

Sample Risk Management Plan

Organization Name: _____

Business Address: _____ **City, St, Zip:** _____

Telephone Number: _____ **Facsimile Number:** _____

Website Address: _____ **Email Address:** _____

Mission Statement

Enter organization's mission: _____

Purpose

The purpose of the risk management program is to provide the organization with a comprehensive framework designed to strategically identify, manage and mitigate risk in order to enhance patient safety and maximize value protection.

The risk management plan is a primary tool for implementing the organization's overall risk management program. It represents a foundation for implementation of the organization's risk management program through dissemination of detailed information regarding purpose, scope and objectives to all clinical providers and staff.

The focus of the risk management plan is to provide an ongoing, comprehensive, and systematic approach to reducing risk exposures. Enterprise-wide risks encompass issues that may be categorized as operational, clinical, strategic, financial, human capital, legal/regulatory, technology, and hazards. Risk management activities include identifying, investigating, analyzing, and evaluating risks. Follow-up activities may include taking action to address the identified risks through the development and implementation of appropriate risk reduction initiatives. These initiatives and responses can include risk avoidance, risk prevention, risk reduction, segregation of risk, and/or risk transfer.

Authority and Role of the Risk Manager

The risk manager is empowered by the governing body to implement the functions and activities of the risk management program in collaboration with administrative and clinical leadership. The governing body has overall responsibility for the effectiveness of the program and for providing the necessary resources. Routine written and verbal communications regarding risk management activities that may affect the organization's finances should be provided to the governing body.

The risk manager is responsible for creating, implementing, and evaluating the outcome of the risk management plan. These activities should be coordinated with quality/performance improvement, infection prevention, organizational/patient safety and environment of care management. A job description delineating the risk manager's role should be approved by the governing body.

The risk management program is formally addressed through designated committees, such as the risk management committee, safety committee, and quality/performance improvement committee.

Scope

Under the direction of the risk manager, the risk management program provides for collaboration among all departments, services, and patient care professionals within the organization. The risk management program focuses on policies, procedures and protocols to address events that may create business-related liability, professional liability, general liability, workers' compensation and motor vehicle liability exposures. The identification, investigation and management of accidents, injuries and other potentially compensable events are a primary organizational responsibility under the risk management plan. The risk manager and others who are delegated to participate in the various components of managing adverse events occurring with patients, staff, visitors and organizational assets direct this process.

Risk management will collaborate with and educate leaders within the following departments in order to promote quality care in a safe environment and protect the organization's resources:

- Administration
- Allied Health and Adjunct Professional Services
- Billing Services
- Business Development and Marketing
- Clinical and Ancillary Services
- Data/Health Information and Privacy Management
- Employee Health
- Human Resources
- Infection Prevention
- Legal Services
- Biomedical Engineering
- Medical Staff, if applicable
- Medical Staff Credentialing, if applicable
- Patient Relations
- Quality Improvement
- Patient Safety
- Safety Management/Environment of Care
- Security Management
- Utilization Management

Objectives of the Risk Management Program

The objectives of the risk management program include, but are not limited to the following:

- **Promoting the quality of patient care** and establishing key performance measures in collaboration with quality/performance improvement activities.
- **Identifying opportunities for improving patient safety** through analysis and trending of incidents and near misses.
- **Utilizing the results of timely incident investigation** to guide open communication and disclosure discussions with patients/families.
- **Evaluating systems and processes** that can adversely affect administrative and clinical operations leading to adverse events.
- **Protection of the organization's assets** by minimizing the frequency and severity of untoward events and legal claims.
- **Reducing the impact of losses** through insurance or other risk transfer mechanisms.
- **Enhancing patient satisfaction** and responsiveness to complaints.
- **Supporting a culture of safety** that promotes awareness and empowers staff to identify risk-related issues.
- **Enhancing environmental safety** for patients, visitors and staff.
- **Educating stakeholders on emerging and known risk exposures** and risk reduction initiatives.
- **Meeting accreditation requirements** of relevant organizations.
- **Complying with state-specific scope of practice**, applicable state and federal laws, regulations and standards.

Specific Components

The risk management program will include the following components:

Event/Incident/Occurrence reporting. Event reporting provides a systematic, organization-wide program of reporting risk exposures to identify report, track, and trend patterns of actual, potential and near miss events with the potential for causing adverse patient outcomes or other injuries to people, property or other assets of the organization. The goal of the program should be to reduce or ameliorate preventable injuries and property damage, while also minimizing the financial severity of claims.

The risk manager reports analysis of event data and recommends actions to the quality/performance improvement department and the department(s) involved in the events for follow-up action.

Sentinel events, as well as other significant incidents as specified by state or federal regulations, must be reported to governmental and/or accrediting agencies through delineated methods in compliance with the requirements of these regulatory entities. The reporting responsibility should be delegated to the risk manager or compliance department/officer, noting the established guidelines and required time frames for reporting.

Reporting risk management activities as part of the quality/performance improvement process. Recognizing that the effectiveness of risk management activities is contingent upon collaboration and integration with the quality/performance improvement activities, the risk manager will work with quality/performance improvement staff to coordinate activities between the two disciplines. This collaboration will enhance the identification and resolution of risk and quality issues.

Educational activities. The risk manager will provide or facilitate orientation programs for all new employees, volunteers and contracted staff and annually to all employees. The educational programs will focus on promoting awareness of risk exposures and current risk prevention activities. In-service and training programs should be provided as identified through the ongoing monitoring, tracking and trending of events, and/or as requested by a staff member within the organization. Ongoing education should be provided on a routine basis in order to inform staff about proactive preventative measures for common risk exposures, as well as strategies to enhance defensibility in the event of a claim in the areas of documentation and communication techniques.

Management of patient and family complaints/grievances. The organization will have a formal written process for managing patient and family complaints/grievances in compliance with federal regulations and accreditation requirements. This process should delineate response to and resolution of patient and family complaints. It also should include time frames for responding, the chain-of-command used for problem-resolution, and documentation of the activities involved.

Patient satisfaction. The organization will measure patient satisfaction and respond to issues identified in patient satisfaction surveys. The risk manager will monitor complaints and report findings related to quality/performance improvement. Of equal importance is risk management's direct participation in resolution of complaints, as appropriate.

Claim Management

In some organizations, claims management is a function outside of the risk management program and may have a separate staff with unique policies, procedures and protocols.

If the claim management function is included in the risk management plan, it should be comprised of the following elements, among others that may be adapted to your organization:

- **Reporting potentially compensable events, unexpected outcomes or patient complaints** to the involved department manager, the insurer, as appropriate, in conformity with the policy provisions, and the organization's risk manager.
- **Conducting investigation and interviews** following potentially compensable events.
- **Documenting activities and correspondence** related to the investigation of the event.
- **Protecting and preserving the patient healthcare information record** and/or other documents and evidence for potential future litigation.
- **Organizing, managing and maintaining claim files.**
- **Limiting access to claim files** to individuals as authorized under the direct supervision of the risk manager.
- **Coordinating interactions with the defense team** and providing input regarding the strategy for each claim.
- **Reporting claim management activity** to the quality/performance improvement committee and appropriate organizational leaders.
- **Participating in establishing the defense/settlement posture.**
- **Resolving claims** within established limits of authority.
- **Maintaining confidentiality and security** of protected documents.
- **Reviewing, evaluating and accepting legal services** as appropriate.
- **Timely forwarding of subpoenas, summons and complaints** to legal counsel.

Reports to the Governing Body

The risk manager will provide reports to the governing body periodically, and, at a minimum, on an annual basis. The report should summarize activities, achievements, and on-going risk management issues that have occurred since the prior report.

Ad hoc communications should be initiated with the governing body pertaining to sentinel events, significant changes in claim reserves, claims that are scheduled for trial, events that may result in adverse publicity or media attention, and severe patient injuries deemed highly probable to result in litigation.

The final annual risk management report should include all of the above parameters along with recommendations for risk control activities and identified resource needs for the upcoming fiscal year.

Protection of Risk Management Information Included in the Quality/Performance Improvement Program

Risk management data and information collected should be maintained as a component of the organization's quality/performance improvement program and reported to the quality/performance improvement committee and/or designated subcommittees. This structure may result in findings being considered privileged and confidential and should be distributed outside of the quality/performance improvement process solely at the direction of and with the written consent of legal counsel.

Review of the Risk Management Plan

The risk management plan will be reviewed, updated, and approved annually, or as needed. Dated signatures and titles from designated and authorized parties should be obtained at the time of the approval.

Annual Evaluation of the Risk Management Program

The risk management program will be evaluated by the governing body annually. Recommendations for enhancements are incorporated into the program prior to final approval.

Signature and Title: _____ Date: _____

Signature and Title: _____ Date: _____

Signature and Title: _____ Date: _____

This sample form is for illustrative purposes only. As each practice presents unique situations, we recommend that you consult with your attorney prior to use of this or similar forms. This document is not intended to represent a comprehensive study of risk management practices or potential liabilities and is not to be considered legal advice. CNA Healthcare strongly recommends consultation with a competent attorney regarding specific issues related to your organization's legal obligations and applicable state laws. It is further acknowledged that CNA accepts no liability from any use or reliance on this information or any of its contents.

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