

Real Life Claims: Unexplained Equipment Disappearance



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The Case of the Vanishing Ventilator

At VGM Insurance, we're passionate about providing resources to help you mitigate risk and reduce losses. Below, you'll find a scenario – based on a true story – that highlights the importance of proper inventory management.

As you read through this real-life claims scenario, you'll take the point of view of a provider in search of a ventilator that's gone missing after being rented to a patient for a prolonged period of time. Costing thousands of dollars, many types of medical equipment, including ventilators, are expensive to lose. But, what can you do to protect yourself and minimize the risk of this happening to your business?

After you've read through the story below, we'll provide some simple tips and action items you can implement today to ensure you don't find yourself in a situation like this.

Investigating the Case

You're taking inventory for the first time in nearly a year. Things look pretty good, but you've noticed the non-invasive ventilator rented out to Ms. Johnson hasn't been followed up on in quite some time.

You grab the file from the cabinet – Jean Johnson – and open it. It looks to be in order: copies of Ms. Johnson's Medicare card, government issued ID, and even a copy of a credit card are there. Your index finger scans the pages for a contact number. Only one way to figure it out, you think to yourself as you pick up the phone.

"Hello. I'm looking for Ms. Johnson. Ms. Jean Johnson," you say.

There's a long pause on the other end as a woman

clears her throat. "Oh. Um...this is her daughter. Can I help you with something?"

"I'm calling from Wonder Medical about the ventilator we rented out a while back."

"The ventilator?" she asks.

"That's right. It's the machine that helps her breathe."

She pauses again. "My mother...actually passed away a couple of months ago."

There's another pause - only this time, it's you.

"I'm not really sure where it might've gone," she says. "I'm...I'm really sorry."

"No, no, no. That's okay. I understand," you say. "I'm so sorry for your loss."

"Thank you." You hang up the phone and take a deep breath.

Any number of things could have happened to the ventilator. It's possible it was simply thrown away, or even sold in an estate sale. Regardless, it's clear that you're not going to see the ventilator again.

You decide it's best to call your insurance agent, who helps you with your Property coverage.

"Good morning. This is Jerry at Wonder Medical. I have a question about my policy."

"Hi, Jerry. What can I help you with?"

You go through the details - when you noticed the missing equipment and your conversation with Ms. Johnson's daughter.

"That's a rough situation, Jerry," your agent says.

“Unfortunately, what you’ve described is called an ‘unexplained disappearance,’ which means the equipment you rented isn’t covered.”

“What options do I have now?” you ask, a sinking feeling starting to grow in the pit of your stomach.

Investigating Inventory

The reality, unfortunately, is that your options are limited in a situation like this. If the equipment had been stolen, you could file a police report to attach to your claim. However, in the scenario above, that doesn’t seem to be the case. This means you’d have to seek compensation from Ms. Johnson’s family or estate to try and recoup the loss. Of course, that doesn’t put your business in a positive light.

The good news is that there are some simple steps you can take to help prevent this scenario from happening to your business.

Read Your Insurance Policy: It seems simple, but one of the best things you can do is read and understand your insurance policy. It will outline your coverages and exceptions, as well as the documentation you’ll need to provide when you file a claim. If you need help understanding your policy, be sure to contact your insurance agent or company.

Identify the Equipment as Yours: It’s important to make sure it is clear who the equipment belongs to. A sticker with your company name and contact information placed on the rental device is an effective way to do just that. In the scenario above, there’s a good chance the family would have seen the sticker and contacted you.

Follow Up with the Patient or Caregiver: Regular follow-ups are a great way to stay up-to-date on the status of your equipment - how it’s working, if it’s still needed, and where it’s located. But, it’s also an

opportunity to check in with the patient or caregiver. A quick phone call to answer any of their questions lets them know you care.

Take Inventory Regularly and Consistently: It’s generally considered best practice to take inventory at least once a year, but that’s just a minimum. Ideally, you’ll want to take and document your inventory as regularly and consistently as possible. This allows you to act on any discrepancies in a timely manner, and limits the chance of rental equipment going missing.

Should Providers Store Patient Credit Cards on File?

There is no right or wrong answer here – It’s up to each provider to decide whether they store patient credit cards on file to help with recouping costs in situations like this. There are benefits, and also challenges to consider when making this decision, including things like data security and protecting your patients’ private information.

GPS Asset Tracking

Another option that providers can consider is GPS asset tracking, which involves placing a tracking device on the piece of equipment so that it can be constantly monitored, usually through a third-party software platform. There are a number of companies that offer this kind of solution, however, due to the cost involved, this option will typically be most cost effective with large volumes of high-ticket rental items.

For more information about how you can minimize risk for your business, and to ensure you have adequate coverage, reach out to your VGM Insurance Account Manager or contact us today at info@vgminsurance.com or **800-362-3363**.

