Assessing Loss and Recovery After Emergencies and Disasters:

A Financial and Operational Guide for Health Centers

Executive Summary

Disasters are inevitable and inherently unpredictable. By identifying the most likely risks facing a Health Center, implementing practical mitigation strategies, and ensuring that staff and leadership are prepared to carry out emergency response procedures, organizations can reduce the likelihood of severe operational disruption and significant financial loss.

The Centers for Medicare & Medicaid Services (CMS) requires Health Centers to develop and maintain both an Emergency Operations Plan and a separate Communications Plan. These plans must be kept current and tested through regular training exercises. In addition, Health Centers should proactively document facilities, assets, and site-specific revenue information to ensure that appropriate documentation is available to support insurance reimbursement and business interruption claims following a disaster.

Although no organization can eliminate all risk, Health Centers should conduct a thorough assessment of the hazards most likely to affect their region and operations. Based on this assessment, reasonable steps should be taken to strengthen facilities and protect critical assets. The Federal Emergency Management Agency (FEMA) provides region-specific guidance to support hazard identification and mitigation planning.

Following a disaster, the Health Resources and Services Administration (HRSA) requires Health Centers to report operational status through state and regional Primary Care Associations (PCAs). PCAs serve as key intermediaries between Health Centers and federal agencies. HRSA also provides guidance for requesting temporary changes in scope of project and adjustments to Federal Tort Claims Act coverage during emergencies.

Recovery efforts should include structured evaluation and improvement planning because emergency management is an ongoing process. Reviewing response activities, identifying strengths and gaps, and implementing improvements strengthens preparedness and reduces future risk.

Introduction

Health Centers operate in environments where emergencies and disasters can occur at any time. These events may include hurricanes, wildfires, flooding, severe storms, earthquakes, blizzards, aviation accidents, cyberattacks, or other unforeseen incidents. Some events may affect an entire region, while others may be limited to a single facility.

Local fire, law enforcement, and emergency management agencies typically provide assistance during emergencies. However, response times may be delayed during large-scale or high-impact events. Health Centers must therefore be prepared to initiate and manage initial response activities independently until external assistance becomes available.

Emergencies may also result in power outages, restricted access to facilities, evacuation orders affecting staff and leadership, disruption of communication systems, and rapidly changing operational conditions.

Comprehensive preparedness, including trained personnel, documented assets, defined leadership structures, and clear response protocols, enables Health Centers to limit operational disruption and maintain essential services during times of community need.

Pre-Disaster Preparation

Develop Emergency Operations and Communication Plans

Since 2016, CMS has required health care facilities to maintain a comprehensive Emergency Operations Plan. At a minimum, this plan must include:

- A Hazard Vulnerability Analysis to identify the top risks to life, property, and business should a disaster occur.
- An Incident Command System management structure with defined responsibilities and clear reporting channels.
- Plans for continuity of operations during a disaster or emergency.
- Evacuation/shelter-in-place plans.
- Information about emergency resources, such as supplies and equipment, and emergency staffing strategies.
- Identification of partners that may assist during an emergency.

Organizations must also maintain a separate Communications Plan that:

- Identifies roles and responsibilities during the preparedness, response, and recovery phases.
- Specifies methods and procedures for communicating with staff, patients, and external partners.
- Contains up-to-date contact information for staff, patients, partners, and vendors and procedures for maintaining the lists.

CMS requires review and updates at least every two years, annual staff training, and annual exercises to test plan effectiveness. Leadership should ensure that staff understand their assigned responsibilities and have access to current plan documentation.

Templates and sample exercises developed by the National Nurse-Led Care Consortium are available in the **Resources** section.

Document Assets and Revenue for All Sites

Insurance reimbursement for damaged equipment and supplies depends on accurate pre-disaster documentation. Health Centers should maintain detailed inventories of equipment, furnishings, and supplies, supported by photographic records. Because disasters often occur without warning, this documentation should be maintained on an ongoing basis.

To support business interruption claims, Health Centers must also maintain accurate financial records showing pre-disaster revenue for each site. These records should be stored securely and remain accessible if primary systems are disrupted.

Proactive documentation improves financial resilience and accelerates recovery.

Assess Likely Risks, Then Harden Facilities and Secure Assets

Mitigation strategies should reflect both geographic exposure and facility characteristics. For example:

- In flood-prone areas, maintaining sandbags and elevating critical infrastructure such as HVAC systems or electrical components may reduce damage.
- In wildfire-prone regions, maintaining defensible space and removing flammable materials near buildings are essential protective measures.
- Mobile medical units should be stored in locations protected from likely hazards to ensure availability when fixed sites are compromised.

FEMA provides **tools** and guidance to support hazard assessment and mitigation planning.

While it is not feasible to protect against every possible loss, implementing targeted, risk-based mitigation measures significantly reduces vulnerability.

Post-Disaster Assessment and Reporting

Assess All Sites and Document Any Losses

Once conditions are safe, designated personnel should assess each affected facility. Damage should be thoroughly documented to support insurance claims and to inform decisions regarding reopening and resource allocation.

Experience from prior disasters indicates that restoring at least partial operations as quickly as possible benefits both the community and the organization. Even limited services, such as access to clean water, food, backup power, or basic medical care, provide meaningful support during recovery. Staff members also benefit from resuming mission-driven work during difficult circumstances.

HRSA Requirements for Temporary Sites or Staffing Changes

Health Centers seeking to open temporary service sites following an emergency must submit a change-in-scope request to HRSA in accordance with Program Assistance Letter 2020-05.

Organizations may also request streamlined Federal Tort Claims Act deeming for volunteers and expedited credentialing and privileging of clinical providers during emergencies. HRSA provides guidance to support these processes. See Emergency Preparedness, Response, and Recovery Resources for Health Centers for more information and resources.

HRSA Reporting Requirements

Following an emergency, PCAs collect information from Health Centers regarding operational status, modified hours, staffing levels, and temporary service locations. PCAs consolidate and transmit this information to HRSA and the Department of Health and Human Services. They also distribute federal guidance and information about available resources to Health Centers.

CMS further requires coordination with state and local health departments as part of emergency preparedness and response efforts.

Recovery and Long-Term Improvements

Accessing Recovery Funds

Several non-governmental organizations provide assistance following emergencies. Examples include Direct Relief, Heart to Heart International, and International Medical Corps, in addition to regional and local organizations (NGO Base provides a searchable list). Having grant-writing capacity available enables Health Centers to pursue funding quickly after a disaster.

FEMA also administers Public Assistance grants for eligible private nonprofit organizations recovering from major disasters. Funds may support infrastructure repair, debris removal, and emergency protective measures.

After-Action Assessments and Lessons Learned

Post-incident evaluation is an important component of preparedness. Tina Wright, Emergency Management Director of the Massachusetts League of Community Health Centers, emphasizes identifying lessons learned and areas for improvement. She recommends maintaining a rolling list of enhancements and implementing a multi-year training and education plan. "Emergency management is a continuous improvement process," she says. "You want to keep building on what you learned and finding ways to do it better."

Although organizations may feel pressure to return quickly to normal operations, structured after-action review strengthens long-term resilience. Reviewing response activities, identifying gaps, and implementing improvements reduces the likelihood of repeated challenges.

Future disasters are inevitable. Preparedness depends on planning, evaluation, and the consistent application of lessons learned.

Case Study #1:
Santa Rosa Community Health

In October 2017, the Tubbs Fire in northern California burned nearly 37,000 acres, destroyed more than 5,600 structures, and killed at least 22 people. At the time, it was the most destructive wildfire in California history, causing an estimated $1.3 billion in damage.

Santa Rosa Community Health (SRCH) lost its largest site, the 42,500-square foot Vista campus, which served approximately 24,000 patients per year and employed 180 staff. Spreading from nearby ground cover, sparks landed on the roof of the building. Before anyone could do anything, the roof was engulfed in flames, and the building's lower levels were heavily damaged by water from fire suppression efforts. The structure had to be completely gutted and rebuilt—a process that SRCH would accomplish in just 18 months.

Dutton Campus of Santa Rosa Community Health

Grand-Reopening of the Vista Campus Following Reconstruction (2019)

In the immediate aftermath of the fire, the Health Center opened an operational command center in its second-largest campus, which became the focal point for communication, problem solving, and strategic resource redeployment. Fires were still burning in the area, so plans for shifting patients and staff to alternative sites had to be flexible. Leadership held incident command meetings three times a day to ensure everyone was receiving necessary updates. According to Chief Development Officer Annemarie Brown, the unofficial motto was: "Communicate at the rate of change."

To answer patient calls that had been handled at the damaged clinic, the Health Center set up an ad hoc call center in a conference room, which included clinical staff who could help assess patient needs and provide care via telephone. However, phone service was intermittent in the first week, so other methods of communication—such as the website, Facebook, radio, texts, and emails—were also used.

The need for care was high. There were patients experiencing respiratory illnesses or other injuries from fire and smoke, as well as acute mental health impacts. There were also patients in need of uninterrupted treatment for chronic conditions, as well as pregnant patients in need of prenatal care, especially those in the third trimester. Many patients who had been forced to evacuate needed replacement prescriptions, leading to extremely high demand at the Health Center's pharmacy.

The Health Center's staff were also in need of care. Some had evacuated or lost their homes, and many families faced other physical, mental, emotional, or financial hardships. SRCH prioritized staff well-being, offering food, support groups, flexible time off, and other benefits to help ease the strain on employees and strengthen the community.

To make up for lost space, SRCH rented an unused medical office from a local hospital with which it has a partnership agreement. The Health Center also deployed seven "Clinics in a Can"—which are fully equipped medical exam rooms inside a shipping container—along with three mobile vans in the parking lot behind its dental clinic.

Even with these mitigation measures, SRCH faced losses of about $750,000 per month during the recovery period due to reduced reimbursements for patient visits. Many patients were simply unable to return, due to evacuation orders and the destruction of so many homes. The Health Center was grateful to receive emergency relief funds from Tipping Point Community and Direct Relief, as well as support from other partners and individual donors.

More than eight years later, SRCH is proud of the strength and ingenuity it demonstrated in recovering from the Tubbs Fire—qualities that have served it well when additional fires threaten, as well as the planned power outages California experiences when fire risk is high.

"We have incredible muscle," Brown says, "We've trained our teams. If something like a power outage occurs, we immediately start making alternate plans. We assess what clinics are impacted, who can deploy to other clinics, how to maximize the space available. You just have to pivot."

Santa Rosa Community Health

Location	Santa Rosa, CA
Disaster	Tubbs Fire, October 2017
Site Affected	Vista Campus, 42,500 sq ft
Patients Impacted	~24,000/year
Financial Loss	~$750,000/month during recovery
Recovery Time	18 months
Emergency Funding	Tipping Point Community, Direct Relief

Case Study #2:
Universal Community Health Center

It was 1:00AM on a Sunday in late February 2023 when Dr. Edgar Chavez, the founder and CEO of Universal Community Health Center (UCHC) in Los Angeles, got a call about a problem at the Health Center's brand new O'Neill Clinic. For weeks, a series of "atmospheric rivers" had brought torrential rainfall to parts of California. Unbeknownst to the Health Center, blocked drains were causing large amounts of rainwater to accumulate on the clinic's roof. Now the roof had collapsed, and a dislodged roof beam had damaged the sprinkler system, leaving up to six inches of water throughout the building.

Dr. Chavez and his chief operating officer swung into action, shutting off the sprinklers and trying to begin clearing out the water and drying the facility. They contacted a water damage restoration company, which brought in dozens of high-powered fans and dehumidifiers. The construction company that had been working with UCHC to finish work on the clinic's dental suite was able to temporarily patch the roof with tarps, which was important as heavy rains continued for days.

Through intense efforts by the clinic's leadership, staff, and contractors, part of the facility was able to reopen after just 3 days and begin seeing a few patients. The roof was fixed within three weeks, and the clinic was nearly back to normal after six weeks. UCHC conducted air testing and mold testing for a month and a half, to assure staff and patients that the building was safe to occupy.

O'Neill Clinic at the Universal Community Health Center
Before Roof Collapse and Flood Damage (2023)

Some of the clinic's equipment was saved, and some was only slightly damaged and could be repaired. In a stroke of luck, about $300,000 in dental equipment was still bundled on pallets, awaiting installation—so the water didn't reach it. But the losses to computer servers, exam tables, and other furniture, along with the structural damage, totaled about $500,000.

Unfortunately, when UCHC contacted its insurance carrier, it discovered the losses were not reimbursable due to a paperwork error. The building was still classified as a warehouse, not a health care facility. To help with recovery, the Health Center received an emergency grant from Direct Relief, and it negotiated with the building's owner to split the cost of fixing the roof.

When asked what advice he would give other Health Centers for handling the unexpected, Dr. Chavez says: "Be prepared with money." UCHC now makes sure to keep substantial cash reserves on hand prior to undertaking any major construction or renovation activities. The Health Center also has access to several lines of credit for use in emergencies. According to Dr. Chavez: "To get a loan, it takes 90 days sometimes. If you're in a disaster situation, you need the money right then and there. You can't wait. So that's why those lines of credit are so important." He also emphasizes the importance of making sure all your insurance paperwork is accurate and up-to-date.

Before the flood, Dr. Chavez admits UCHC didn't have a very thorough emergency management plan in place. But his team learned a lot through the experience. During a more recent storm, a pump broke at the O'Neill Clinic in the middle of the night and water began to spread across the building's lobby. An alert went out, the team deployed, they removed the water, and they replaced the pump. The clinic was open for business in the morning.

Universal Community Health Center

Location	Los Angeles, CA
Disaster	Roof collapse/flooding, February 2023
Site Affected	O'Neill Clinic
Damage	~$500,000 in equipment and structural damage
Insurance Outcome	Denied — building misclassified as warehouse
Time to Partial Reopening	3 days
Recovery Time	~6 weeks
Emergency Funding	Direct Relief, cost-sharing with building owner

Resources

From HRSA:

- Emergency Preparedness, Response, and Recovery Resources for Health Centers
- Emergency Information Kit – Key Resources for Health Centers

From CMS:

- Emergency Preparedness
- Emergency Preparedness Rule

From the National Nurse-Led Care Consortium:

- Health Center Emergency Operations Plan Template
- Health Center Communications Plan Template
- Emergency Preparedness Tabletop Exercises
- Navigating the CMS Emergency Preparedness Rule: A Step-by-Step Guide

From the National Association of Community Health Centers:

- Federal Disaster Assistance Resources for Health Centers

From Capital Link:

- Obtaining FEMA Funding for Damaged or Destroyed Facilities

From FEMA:

- DisasterAssistance.gov
- Assistance for Governments and Private Non-Profits After a Disaster

ACKNOWLEDGMENT

This resource is supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) as part of an award totaling $1,168,750 with 0 percent financed with non-governmental sources. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by HRSA, HHS, or the U.S. Government. For more information, please visit HRSA.gov