

Damage assessment of destroyed medical records results in favorable settlement

Client's challenge

A company that designs and installs fire prevention and detection systems completed an installation in a document storage facility for a metro regional hospital. A subsequent fire destroyed the storage facility's contents including in-patient medical records. The hospital sued the company for negligence, seeking \$50 million in damages based on the alleged value of the medical records.

PricewaterhouseCoopers' Advisory solution

PwC was engaged by the company to perform a detailed analysis of the specific losses claimed by the hospital as well as a determination of the financial impact on the hospital's operations. Our team included a subject matter specialist from PwC's Healthcare practice with specific knowledge and experience regarding regulatory requirements relating to the retention and storage of medical records.

Impact on client's business

As a result of PwC's detailed analysis and expert testimony, various factors were identified that the opposing experts retained by the hospital did not take into account which challenged their methodology and reduced the measure of damages to less than \$1 million. The company was able to negotiate a favorable settlement with the hospital and avoid the additional costs and uncertainty of continuing to defend the litigation.

For more information on the topic of dispute analysis, please visit:
www.pwc.com/us/forensics

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