

## Managing Risk

Executive Summary:

- Managing risk beyond complying with regulations is important for providers
- Just like Business Process Management, there are well-defined steps for managing risk
- Risk management begins with identifying the most important risks
- Managing risks is rewarding for both patients and providers
- Those who have adopted Business Process Management can add risk management easily

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There are many risks in healthcare. Many of these risks are so serious that when they occur patients die. As noted in its landmark study *To Err is Human* in 2000, the Institute of Medicine stated that there were as many as 98,000 deaths attributable to medical error in hospitals in 1997. Since the publication of this study much has been done to prevent these errors and untimely deaths. I believe that it is important now not only to look at preventing these types of errors but also to examine risk in broader terms for the benefit of patients and providers.

Let's begin by thinking about the question, "What keeps you up at night?" That is, what errors worry you as a clinician or administrator significantly? Could it be:

- A patient falling in her room after surgery
- An allergic reaction to a medication in a child
- The spreading of flu virus at a clinic
- Patients who are unhappy with the care they are given
- The infection of a clinician with HIV or hepatitis

These are just a few of the many adverse events that can cause serious consequences. It is not enough to try to avoid the many risks by trying to do better the processes that are being done. Rather, healthcare providers need to adopt *risk management strategies* that will help them actively prevent risks and overcome the consequences when adverse events occur.

Risk management like Business Process Management (BPM), a subject of earlier newsletters, is made up of a number of well-defined steps, which include identifying potential risks, assessing and analyzing risks, developing or altering processes to prevent risks, implementing strategies to minimize risks, evaluating risk management strategies and improve processes to further reduce risks.

**Identifying Risks.** There are many risks in healthcare, as stated above. For most providers there are too many to actively manage. Thus, it is important to identify which are the most important risks to avoid in order to use resources wisely to prevent or minimize risks. If you have identified your most important processes as part of a BPM program, you may want to first consider examining these processes to identify what can disrupt the processes or what can go wrong to produce adverse outcomes. For instance, you may find activating patients in their own care a very critical process and do so by having patients with chronic conditions help create a

care plan along with their clinicians. Thus, you will want to examine the joint creation of a care plan by patient and clinician to see what can go wrong.

You may want to identify events defined by regulations as critical risks. For instance, minimizing hospital acquired infections at surgical sites may be critical to prevent since this can cause financial loss for the hospital and potentially serious consequences for the patient.

When identifying critical risks it is important that clinical leadership and administrative leadership be involved and that criteria be established to identify which adverse events pose critical risks.

**Assessing and Analyzing Risks.** Assessing risks involves calculating the likelihood of an adverse event occurring and the impact or consequence of an event should it occur. Analyzing risks involves examining the conditions that allow an adverse event to occur or to see what can be done to prevent an it from occurring. For instance, as I stated in my May 2016 newsletter, a patient with diabetes has a likelihood of 68% of dying from heart disease. This has been documented by the American Heart Association. The cost for treating diabetics with heart disease is significantly greater than those without. The American Heart Association states it costs \$3900 more annually. For providers with risk-adjusted contracts with payers this is a significant consequence, thus a significant risk.

Not all risks can be quantitatively assessed. For instance, what is the financial impact on an ambulatory site if it receives many poor reviews on social media? Some events are so rare that it is very difficult to assess quantitatively the risks. For instance, what is the impact of a patient or relative of a patient bringing a gun into a Level 1 trauma center?

Analyzing risks involves looking at processes or outcomes that allow an event to occur. For instance, providers may have no processes in place to identify which of their diabetics are in danger of developing heart disease. Thus, they take no action to intervene before the patient develops heart disease. Analyzing poor social media reviews may involve using a local business that helps businesses monitor social media posting to identify any negative postings and to identify the causes of the negative postings.

**Developing New Processes or Altering Processes to Prevent or Lessen Risks.** Prevention is best at managing risks. Thus, after identifying risks and assessing impacts, it is important to design new processes or alter existing ones to prevent an adverse event from occurring. Of course, this course of action should apply to those events which have the most impact. A team of those involved in a process that carries significant risks along with leadership should help in designing new processes or modifying existing processes. Costs should be considered in the new or altered process. If prevention is too costly and the impact of an event not severe or frequent, corrective action may not be pursued. A good example of a new process to prevent falls after surgery, especially in orthopedic units in a hospital, is the use of pressure sensitive devices to alert staff when a patient is out of bed unattended.

**Implementing New or Altered Process.** Once a team has developed a new process or altered one it should be implemented uniformly in affected areas. This may require training of staff. Implementation should be done exactly as designed.

**Evaluation and Continuous Improvement.** Once a new process for preventing or decreasing risk is in place, it should be monitored using indicators (kpi) identified by the design team. Evaluation should focus on the degree to which risk has been decreased and the decrease in negative consequences. The evaluation team should also focus on ways that processes can be further improved to achieve greater success in lowering risks.

My personal physician and the medical group of which he is a part believe that Medicare recipients should have annual physicals. I follow his advice. This year after two years of slightly elevated calcium in my blood panel we investigated the cause. We found that I had a dysfunctional parathyroid gland. I had a parathyroidectomy recently to solve the problem. Because of his attention I was able to avoid broken bones and kidney stones. His attention to details and the policy for annual physicals avoided the risk of these occurring. My opinion of my care from him and this group remains very positive.

I believe that outside of meeting regulatory obligations that most healthcare organizations do not focus enough on risk assessment. The effort of focusing on and analyzing risk need not be overly time or resource consuming. If you have a Business Process Management system in place risk assessment can be added to the cycle naturally and pay handsome rewards in doing so.