MedPro Group
a Berkshire Hathaway company

Risk Management Mentor Program

Program Disclaimer

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 1
Risk Management Fundamentals

▶ Objectives

Identify key elements of the risk management program

Understand essential risk management processes

Understand the role of the risk management professional

Identify strategic principles of the risk management plan

Key program elements

A designated risk management professional

Authority and accountability for risk management functions

| Risk identification | Risk analysis | Risk control | Risk financing |

Flow of information between departments and risk management

Key program elements

A written plan describing the:

- Program's purpose
- Guiding principles
- Goals & objectives
- Scope & functions
- Administrative & committee structure
- Monitoring & continuous improvement

Program goals

Enhance culture of safety initiatives
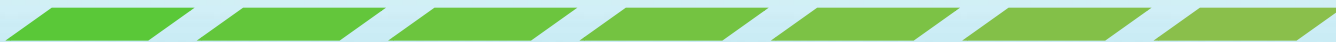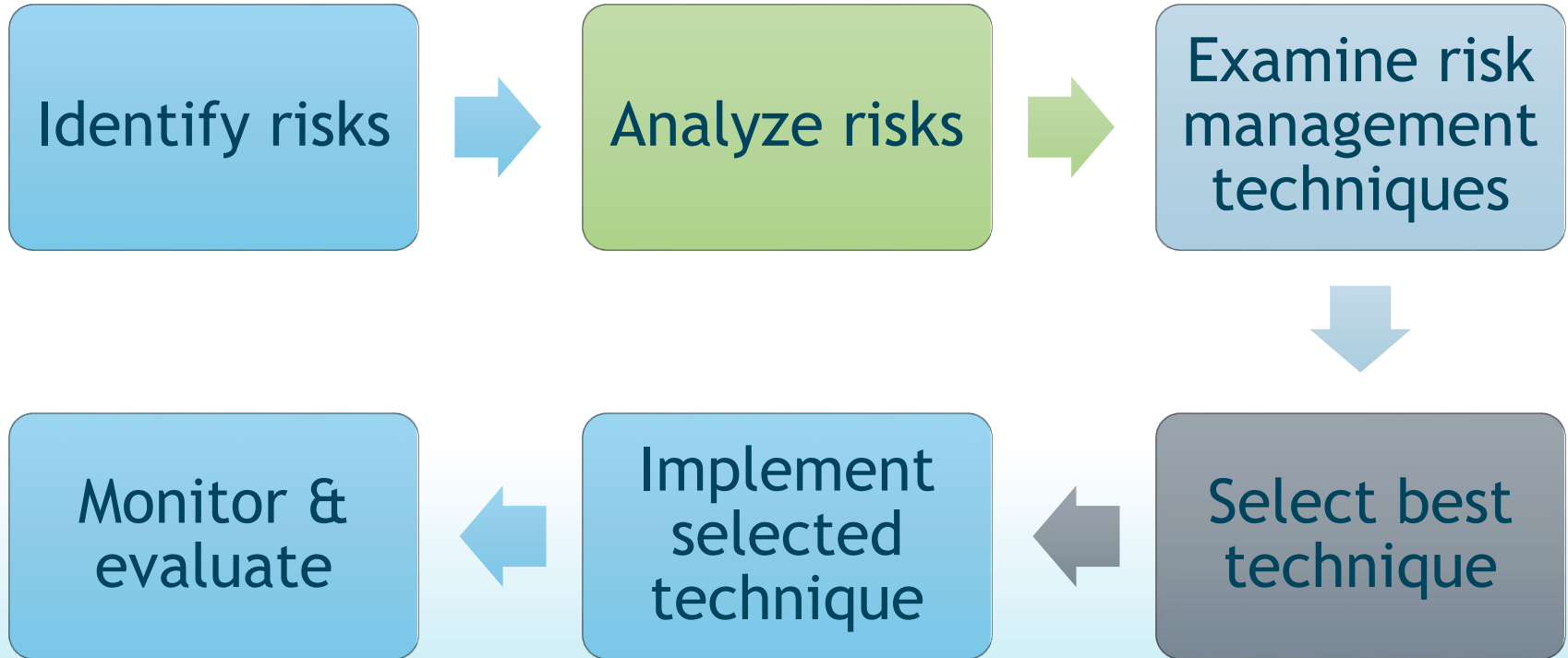
Improve patient safety

Improve staff safety

Mitigate risk exposure

Comply with regulatory agencies

Decision-making process

Identify risks → Analyze risks → Examine risk management techniques

Monitor & evaluate ← Implement selected technique ← Select best technique

Identify risks – Formal sources

Closed claims data

Device reports and tracking logs

Employee satisfaction surveys

Event reports

Proactive risk assessments

Sentinel event data

Security reports

Health record review using occurrence screening and trigger tools

Safety culture surveys

Identify risks – Informal sources

Health record requests

Patient complaints & grievances

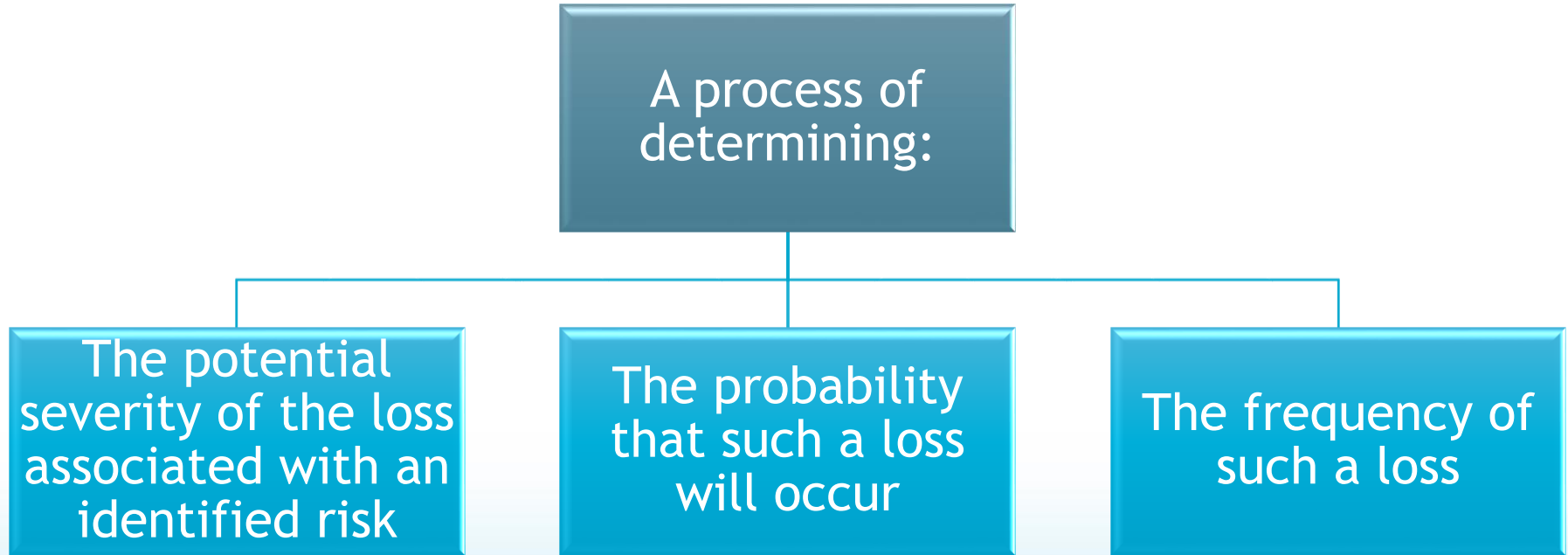Accreditation & licensure survey reports

Personal inspections & walkrounds

Informal discussions with staff

Hotline calls

Medical device recall & hazard notices

Committee minutes

Analyze risks

A process of determining:

The potential severity of the loss associated with an identified risk

The probability that such a loss will occur

The frequency of such a loss

Examine risk management techniques

Risk avoidance – Eliminating risks

Loss prevention

- Education
- Culture of safety
- Leadership walkrounds
- Risk assessments
- Performance improvement participation
- Current laws, standards, and regulations

Examine risk management techniques

Risk management techniques

- Loss reduction
  - Adverse events
  - Disclosure
  - Fire alarm and sprinkler systems
  - Medical devices
  - Safe patient care

Monitor and evaluate for effectiveness

Effective-ness measured by:	Financial data
	Claims activity
	Repeated self-assessments
	Event reports
	Culture of patient safety surveys
	Patient satisfaction data
	Patient safety & performance improvement committee reports

Sample risk management program

- Scenario
  - Memorial Hospital is a community facility located 100 miles from the nearest tertiary care center and level three nursery. Services include emergency department (ED), surgery, med-surg, and obstetrics (OB).
  - Due to recent budget cuts, staffing has been minimized through attrition and restructuring.
  - Many nursing staff members have worked at the hospital for 25 years or more with newer nursing staff added over the past 3 years.
  - Patient volumes are steady from September through May; however, they double to triple during June, July, and August.

Sample risk management program

- Risk identification
  - Significant nursing shortages have been observed in the ED, OB, and med-surg during June, July, and August.
    - *Due to location, agency staffing is not available.*
  - During the months of May through August, a number of adverse patient events and near misses have been reported (formal sources).
  - A few adverse events have resulted in claims and litigation that have affected the hospital's financial status (formal sources).
  - Patient and staff complaints have been gathered along with informal discussions with frontline staff (informal sources).

Sample risk management program

- Risk analysis
  - Adverse events
    - ED: misdiagnosis of cardiac issues, fractures, and behavioral health
    - OB: postpartum hemorrhage, shoulder dystocia, and infant respiratory issues
    - Med-Surg: early recognition of sepsis, stroke, and medication errors
  - Near miss events
    - ED: wrong patient identification and medication issues
    - OB: improper scheduling of elective inductions and newborn identification
    - Med-Surg: lack of response to decompensating patients
  - Severity of each event, probability of occurrence, and frequency of occurrence

Sample risk management program

Risk techniques

- Loss prevention
  - Risk assessments
  - Leadership walkrounds
  - Culture of safety survey

Program development

- Teamwork building
- Cross-training

Monitoring and evaluation

- Self-assessments
- Event reports
- Patient satisfaction surveys
- Culture of safety surveys
- Patient safety and performance improvement committee reports

Risk management professional's characteristics

✅ Maintain excellent interpersonal skills

✅ Be objective and discreet

✅ Identify potential losses

✅ Minimize losses

✅ Apply risk financing techniques

✅ Implement and monitor policies & procedures

Risk management professional's responsibilities

Culture of safety

Risk identification & assessment

Proactive activities

Compliance with laws & regulations

Compliance with standards

Risk management professional's role

- Manage event reporting, investigation, and analysis
- Coordinate disclosure
- Investigate complaints and grievances
- Oversee device recalls, tracking, and reporting

Risk management professional's role

- Oversee safety and security
- Educate leadership and staff
- Participate in strategic committees
- Develop an organization-wide program

Risk management plan

Mission and vision

Clinical risk and patient safety

Safety of:

Visitors
Third-party
Volunteer
Employee

Assets

https://www2a.cdc.gov/cdcup/library/templates/default.htm
http://www.tnpcaeducation.org/resourcelibrary/clinical/Quality%20and%20Risk%20Mgmt%20Plan%20sample.pdf

Risk management plan

Plan elements include the following:	Purpose
	Guiding principles
	Leadership
	Goals & objectives
	Scope & functions
	Administrative & committee structure
	Monitoring & continuous improvement
	Confidentiality
	Governing board approval

Guiding principles

- Risk management and patient safety
- Just culture
- Practices and protocols
- Claims management
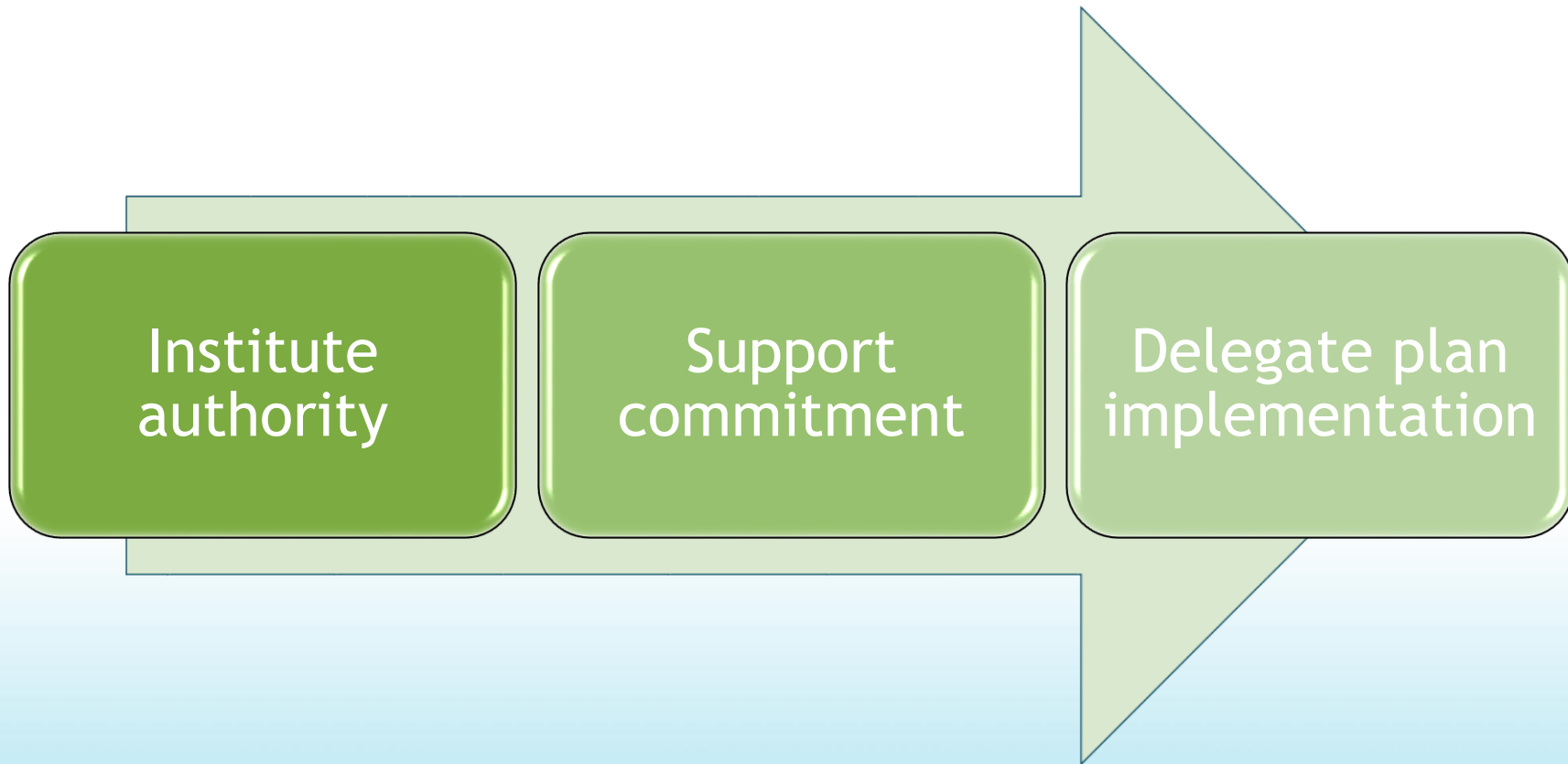- Complaint resolution
- Confidentiality
- Management of adverse events
- Event investigation
- Proactive analysis
- Trend analysis

Governing body leadership

Institute authority

Support commitment

Delegate plan implementation

Goals and objectives

Improve patient safety

↓

Minimize adverse effects

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Minimize losses

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Monitor, evaluate, track, and trend

↓

Ensure compliance

↓

Protect assets

↓

Assure safeguarding and confidentiality

Scope and functions

Administration	Corporate compliance	Environmental safety and security	Finance
Human resources	Infection control	Information technology	Nursing
Patient satisfaction	Products and materials management	Quality and process improvement	

Scope and functions

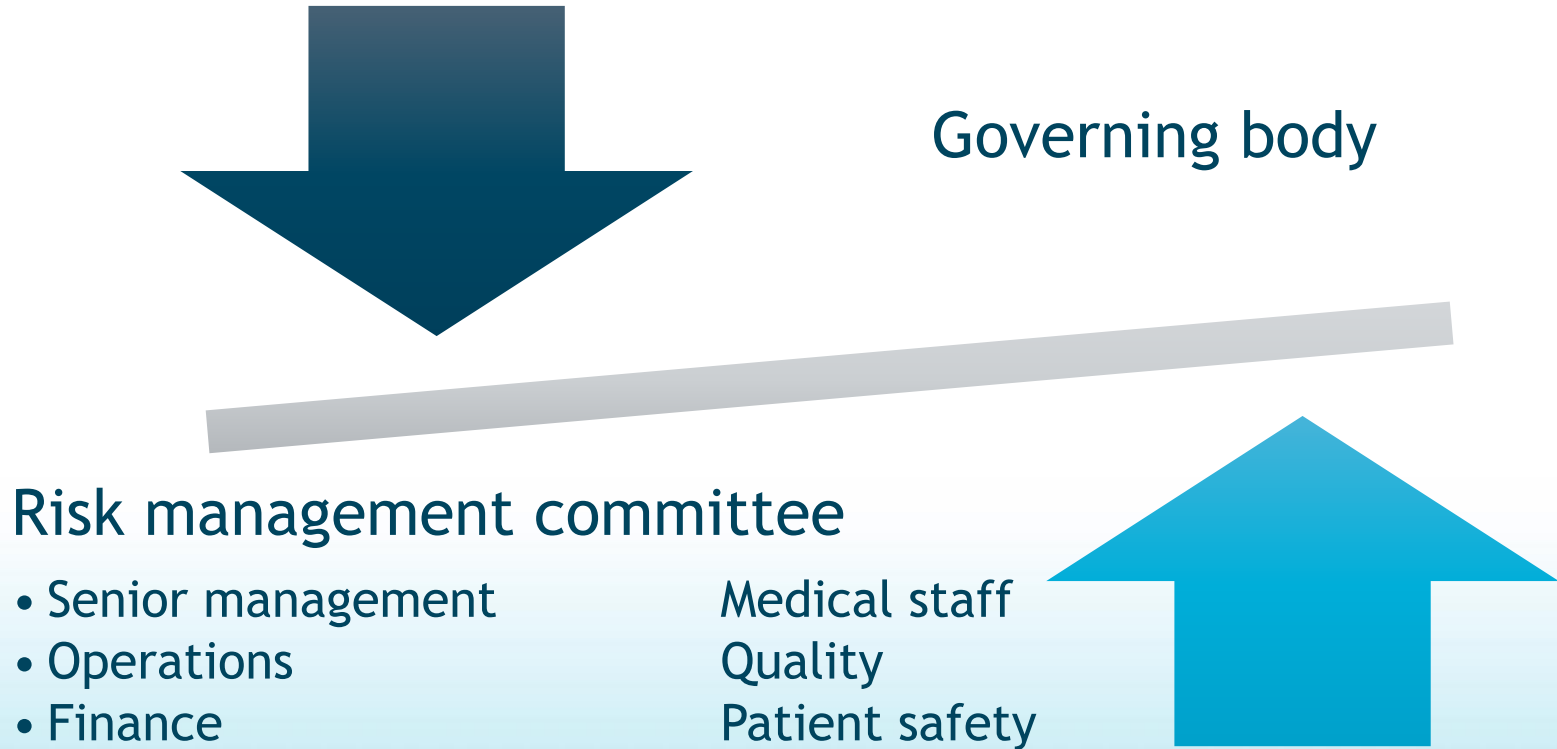|			
Claims management	Confidentiality	Culture of safety	Data collection, analysis, and trending
Environment of care	Event oversight	Loss prevention	Complaints
Patient safety initiatives	Physician and staff education	Risk assessments	

Administrative and committee structure

Governing body

Risk management committee

- Senior management   Medical staff
- Operations   Quality
- Finance   Patient safety

Risk management plan

Monitoring and continuous improvement

Confidentiality and governing board approval

- Analysis of data
- Assessment of the program
- Reporting to the board

- Confidential and privileged documents
- Governing board approval

Resources

- American Society for Healthcare Risk Management. (2014). *CPHRM Exam Preparation Guide*. 3rd ed. Chicago, IL: ASHRM.

- American Society for Healthcare Risk Management. Overview of the healthcare risk management profession. Retrieved from http://www.ashrm.org/about/HRM_overview.dhtml

- Carroll, R. (Ed.). (2010). *Risk Management Handbook for Healthcare Organizations*. 6th ed. Hoboken, NJ: Jossey-Bass Publishers.

- ECRI Institute. (2009). Developing a risk management program.

- ECRI Institute. (2014). Patient safety, risk, and quality. Retrieved from https://www.ecri.org/components/HRC/Pages/RiskQual4.aspx?tab=1

- ECRI Institute. (2016). Sample job description: Clinical risk manager.

- ECRI Institute. (2010). Sample risk management plan for a community health center – patient safety and risk management program. Retrieved from https://bphc.hrsa.gov/ftca/riskmanagement/riskmgmtplan.pdf

- ECRI Institute. (2014). Sample risk management plan for a patient safety and risk management program.

- ECRI Institute. (2014). The role of the healthcare risk manager: A primer.

In applying the basis for having a risk management plan, what value can it add to a healthcare organization?

Response

- Organizational value gleaned from a comprehensive risk management plan includes:

  - Staff and leadership focus on common goals

  - Integration in processes throughout the organization

  - Open communication regarding risk management activities

  - Risk management that penetrates all aspects of the organization (i.e., enterprise risk management)

  - Staff and leadership accountability in protecting and promoting the organization

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