Preparing the Healthcare Risk Manager for 2016 and Beyond

Oregon Society for Healthcare Risk Management 2016 Annual Conference

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Disclaimer

This presentation is not intended to be and should not be used as a substitute for legal or medical advice. Rather it is intended to provide general risk management information only. This presentation may contain time sensitive information. Legal or medical advice should be obtained from qualified counsel to address specific facts and circumstances and to ensure compliance with applicable laws and standards.
Discuss five of the top major challenges facing healthcare organizations in 2016 and beyond

Describe how the ERM process can be used to assist healthcare organizations manage these challenges

Identify the characteristics of an effective hospital risk manager

Discuss strategies for engaging physicians and employees in risk management activities
The Evolution of Risk Management

- Medical malpractice crisis of the mid-1970s
- 1980 – ASHRM established
- Risk Management – “a specialized field”
- Enterprise Risk Management (ERM) – Expanding the traditional process
2009 Profile: Hospital Risk Manager

- Average Age – 49.4 years
- Years In Risk Management – 10 years
- Years in Position – 5.7 years
- Majority with Clinical Background (81.5%)
- Avg. Annual Compensation – $94,526.10

2009 ASHRM Salary Survey (not-for-profit hospital risk managers)
2012 Profile: Hospital Risk Manager

- Average Age – > 50 years of age
- Years in Risk Management = > 10 years – 52%
- Years in healthcare – > 20 years – 74%
- Clinical Background – 58%
- Almost half of risk management staffs are “one-person shops”
What That List Looks Like in 2016

1. Financial challenges
2. Healthcare reform implementation
3. Governmental mandates
4. Patient safety and quality
5. Patient Satisfaction

Source: 2014 ACHE annual survey
What That List Looks Like in 2016

6. Physician–hospital relations
7. Population Health Management – Care for the uninsured/underinsured
8. Technology – EMR
9. Personnel
10. Pandemics

Source: 2014 ACHE annual survey
What That List Will Look Like in 2020

1. Decreased number of nurses and physicians; increased # mid-level providers
2. Growing expertise in Enterprise Risk Management
3. EHR impact on effective population health management
4. Continued transition from inpatient to outpatient care
What’s Missing From these Lists?

- Supply Chain Issues
- Workplace Violence
- Balancing transparency and privacy in the digital age
- Changing lines of authority/staff empowerment
- Communication failures
ASHRM Definition of Enterprise Risk Management (ERM): “Enterprise risk management in healthcare promotes a comprehensive framework for making risk management decisions which maximize value protection and creation by managing risk and uncertainty and their connections to total value.”

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<th>Domains of Risk</th>
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<td>Operational</td>
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<td>Clinical/Patient Safety</td>
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<td>Strategic</td>
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Walking through an RM issue in an Enterprise Way

Workplace Violence

Evaluate synergistic effect of risk
Challenges with the ERM Process

- Misunderstanding and misperception of ERM
- Existing culture and processes not responsive to an ERM culture
- Management’s commitment to ERM is inconsistent and periodic
The Ideal Risk Manager – 2016 and Beyond
What’s In The Literature

- How do I begin?
- What sources should I use?
- What are the best sources to use?
- How do I find the sources?
'This Isn’t An Exact Science

ONE SIZE DOES NOT FIT ALL
Considerations

- Size
- Location(s)
- Economy
- Board of Directors Support
- The C–Suite’s Support
- Medical Staff Support
Considerations

- Unionized employees
- Corporate goals
- Organizational Culture
- Competing Priorities
- Resources
Other Factors

- Skills and Talents
- Personal Style
- Preferences & Prejudices
- Network
The Board’s Viewpoint

- Patient Empowerment
  - Institute of Medicine reports

- Financial Pressures
  - Medicare reimbursement
  - “Never Events”
  - Rising operating costs/decreasing return on investments

- Lawsuits Involving Hospital Boards
  - Director & Officer lawsuits
    - Medical Staff Privileging
  - Antitrust allegations
    - Sherman Act
    - Clayton Act
  - Employment practices litigation
  - Medical negligence claims
The C-Suite’s Viewpoint

“Complacency is one of the greatest risks to an organization today” (Allen Weiss, MD, President & CEO, NCH Health Care System)

“When you are in a situation where there’s more risk, there’s always a financial impact behind it (driving it) somewhere” (Diane Cross, President & CEO, Fraser)

“All healthcare organizations are trying to determine how to improve operational efficiency, which is complicated by the ambiguity, layers of complexity, and risk created by new and existing regulations” (Mark Koch, Chief Administrative Officer, Mayo Health System)

“New people, new processes, new locations, new types of patients, new regulations, and new compliance mandates potentially create a plethora of new risks to be understood and avoided” (Tom Priselac, President & CEO, Cedars Sinai Medical Center)
Physician Viewpoint

- Reimbursement
- Demonstrating value-based medicine
- Government mandates
- Increased demand in the face of physician shortages
- Medical malpractice liability
- Work–Life balance
Employee Viewpoint

- Work–Life balance
- Staffing shortages
- Workplace Violence
- Keeping up with the science and technology
- Exposure to infectious diseases – i.e. Ebola
- Documentation expectations in an electronic record environment
Other RM Experts Consulted

- Diverse risk management backgrounds
- More than 100 collective years in risk management
- Consultants and hospital and physician risk managers
- Across the United States
What The Experts Say

- Highly Motivated
- Forward Thinking—Not Afraid of Change
- Knowledgeable
- Excellent People Skills
- Good Communicators
- Excellent Time Managers
- Role Models
- Educators and Consultants
Why MDs & Employees Avoid Us

- Bad past experience – horror stories
- Don’t understand/appreciate risk manager’s role
- Fear the consequences of stepping forward
- Lack of effective communication skills
- Lack of leadership savvy
- One way communication – lack of feedback
- Location of risk manager’s office
- “Desk bound” risk manager
- Don’t have time
Where we’ve made some inroads.....

- Being more consultative than directive (not going to tell you “you can’t do it”)
- Engaging outside the usual silos
- More frequently invited to the table
- Progress with Board and C-Suite engagement
- Physician practices are opening the door to risk management
Where Do I Start?

- Review Your Job Description
  - Accurate?
  - Good Fit?
  - Sufficient supporting cast?

- Self Evaluation
  - What is my personal style?
  - What are my strengths?
  - What are my weaknesses?
  - Where do I have opportunities?
  - Where am I a threat to my own success?

- Seek A 360° evaluation
The Four Basic Business Personalities

- Directors: Firm & forceful, confident & competitive, decisive and determined risk-takers. Impatient sometimes but leave no doubt who sits at the head of the table.

- Socializers: Outgoing, optimistic, enthusiastic people who like to be at the center of things. Have lots of ideas and love to talk.

- Relaters: Genial team players who like stability more than risk and who care greatly about relationships with others. Likeable but sometimes timid and slow to change.

- Thinkers: Self-controlled and cautious, preferring analysis over emotion. Love clarity and order but may come across as a bit starchy.

Where Do I Start?

- Be introspective
- Get up to speed
- Establish board & senior leadership *interest*
- Get your feet in the water
- Identify natural areas of cross-over
- Establish board & senior leadership *support*
- Start small
- Establish board & senior leadership *investment*
Engaging Physicians in Quality & Safety

- Discover Common Purpose
- Reframe Values and Beliefs
- Segment the Engagement Plan
- Use “Engaging” Improvement Methods
- Show Courage
- Adopt an Engaging Style

Engaging Others In RM Activities

- Make yourself available & approachable
- Get out of the office
- Be an encourager
- Change things up
- Stay on top of evolving healthcare issues
- Share what you know
- Don’t be afraid to say, “I don’t know”
- Be a team player
- Maintain a positive attitude
- Demonstrate confidence
- Propose solutions
Effective Communication Tips

- Always try to give feedback based on facts and not on opinions and/or emotions
- Always try to empathize or see a situation from the other’s point of view
- Critique using neutral language and tone of voice
- Say what you mean without becoming sarcastic
- If you want something from others, ask, don’t command
Effective Communication Tips

- Give the other person a chance to speak
- Explain why something needs to happen, don’t threaten
- Don’t give advice or opinions if people don’t ask for it
- Be to the point, avoid vagueness at all cost
- Don’t talk down or up to others; avoid diverting the conversation to trivial matters
- Engage experts to improve presentation skills (we can always be better at this)
One Final Perspective

And the question is……
“What is a good risk manager and what do they do?”
Final Thoughts

- Ask the hard questions
- Actually listen to the answers
- Ask the dumb questions
- Ask the powerful questions to reveal facts
- Make clear decisions
- Take some risks – be willing to swim with the sharks
- Allow yourself to have gut feelings
- Don’t try to manage everything
- Remember that risk management is a “Team Sport”
- Plan for succession
- Stay connected with your peers
Resource List

- ASHRM web-site: www.ashrm.org
- IHI web-site: www.ihi.org
Thank you!

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