yorktown, NY
- Syracuse, NY (Medicare)
- Harrisburg, PA
- World Trade Center - over 1900 employees



Move to WTC

- Three years ago
- Substantial upgrade to systems
- Standardized workstations
- Eliminated rogue systems and servers
- Disaster planning



Disaster Plan

- Operational Focus
- Recovery team
- Key functions - e.g. recovery cost center
- Systems back up plans
- Responsibilities need to be flexible
- Multiple sites key



9/11

- WTC headquarters was destroyed
- Plan worked well
- Computer center unaffected
- Claims and customer service switched to other sites instantaneously

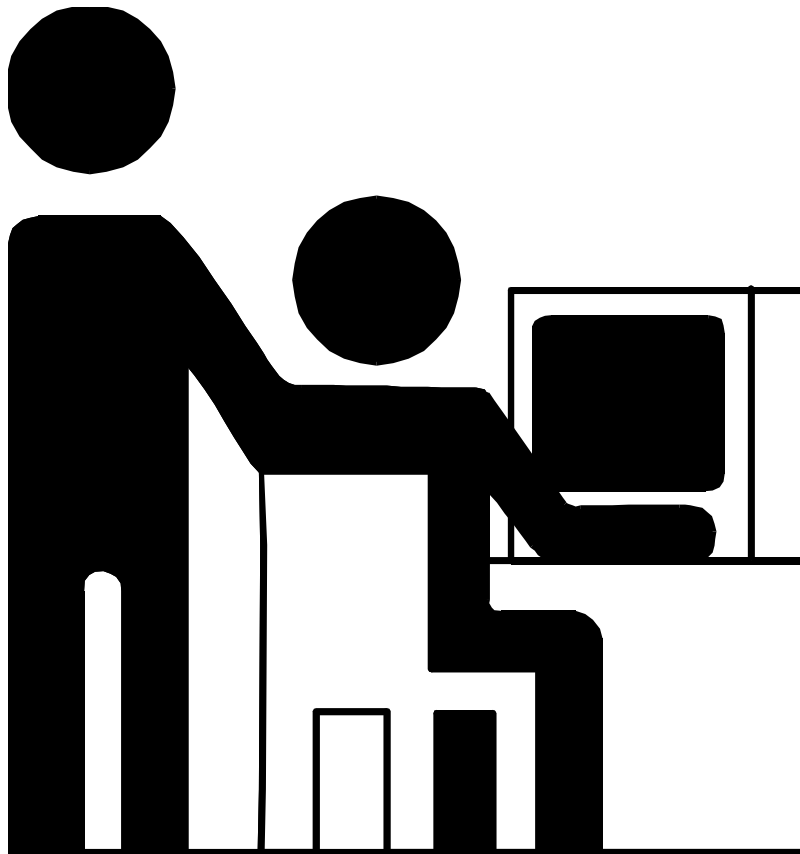


9/11 CONTINUED



- Focus on finding employees and returning to work
- Finding telephone numbers was an issue, especially cell phones

The Aftermath - Systems



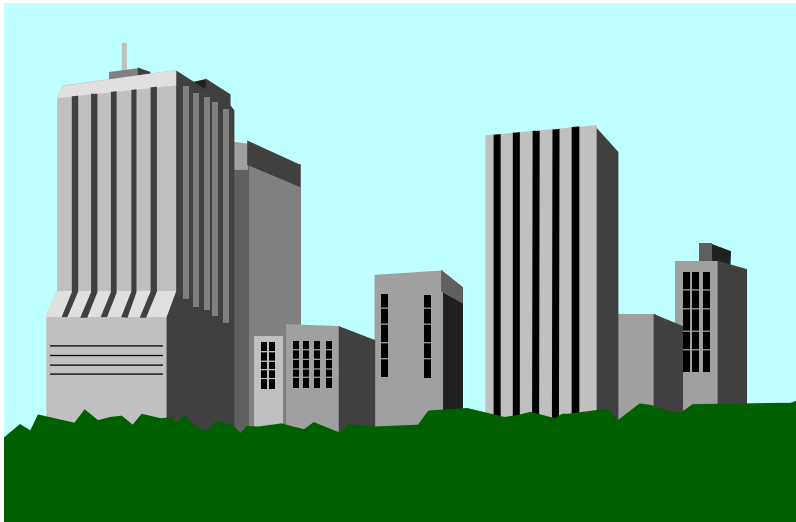
- All system servers backed up 8/31.
- Claims + customer mail is imaged upon receipt. All imaged documents available.

The Aftermath - Legal Department

- Paper based
- CLMS System
- Imaging
- Offsite storage
- Word Processing -
issues with
confidentiality



The Aftermath - Office Space



- 1900 Employees displaced
- Analyzed demographics
- Placed people in existing space where possible
- 7 leases in 6 weeks

Document Inventory

What was missing and
where could we find it

- Other offices
- Board members
- Regulators
- Outside Counsel
- e-mail or network documents

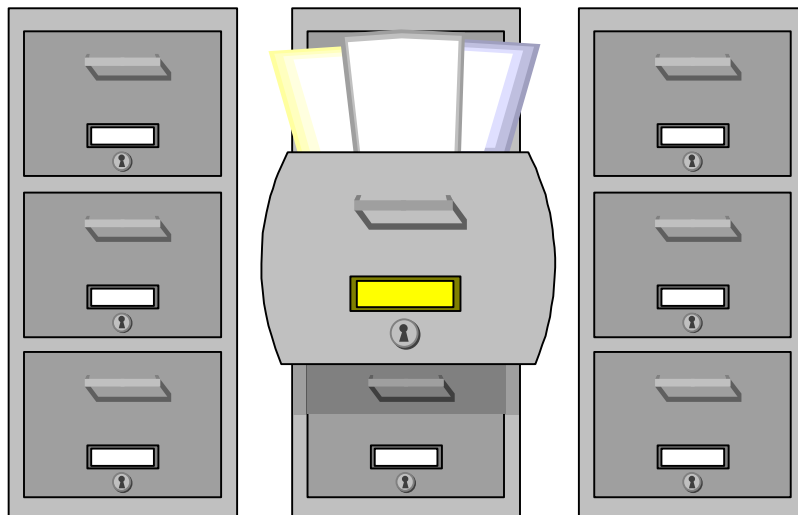


Compliance Issues

- Disaster Plan did not cover
- Companies have compliance plans & disaster plans, but not compliance plans for disasters
- Primary issue was documents



Documents



- Provider credentialing files
- Minutes
- Historical documents
- Insurance Policies
- Provider contracts
- Vendor Contracts
- Rate filings
- Financial records
- Employment documents
- Documents sent by others

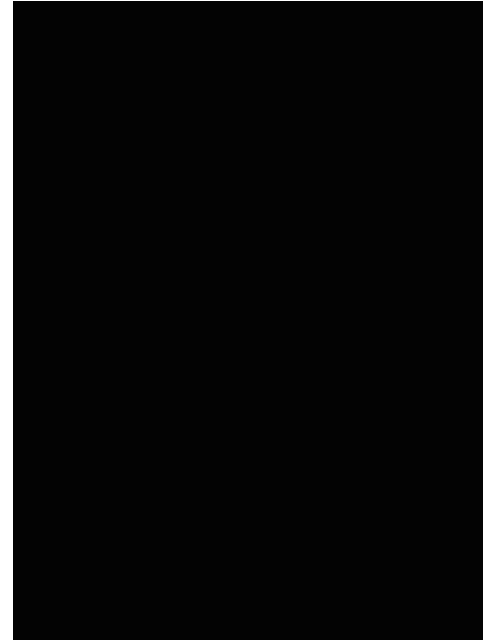
Audit Issues

- DOH was supposed to come in October
- DOI was onsite



Key Factors in Recovery

- Multiple locations
- Employees
- Recent move and systems consolidation
- Efforts on Restructuring
- Vastness and sympathy

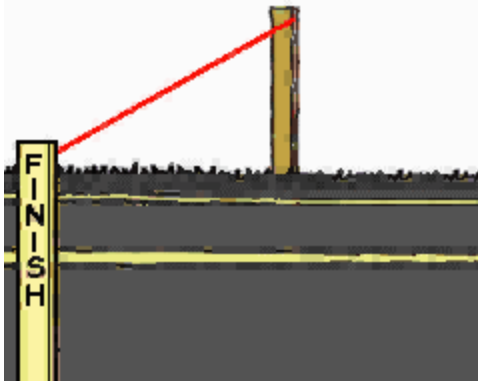


Recommendations



- Disaster Plan for Compliance
- Schedule documents required, with how to retrieve, e.g. where else are they, how far back you need them, who is responsible and prioritize. Keep it up-to-date.

Recommendations (cont'd)



- Keep copies of key documents in multiple locations
- Scan and back up
- Know what your regulators keep
- Telephone Numbers
- Creativity