Risk Management Mentor Program

▶ Modules

1. Risk Management Fundamentals
2. Enterprise Risk Management
3. Applications
4. Healthcare Providers
5. Clinical and Patient Safety
6. Legal and Regulatory
7. Claims and Litigation
8. Risk Financing

Topics

- Web links
  - Primary sources
  - Templates
  - Questions
  - Responses

Module 2: Part 1
Enterprise Risk Management

⏵ Objectives

Explain key points of enterprise risk management (ERM)

Define the inter-related ERM domains within healthcare organizations

Examine the goals in implementing ERM

Discuss internal aspects that influence the success of ERM implementation

Describe the ERM process tools

Identify ERM team members and their responsibilities

Analyze the application of ERM when contemplating adding a new service line
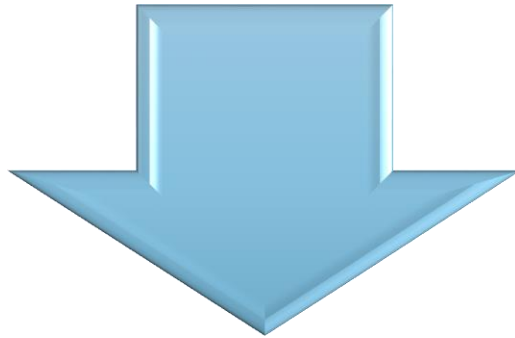
ERM: ASHRM definition

"Enterprise risk management in healthcare promotes a comprehensive framework for making risk management decisions which maximize value protection and creation by making risk and uncertainty and their connections to total value."

ERM overview

Vulnerabilities

- Potential losses
- Financial
- Reputation

Opportunities

- Return on investment
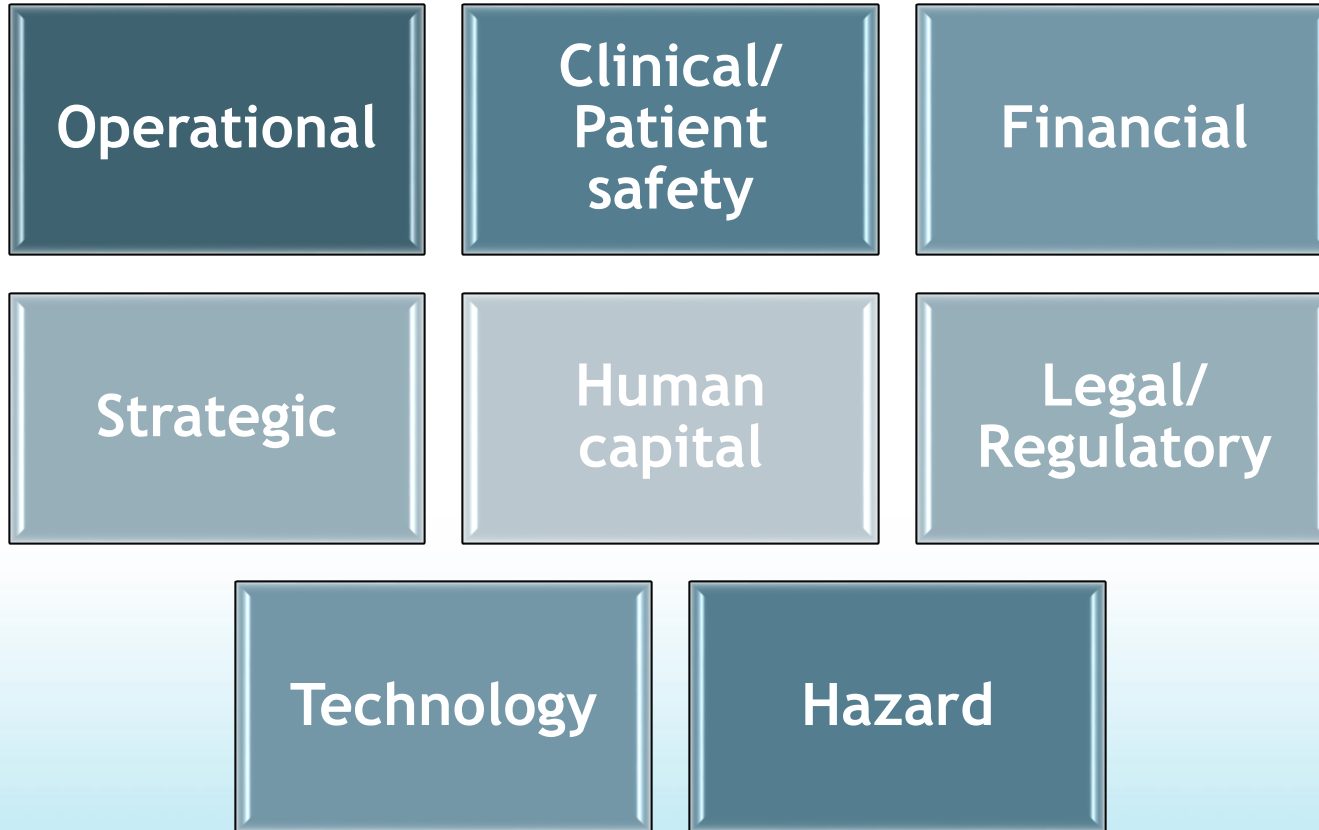- New ventures

ERM overview

Common goals between departments

| Remove siloes | Share resources and lessons learned | Practice risk-mindedness | Engage in cohesive process building |

Risk domains in a healthcare organization

Operational	**Clinical/ Patient safety**	**Financial**
Strategic	**Human capital**	**Legal/ Regulatory**
Technology	**Hazard**	

Goals of ERM

- Decision-making/Due diligence
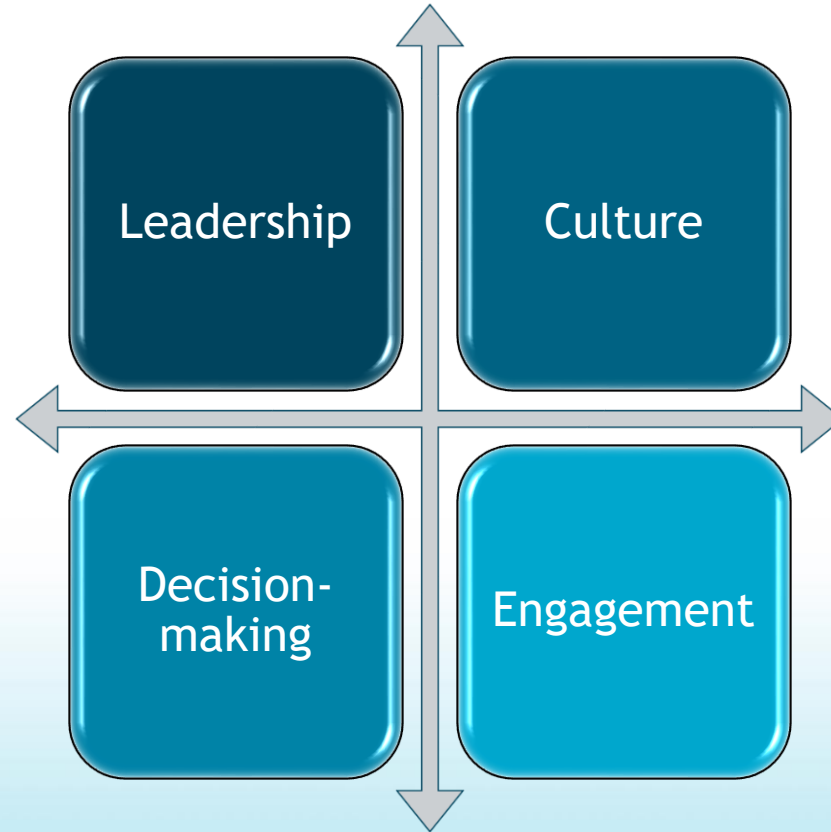- Alignment
- Corporate governance
- Accountability
- Risk management integration
- Compliance
- Exposure reduction
- Standardization

Influences on ERM

ERM process toolkit

Self-assessments

FMECA RCA SWOT

Risk Identification

Risk Analysis

Risk Evaluation

Risk Treatment

Risk Monitoring

Risk Maps

Trigger Tools/ Audits

Decision Analysis

FMECA: failure mode effects and criticality analysis; RCA: root cause analysis; SWOT: strengths, weaknesses, opportunities, and threats

ERM teams

ERM Steering Committee

- Chief Executive Officer, CFO, COO, CMO, CNO (C-suite)
- Legal counsel
- Senior human resources staff
- Chairman of the board of directors
- Chairs of board committees (audit, finance, and compliance)

ERM Working Group

- Risk leader
- Compliance
- Patient safety
- Quality
- Internal audit
- Clinical unit leaders and staff
- Information technology
- Clinical ancillary services leaders and staff
- Nonclinical services leaders and staff

ERM sample impact

New service line

- Operational
- Clinical/Patient safety
- Financial
- Strategic
- Human capital
- Legal/Regulatory
- Technology
- Hazard

Operational

- Patient acuity
- Policies and procedures
- Equipment
- Transportation (ground and/or air)
- Agreements

Clinical/patient safety

- Policies, procedures, and protocols
  - Medications (oxytocin, magnesium sulfate, betamethasone, etc.)
  - Obstetrical complications
    - Shoulder dystocia
    - Postpartum hemorrhage
    - Emergency C-section
    - Abruption
  - Infant abduction
  - Labor patient in emergency department
  - Newborn assessments
  - Visitation/rooming-in

Financial

Malpractice insurance

Equipment

Addition or renovation

Transfer costs

Salaries
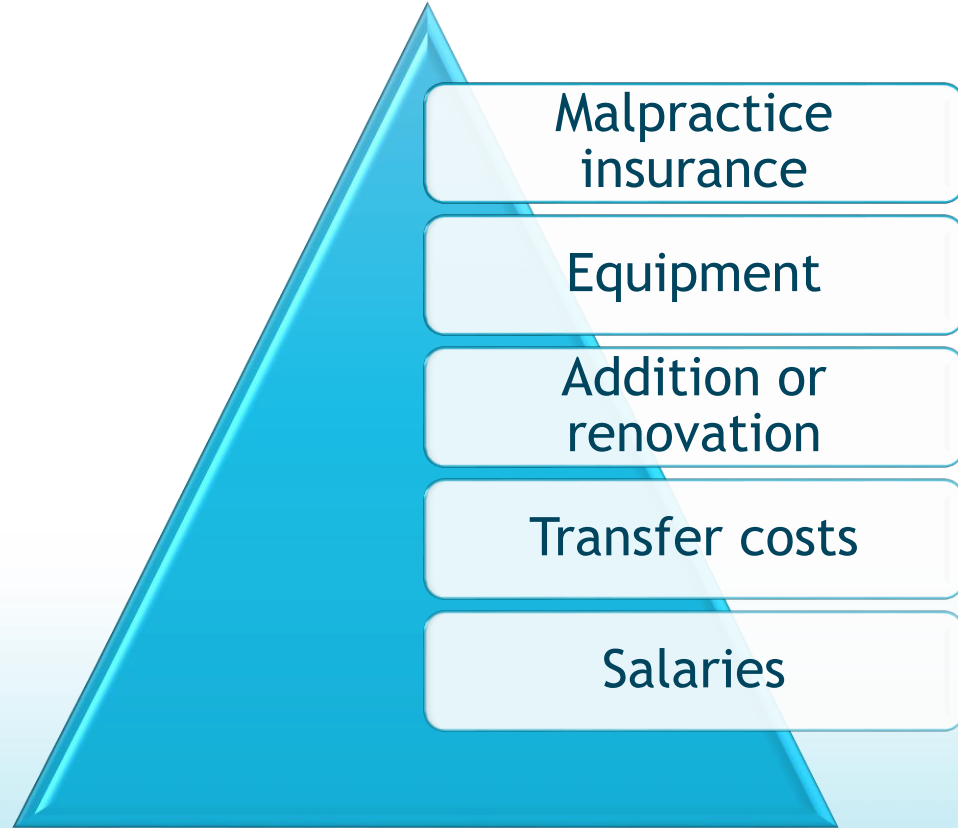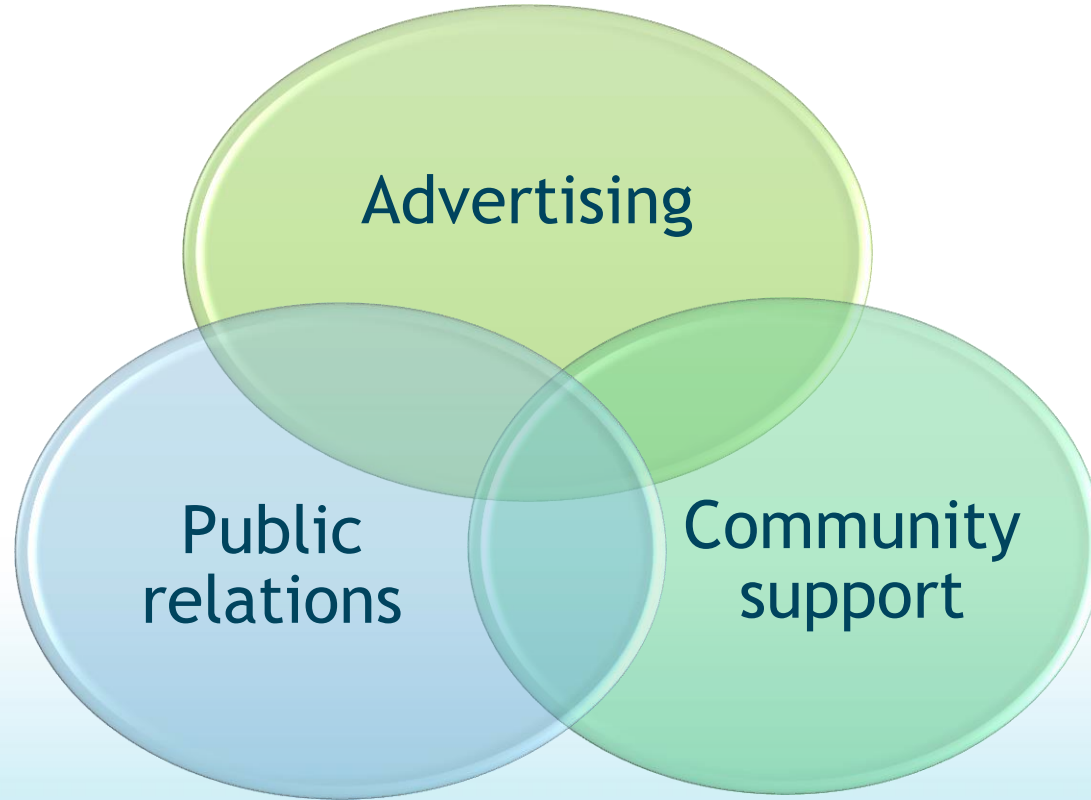
Human capital

Providers and staff

Training

Retention and turnover

Absenteeism

Float staff

Compensation

Legal and regulatory

Hazards

Services during natural disasters (snowstorms, floods, etc.) → Evacuation → Emergency transportation
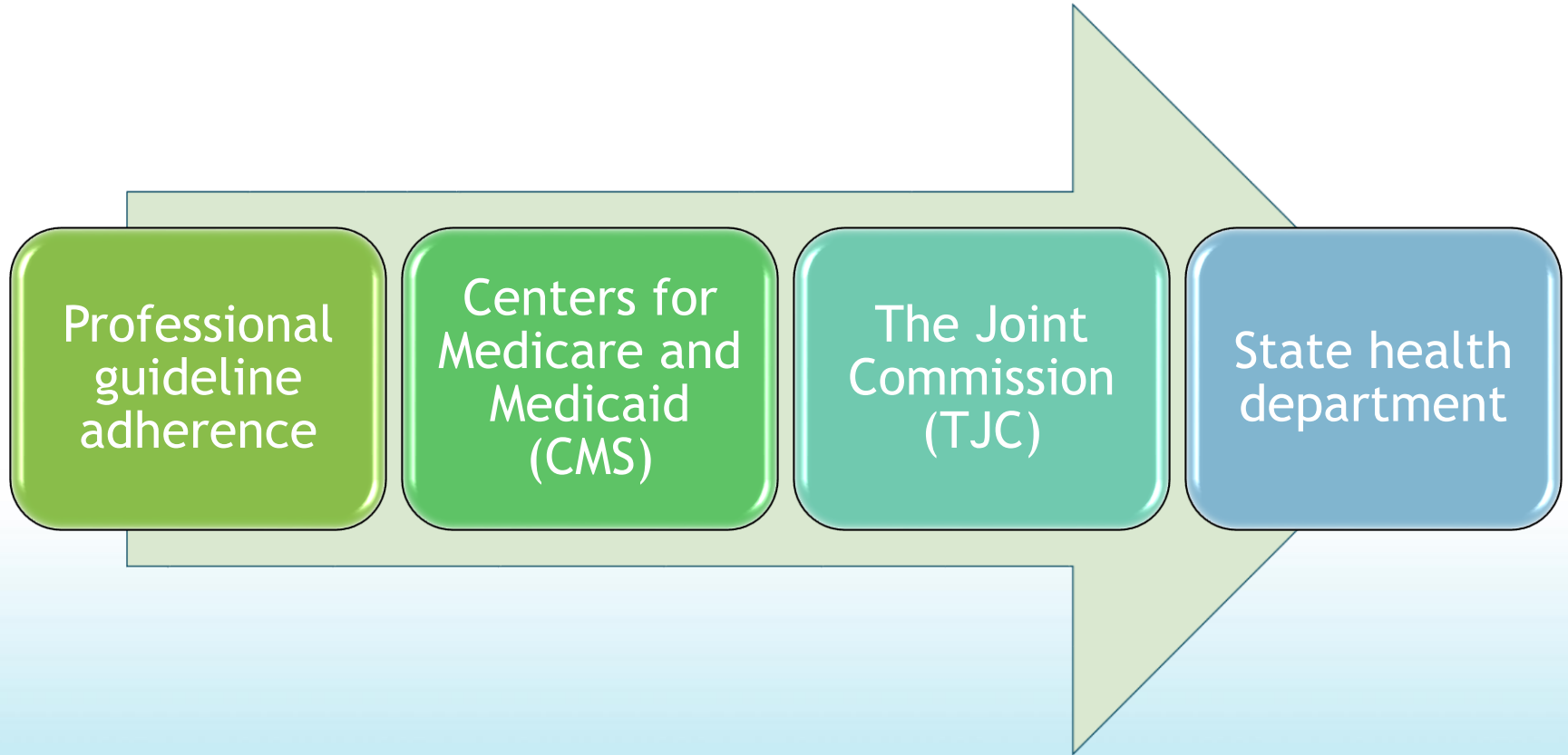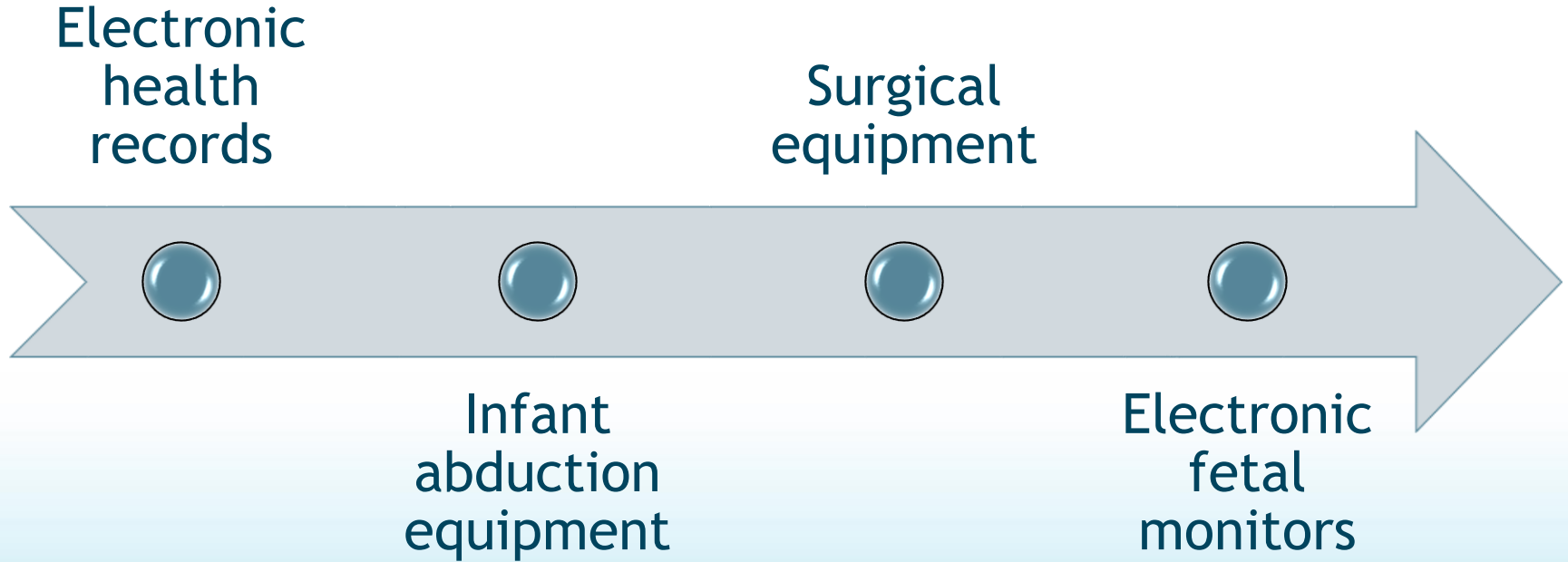
Resource

Carroll, R. (2015). *An Enterprise Risk Management Playbook: An Implementation Guide for Healthcare Professionals*. Washington, DC: American Society for Healthcare Risk Management.

In using an enterprise risk management approach, how might your healthcare organization be affected by another local hospital closing its emergency department? Remember to consider the eight domains of ERM.

▶ Response

- Consideration to organizational impact resulting from emergency department services being discontinued at another local hospital should include:
  - **Operational** – adequacy of policies and procedures, space and equipment, diversion protocols, and transportation services
  - **Clinical/Patient safety** – patient types and acuity levels, as well as patient volume
  - **Financial** – increased staffing and equipment
  - **Strategic** – community awareness, education, and outside resources
  - **Human capital** – increase staff and healthcare providers along with training needs
  - **Legal/Regulatory** – EMTALA, quality indicators affecting patient safety (i.e., readmissions, door to admission, staffing ratios, etc.)
  - **Technology** – existing capacity of electronic health records, clinical equipment for high acuity patients
  - **Hazard** – epidemic outbreaks, loss of utilities, weather-related conditions

Evidence-Based Practice

▶ Objectives

Define evidence-based practice (EBP) and where to find it

Discuss the importance of bundles regarding patient outcomes

Examine the needs for and benefits of policies and procedures

Describe policy and procedure management

Explore the importance of guidelines, protocols, and checklists

Identify the role that processes play within the healthcare organization
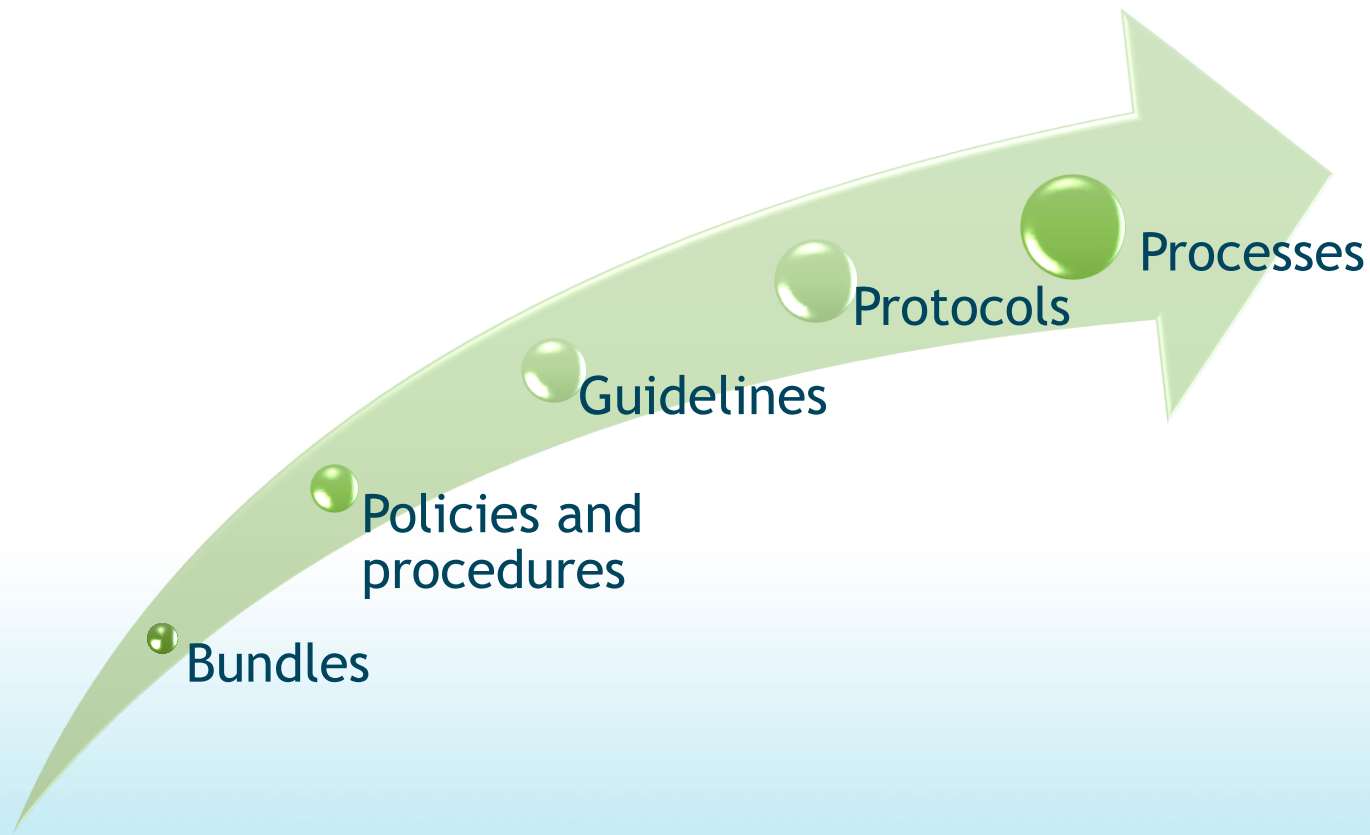
Evidence-based practice (EBP)

Scientific research

Clinical expertise

Patient values

Potential liability when not followed

Where to find EBP

Processes

Protocols

Guidelines

Policies and procedures

Bundles

Bundles

Evidence-based research

Defined tasks performed together

Improved patient outcomes
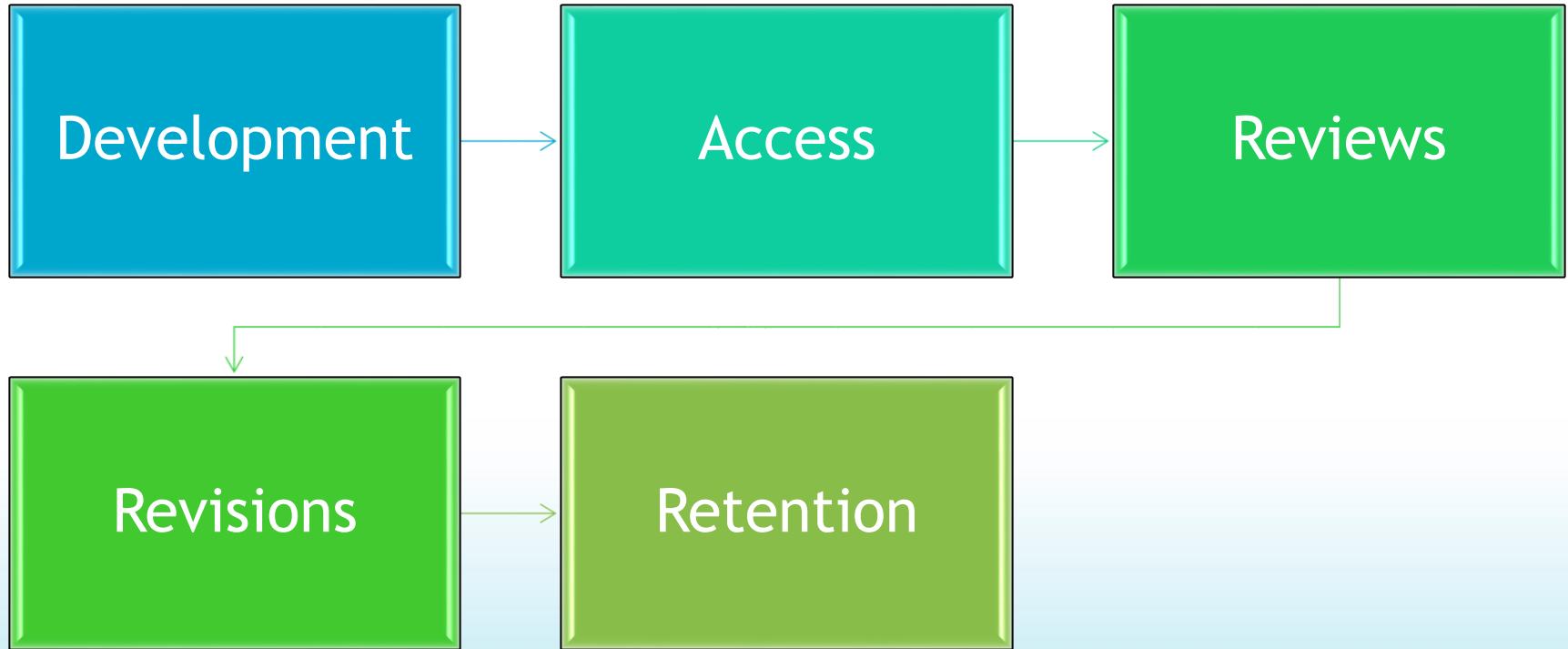
Compliance versus non-compliance

Bundle examples
- Central line care
- Indwelling catheter care
- Ventilator care
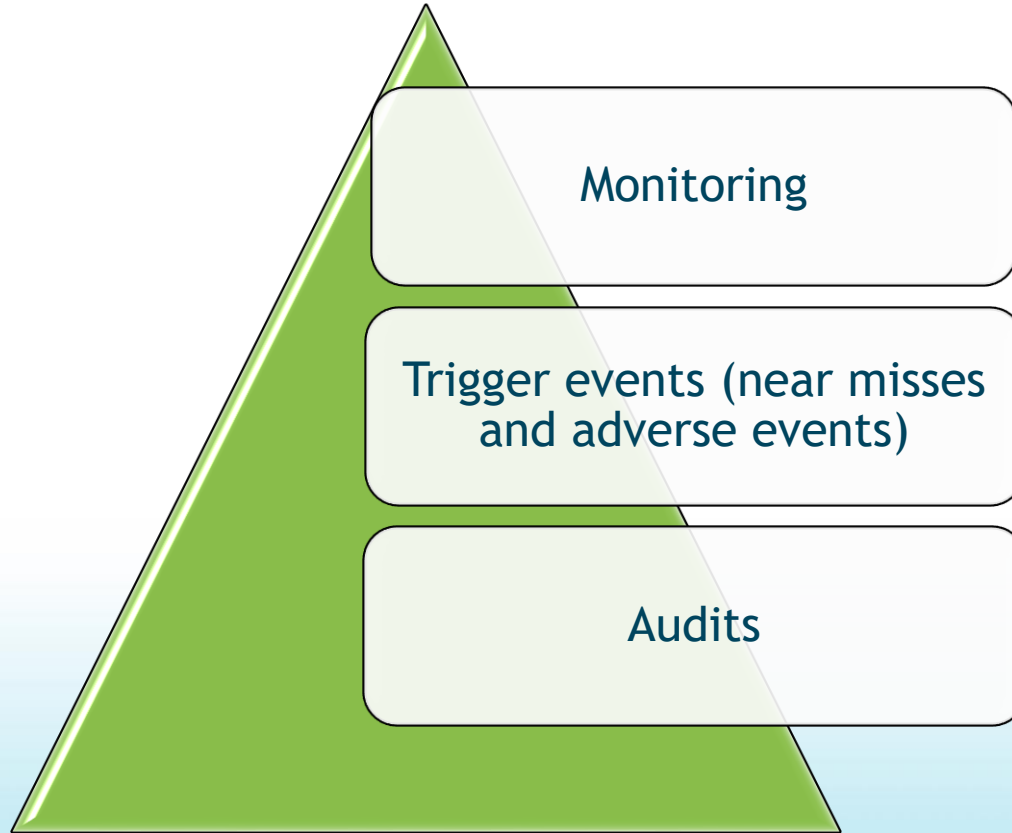- Elective induction
- Augmentation
- Vaginal-assisted delivery

Policies and procedures

- Standardization
- Evidence-based practice
- Quality indicators
- Regulatory mandates
- Compliance
- Reimbursements
- Legal liabilities

Policy and procedure management

Adherence

Monitoring

Trigger events (near misses and adverse events)

Audits

Source: Griffin, F. A., & Resar, R. K. (2009). *IHI Global Trigger Tool for Measuring Adverse Events (Second Edition)*. IHI Innovation Series white paper. Cambridge, MA: Institute for Healthcare Improvement. Retrieved from http://www.ihi.org/resources/Pages/IHIWhitePapers/IHIGlobalTriggerToolWhitePaper.aspx

General policies

Operational

- Disclosure of unexpected patient event
- Clinical chain of command
- Disruptive behavior providers, staff, patients, and family
- Informed consent and refusal
- Patient rights
- Documentation
- Critical test results notification

General policies

Operational

- Event and near miss reporting
- Root cause analysis (RCA)
- Sequestering (patient records and equipment)
- Failure mode effects and criticality analysis (FMECA)
- Falls – patient and visitor
- Environment of care (EOC)
- Medical devices
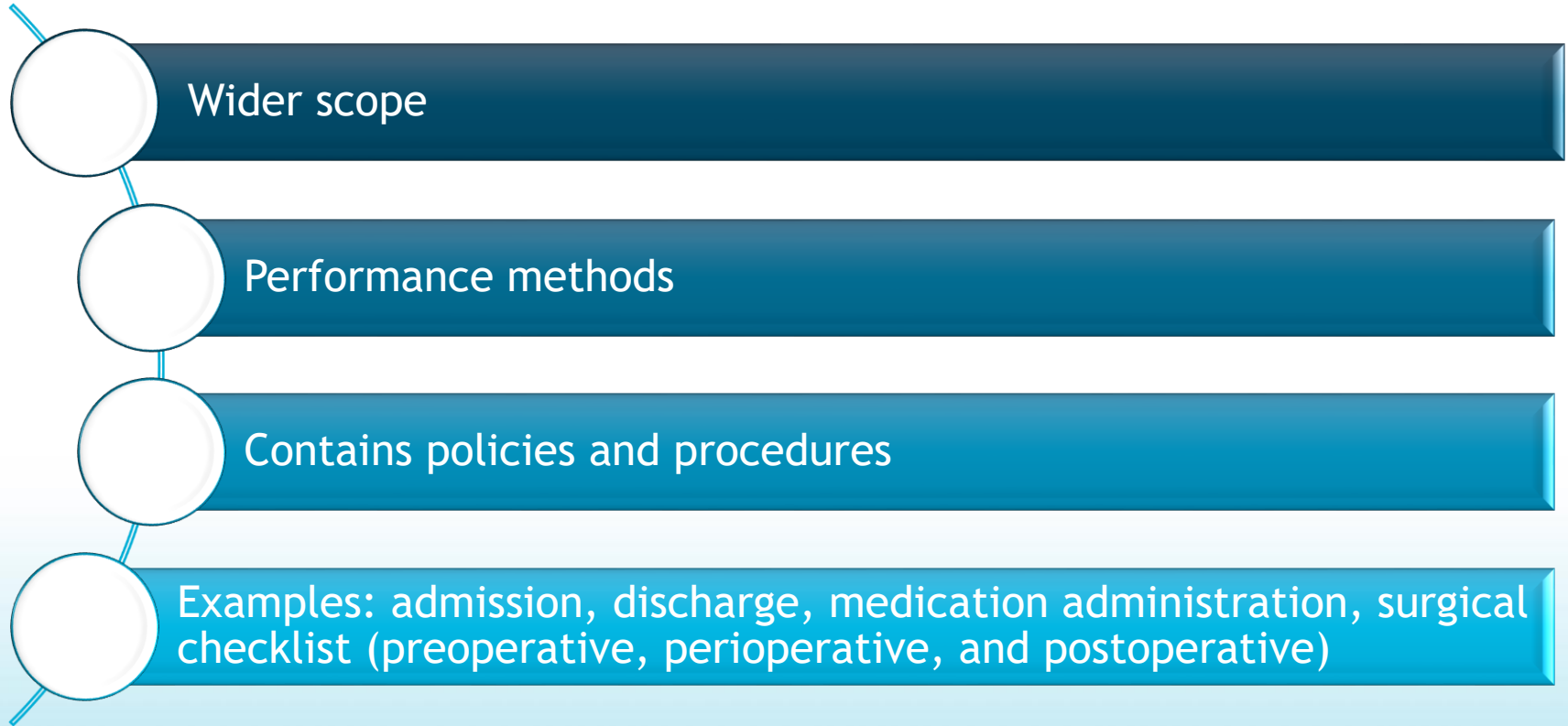- Admission, discharge, and transfer

Guidelines, protocols, and checklists

Standardized

Evidence-based

- Guidelines
  - Clinical decision algorithms
- Protocols
  - Process management of care
- Checklists
  - Mnemonics
  - Step completion

▶ Process

Wider scope

Performance methods

Contains policies and procedures

Examples: admission, discharge, medication administration, surgical checklist (preoperative, perioperative, and postoperative)

Resources

- Resar, R., Griffin, F.A., Haraden, C., Nolan, T. W. (2012). Using care bundles to improve healthcare quality. IHI Innovation Series White Paper. Cambridge, MA: Institute for Healthcare Improvement: 2012. Retrieved from www.IHI.org

- American College of Obstetricians and Gynecologists. (2015). Clinical guidelines and standardization of practice to improve outcomes. Retrieved from https://www.acog.org/Clinical-Guidance-and-Publications/Committee-Opinions/Committee-on-Patient-Safety-and-Quality-Improvement/Clinical-Guidelines-and-Standardization-of-Practice-to-Improve-Outcomes

● Quiz question

How often should policies and procedures be reviewed?

▶ Response

A minimum of every two years and if any changes to the policy and procedure are warranted in the interim.

Quiz question

How can policies and procedures not being followed within an organization be a problem in litigation?

▶ Response

Not following an organization's policies and procedures can quickly demonstrate a blatant disregard for the rules in place dictating the standard of care and can make the claims case indefensible.

▶ Disclaimer

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