



CPHRM course



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Healthcare Operations Domain

20 Questions



Objectives

Describe

Describe the range of risk management responsibilities.

Define and describe

Define and describe the key components of developing risk management program.

Identify

Identify the typical elements of a healthcare risk management program.

Describe

Describe key issues concerning health care organization governance.

Describe

Describe risk management aspects of enterprise risk management.

Discuss

Discuss the physician and allied health professionals credentialing.

Describe

Describe the benchmarking and performance improvement attributes that contribute to the risk management process.

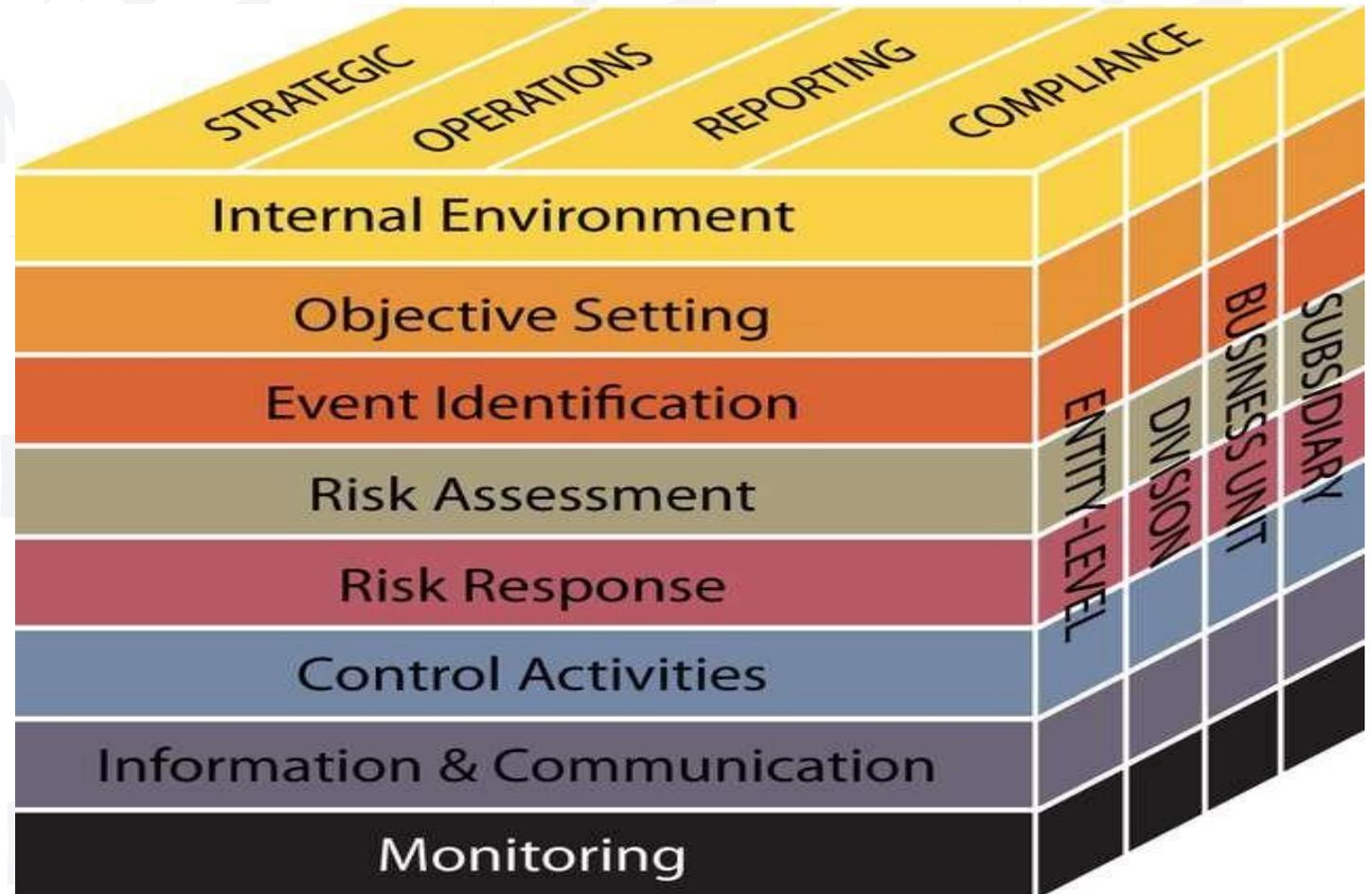


Risk Manager role in healthcare operations

- identify potential sources of loss faced by the organization.
- assess potential economic loss identified exposures may have on the HCO.
- apply loss control techniques to minimize losses to HCO.
- identify and apply appropriate risk financing technique to the organization potential losses.
- implement and monitor risk management policies and procedures.
- maintain confidentiality and ethical issues.

Enterprise Risk Management

A framework of activities assists in identifying and managing risks holistically considering all forms of risk in an organization
(Risk portfolio).





Element of a Risk Management Program (RMP)

1. Organizational commitment & support.
2. Define authority, role, description, goals & scope to enact change, communication & provide accountability.
3. Establishing formal & informal risk management activities.
4. Write RM plan (purpose, structure, process of RM activities).
5. Develop outcomes measures to assess effectiveness of RM activities.
6. Achieve program acceptance from staff.
7. Provide visibility and education on related RM topics at orientation & CME.



Risk Management Department

- Accurate, comprehensive job descriptions for the risk management professional and related staff.
- A risk management plan updated regularly (purpose, overview, structure & process of RM activities) within the organization.
- Number & scope of staff depend on organization size, services offered & structure of RMP.
- Identify risk exposure in relation to: **Values, Perils & Consequence of Loss.**

Risk Management Operations: Managing RM Department

- **Developing RM plan and policy statement.**
 - **Major functional areas include:**
 - Loss prevention and reduction.
 - Claims management.
 - Risk financing.
 - Regulatory and Accreditation Compliance.
 - Risk Management Operations and Bioethics.
- **Training and Supervising staff.**
- **Coordinating RM committee activities.**
- **Developing goals.**
- **Evaluating effectiveness.**



Risk Management Program

- A. Objectives.
- B. Legislative and regulatory mandates developed in some states require hospital to Implement Risk Management Program.
- C. Standards for accreditation increasingly include risk management requirements.
- D. E- RM program effectiveness can be evaluated using performance activity measures, outcome measures, and financial measures.
- E. RM Policy and Procedure Manuals.



Risk Management Program-cont'd

A- Objectives:

- 1- Select Risk Reduction Strategies.
- 2- Implement the selected technique.
 - Technical decisions.
 - Managerial decisions.
- 3- Monitor Outcomes.
 - Reduce and Monitor the number and size of payments.
 - Identify the most economical approaches to risk financing.
 - Improve the Quality and Patient Safety.
 - Quantify the cost of risk.
 - Quantify the tolerance for risk.
- 4- Allocate costs.



Key attributes of RM Program

- A- Authority.
- B- Visibility.
- C- Communication.
- D- Coordination.
- E- Accountability.





Scope of RM Program

A- Primary purpose of RM program is to protect HCO's assets against loss and minimize impact of losses when they do occur.

B- Scope of the program may include risk financing, claims management, and loss control across the entire enterprise in the following areas:

- 1- Patient care-related risks.**
- 2- Medical staff related risks.**
- 3- Employee related risks.**
- 4- Property related risks.**
- 5- Financial related risks.**
- 6- Other risks.**
- 7- Business continuity issues.**



Scope of RM Program

1- Patient care-related risks.

- A- Confidentiality and HIPPA.
- B- Advance directives, DNR, and Medical Power of attorney.
- C- Abuse and Neglect.
- D- Informed consent and implied consent.
- E- Discrimination.
- F- Delay of treatment.
- G- Missed diagnosis.
- H- EMTALA: appropriate triage, stabilization and transfer of patients.
- I – Access to care.
- J- Competency of patient care staff.
- K- AMA and elopement.



2- Medical staff -related risks

A- Peer review and QI.

B- Confidentiality.

C- Credentialing, privileging, disciplinary actions.

D- Impairment.

E- Billing, business situations and incentives: HHS office inspector general (OIG) fraud and abuse.

F- Gatekeeper obligation under managed care plans.





3- Employee-related risks.

- A- OSHA compliance.
- B- Workers compensations, TPAs.
- C- Pre employment physical.
- D- Employment practices.
- E- EEOC: discrimination and allegations.





4- Property -related risks.

- A- Assets structures.
- B- Earthquake.
- C- Flood.
- D- Windstorm.
- E- Boiler and Machinery.
- F- Vehicles.
- G- Equipment.
- H- Records retention including electronic media.





Scope of RM Program

5- Financial -related risks.

- A- Directors and officers.
- B- Healthcare providers.
- C- Errors and omissions.
- D- Business interruption.
- E- FTC compliance.
- F- Ostensible agency, vicarious agency.



Scope of RM Program

7- Business continuity risks.

- A- Essential functions.
- B- Incident command.
- C- Mitigation.
- D- Recovery.



RM and the board:

- **Governance of the hospital sets the organization policy that supports RM by:**
 - Approving and supporting the mission, mission, and operating policies.
- **Legal duties of healthcare trustees.**
 - Board has the ultimate legal responsibility for all aspects of the entity's activities and services.
 - Board assigns to medical staff "reasonable authority" to ensure professional care to patients.
 - Board shall require, consider and act upon reports of medical care evaluation, utilization review and other matters related to quality of care.



RM and the board.

- **Legal duties of healthcare trustees (continued).**
 - Board shall require:
 - Direct all reasonable steps be taken by medical staff to meet all legal standards.
 - Take all reasonable steps to comply with all laws and regulations.
- **Duty of Care:**
 - Duty to act in good faith as a reasonable prudent person.
 - Duty to act in the best interest of the entity.
- **Duty of loyalty.**
 - No competing with the entity.
 - No disclosure of confidential information.
 - No usurping opportunities for personal financial gain.
 - No personal enrichment at the entity expense.



**RM and the
board.
Liability of
board
members -
Corporate**

- **Environmental Pollution.**
- **Antitrust/anticompetitive practices.**
- **Fiscal responsibility (effective accounting practices).**
- **Insuring protecting assets.**
- **Medicare fraud and abuse.**
- **Appropriate use of executive/closed meetings.**
- **Protection of confidential information.**
- **Content and circulation of minutes.**



The Risk Manager and the board

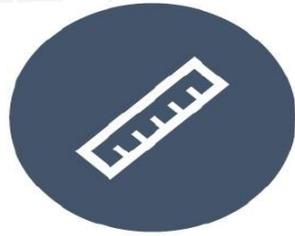
- Supports the board's oversight responsibilities.
- Risk Manager role in educating the board:
 - New member orientation.
 - Periodically presenting RM topics to the board.
 - Regularly reporting, directly to the board through committees.(significant claims, trends, issues, cost of risk)



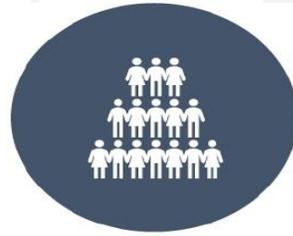
Risk Management Program

1. Identify and Analyze loss exposure.
2. Examine Alternative RM techniques/treatments.
3. Select best risk management technique/combination of techniques.
4. Implementing selected technique.
5. Monitoring & evaluating and improving RMP.

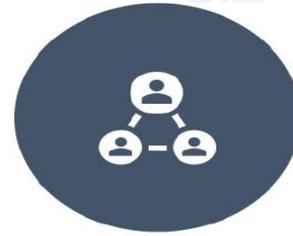
I Eat Sugar In the Morning



SIZE.

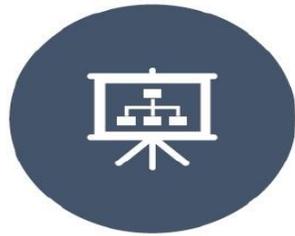


SCOPE OF SERVICE.



AVAILABLE RESOURCES.

Select appropriate RM Program



LOCATION OF THE ORGANIZATION TO BE SERVED.



TYPE OF THE FACILITY/ORGANIZATION.



REPORTING STRUCTURE.



ERM Risk Domains

1. **Operational risks**: inadequate/failed internal processes, people or systems.
2. **Clinical & patient safety risk**: failure to follow EBP, medication errors and wrong site surgery.
3. **Financial risks**: loss of financial assets through liability judgments & settlements.
4. **Legal and regulatory risks**: failure to identify, manage & monitor legal & regulatory mandates.
5. **Hazard risks**: losses to physical plant and property.
6. **Human capital risks**: losses through death/injury of employees.
7. **Technology risks**: losses associated with use of hardware/devices & tools.
8. **Strategic risks**: intangible losses to public image and reputation.



1. Identify and Analyze loss exposure.

Assessment = Identification + Analysis

- Evaluate organizational-wide processes.
- Begin with high risk (severity), high-volume(probability) & high-visibility areas.
- Ensure all stakeholder levels given opportunity to provide input, demands, and considering all the risk domains.
- Risk Mapping (prioritizing) used for assessment.
- Assessment is done on a Risk Register.



Incident Reporting

Any happening that is not consistent with the routine care of a particular patient or an event that is not consistent with the normal operations of a particular organization

- Incident reports are the **cornerstone** of a health care risk management program
- **Reports should be:**
 - Objective, reported to RM department.
 - Coded, analyzed, and trended
 - Protected from discovery if at all possible
 - Content includes: Demographic, Facility-related information, Description and details of incident



Occurrence Reporting Vs Screening

- **Occurrence:** an unexpected patient medical intervention, intensity of care or healthcare impairment
- **Focused Occurrence Reporting** –staff given clear guidelines and specific examples of reportable incident (surgical .treatment, blood, medication ,fall)
- **Occurrence Screening** - system that utilizes a clearly defined list of patient occurrences with which medical records are screened (retro ,concurrent)
 - Screeners looking for deviations from practice, policy and procedures
 - Used in areas that are considered high-risk or problem prone



Risk Analysis



- A process of determining:
 - The potential severity of the loss associated with an identified risk,
 - The probability that such a loss will occur, and
 - The frequency of such a loss
 - Provide an initial means of prioritizing assessed risks
- Metrics utilized to analyze risks (KRIs)



Risk Mapping/Prioritization Analytic Tool

RISK ASSESSMENT MATRIX – LEVEL OF RISK

Likelihood		Consequence				
		Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Rare	1	1	2	3	4	5
Unlikely	2	2	4	6	8	10
Possible	3	3	6	9	1	15
Likely	4	4	8	12	1	20
Certain	5	5	10	15	2	25

Key:

Low Risk
1-3

Moderate Risk
4-6

High Risk
8-12

Extreme Risk
15-25



Risk Register Template

Risk Register Level:									
Unit – Division:					Month:			Risk Owner:	
Risk Index	Risk Type	Risk Description	Likelihood	Impact	Overall Rating	Required Action	Action Owner	Expected Action Completion Date	Risk Response Status



Risk Identification Systems

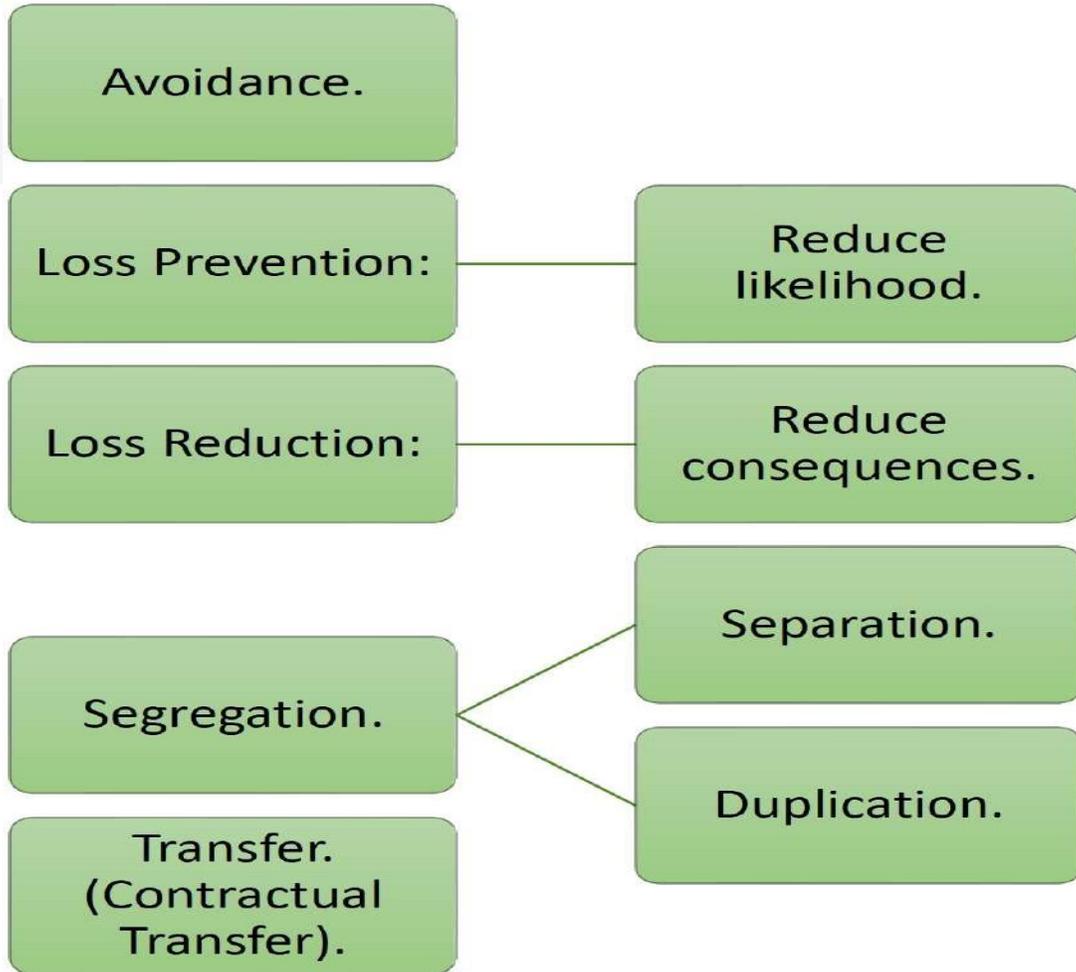
Risk Identification Systems



Informal: claims, indicators, complains, flowcharts and committee meetings.



Formal: incident reporting, sentinel events tracking, FMEA, device reporting.



2 & 3. Examine RM techniques/treatments & Select



4. Implementation & Monitoring

- Effective implementation requires cooperation on technical decisions made by RM professional & managerial decisions made by managers.
- Risk control implementations must include effective communication between stakeholders & provide any necessary education, training or resources.
- Monitoring to assess the effectiveness of techniques employed.
- Monitoring is a mechanism to identify risks associated with new services.



Policies & Procedures (P&Ps)

- Measure compliance with established policies and procedures.
- Comparing overall performance against departmental goals & objectives (loss/claim experience)
- P&Ps requested and reviewed by accreditation, regulatory & licensing agencies as well plaintiff counsel in litigations.
- Appropriate management: consistent format, implementation date, updated at least annually, revisions are note.



Guideline to managing risks in P&Ps

1. Define all terms used in the policy in a standard format.
2. Choose names that are simple and recognizable to staff.
3. Attempt to combine separate policies on the same subject.
4. Responsibilities stated should be clear.
5. Obtain approval/ sign-off from key stakeholders.
6. Include a date of origin, review dates, approval and implementation date.
7. Cross-reference other policies on similar subjects.
8. Include references, evidenced-based sources of information & any specific laws.



Education & Risk Management

- Providing information to staff through warnings/labels/posters/ sharing safety alerts
- **Education action plan** to address key risk management activities:
 - Purpose of risk management.
 - Components of the risk management process.
 - Incident reporting process.
 - Positive patient relations.
 - Applicable federal and state laws.
 - Any identified area that needs improvement.



Safety Programs in HCOs

- 1. Patient safety.**
- 2. Environmental safety:** include plans for building safety & security, HAZMAT, utility & medical equipment management & emergency management.
- 3. Employee safety:** substances and diseases represent hazards addressed by OSHA (workplace violence, mercury, stress, slips/falls).
- 4. Workplace violence:** verbal abuse, disruptive patients & coworkers.



Peer Review process

- Peer review is an important tool for improving quality of patient care and for managing providers who may have quality of care issues.

HCQIA established:

1. protection for data relating to adverse outcomes that were created or discussed during the peer review.
2. fair hearing standards for reviewed providers to ensure actions taken are objective.



Credentialing & Privileging process

Credentialing اعتماد is a process the hospital uses to review, assess & recommend clinical privileges تاز لسريره for a physicians.

Done by: hospital's credentials committee or regulatory bodies.

Risks related to credentialing & privileging process:

1. Fiduciary and legal duties: federal & state law, CoPs, accreditation bodies.

2. Adverse credentialing decisions: a physician may challenge the decision through fair hearing/litigation/violations of anti-discrimination laws/failure of HCQIA.

3. Negligent credentialing claims: governing boards are subject to such claims.

K P I S
Medical

Infinite Giving
عطاءً بلا حدود



Allied healthcare Professionals Credentialing:

- Types include:
 - Physicians assistants.
 - Nurse assistants.
 - Nurse anesthetists.
 - Nurse midwives.
 - Other independent licensed professionals.



Addressing the Risks

1. Review with counsel medical staff bylaws, rules & regulations, P&Ps, application forms.
2. Medical staff bylaws requiring all credentialed practitioners to promptly report all claims/lawsuits/adverse actions taken against them by other health care entities.
3. Verification from primary sources (NPDB) & document in the credentialing file.
4. Establish organization-wide mechanism communicating information about privileges granted/revoked.
5. Medical staff bylaws that include a hearing and appeal process protecting practitioners' due process rights.
6. Credentialing process for distant providers of telemedicine services that meets CMS & state law.
7. Investigate all gaps in credentialing information & explain it.



ROUND THREE

6 Qs.



1. Which of the following are the requirements for a hospital physician to perform robotic surgery?

A. The physician can obtain approval from the president of the hospital.

B. The physician must meet all credentialing and privileging requirements of the hospital for this procedure.

C. The physician can follow the bylaws, rules and regulations, and policies and procedures from another organization pertaining to this procedure.

D. Federal and state laws are silent concerning credentialing and accreditation standards specific to healthcare delivery.



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Answer: B



2. A key performance indicator designed to measure effective

risk management performance is the number of claims:

- A. where the notice of claim was the first notice of the event.
- B. where the notice of claim exceeded the statute of limitations.
- C. where the notice of claim is within the statute of limitations.
- D. That receive a defense verdict at trial.



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Answer: A



3. When evaluating IT systems for potential impact of a ransomware attack, which of the following findings should be the highest priority on an action plan?

- A. Monthly software updates and maintenance.
- B. Computer files being backed up only once per day.
- C. Backup files contained on an encrypted, external hard drive.
- D. The absence of a firewall between the network and the hosted digital backup storage (the cloud).



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Answer: D



4. Which of the following policy statement mitigates telemedicine credentialing risk exposure?

A. Providers should obtain licensure in both the state where they are located and the state where the patients are located.

B. Specific reimbursement billing codes should be monitored to verify utilization and compliance.

C. Technical safeguards such as testing interoperability of systems and verification of data receipt should be implemented.

D. A professional liability insurance policy with an exclusion for telemedicine should have a specific endorsement to provide coverage added.



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Answer: A



5. Medical Staff Credentialing is mainly governed by which of the following?

- A. CMS Conditions of Participation and physician practice guidelines
- B. Accreditation standards and state law
- C. American Medical Society and accreditation standards
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Answer: B



6. The exchange of financial information during a potential acquisition

occurs during:

A. due process.

B. due diligence.

C. dual capacity.

D. duty to care.



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Answer: B



7.A hospital-informed consent policy and procedure should provide clinical staff with which of the following?

- A. how to persuade a patient to consent to a procedure
- B. categories of procedures for which documented informed consent is required
- C. how to develop an informed consent form that will reduce hospital liability risk
- D. methods for explaining the risks and benefits of specific Procedures



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Answer: B