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## Integrating Risk Management and Quality Improvement

A growth-oriented healthcare organization demonstrates a commitment to continued improvement in order to focus on its primary mission — protecting those entrusted to its care.

Making enhanced patient safety a reality requires integration of Risk Management and Quality Improvement efforts. By coordinating these two functions, organizations can better identify and address potential problems. This approach also will promote a safer environment, minimize dissatisfaction, deter complaints and diminish the threat of litigation.

### Risk Management

The process of managing risk encompasses five basic initiatives:

- **Prevention:** Proactive risk awareness and safety programs ensure that staff members are aware of potential risks and provide an understanding of how they can help protect patients, visitors and themselves.
- **Correction:** Post-incident remedial actions minimize the impact of adverse events and help prevent future events.
- **Documentation:** Thorough and complete patient records, as well as comprehensive policies and procedures, facilitate better communication and stronger legal defense efforts when necessary.
- **Education:** Creative and meaningful programs engage personnel in organizational risk-reduction initiatives, leading to a more empowered and effective staff.
- **Interdepartmental coordination:** Creating a framework that encourages departments to work together fosters a safer organizational environment.

Together, these five elements allow healthcare organizations to minimize risks by responding more effectively to incidents. Importantly, these initiatives are aimed at

correcting potential hazards and preventing errors *before* they affect the health and safety of patients or others.



### Quality Improvement

The overall goal of Quality Improvement is to improve financial, clinical and operational outcomes, all of which are interrelated. For example, if accounts receivable are collected in a timely manner, the consistent revenue stream (financial outcome) may be used to invest in highly trained staff. This approach also will serve to improve patient care (clinical outcome) and patient flow efficiency (operational outcome). A well-run organization encourages a wide range of formal and informal Quality Improvement efforts, addressing matters both large and small.

Quality Improvement focuses on process issues because most inefficiencies and errors in organizational settings are the result of process failures. These failures can be identified and corrected more readily in an organization that works to empower its staff. Employees must understand that they are accountable for the processes they implement. Managers must be able to provide their staff with the resources they need to fulfill their responsibilities and the authority to address issues that arise.

Examples of processes include utilization of clinical protocols, medication administration programs, patient admission, documentation in a patient's chart and patient education. Quality Improvement efforts involve monitoring these and other processes to

measure outcomes, identify problems and establish new parameters for improved performance.

Processes can be improved and adverse occurrences prevented by developing and implementing quantifiable indicators, or measurements, to gauge effectiveness and detect potential care problems. In the outpatient setting, important risk and quality indicators that the organization should monitor include, but are not limited to, the following:

- patient death or serious complication following care
- unplanned return visits
- adverse drug reactions
- failure to perform ordered tests
- failure to report or document test results
- misplaced or mislabeled specimens
- patient or visitor accidents

When the indicator is triggered, relevant staff should be encouraged and empowered to analyze the process, identify flaws and quality of care issues, and suggest constructive changes. An important diagnostic tool is the process flowchart, a pictorial diagram of all steps in a designated sequence. By using a flowchart to identify flaws and redesign faulty processes, staff or administrators can minimize the possibility of future errors or problems. For example, if excessive waiting times are recognized as a trend, a process flowchart from the patient point of entry through the time they leave can help to spot bottlenecks and suggest possible solutions.

### An Integrated Approach

Risk Management and Quality Improvement are aligned in their focus on identifying potential problems and implementing corrective strategies. Integrating the two programs can strengthen administrators'

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and staff members' abilities to minimize errors, enhance efficiency and improve care.<sup>1</sup>

The framework for the integrated Risk Management and Quality Improvement program should be documented in a plan provided to all staff members. The plan should explain scrupulously how the joint program works and their specific roles. It should also include the goals of program integration and assign accountability for implementation. Finally, the plan should address problem identification, process monitoring and analysis, and implementation and evaluation of improvements.

To coordinate the program, consider establishing a committee that meets on a regular basis and that includes representatives from all departments. By keeping committee minutes and issuing action plans,

you can promulgate the committee's decisions throughout the organization and facilitate follow-through regarding identified problems and adverse trends.

Integrating Risk Management and Quality Improvement can produce a safer patient, employee and visitor environment for your practice. In addition, a coalescence of these key elements will assist in providing a stronger legal defense posture should an adverse event occur.

It takes time and effort to develop, implement and refine an integrated Risk Management/Quality Improvement program. However, the benefits of such a program – including a reduced error rate, more efficient operations and decreased litigation risk – make it a worthwhile investment for even the smallest and most specialized healthcare organization.

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**A**s staff shortages intensify in the healthcare industry, temporary staffing and locum tenens agencies have come to play an essential role. Practices of every description now rely upon these firms to fill openings ranging from medical and nursing staff to administrative and maintenance positions.

Temporary personnel provide an important measure of flexibility, allowing organizations to adjust quickly to employee absences, leaves and departures; chronic staffing shortages; and sudden surges in demand for services. Facilities also benefit from the ability to fill critical openings and to evaluate candidates for possible permanent employment. Hired on a short-term basis – generally six months or less – temporary workers can help an organization maintain adequate staffing levels, reduce its human resources burden and strengthen its bottom line.

Typically, temporary personnel are either employed directly by the staffing agency or are independent contractors affiliated with it. In both cases, the agency is responsible for overseeing payroll functions (including tax withholding), paying unemployment and workers' compensation insurance premiums, and providing other benefits, such as savings plans or health insurance. The staffing agency is responsible for screening, testing competencies and training temporary employees in job-related skills. Many agencies offer classes aimed at helping healthcare professionals meet continuing education requirements and maintain their licenses in good standing.

While the use of temporary agencies helps alleviate some hiring risks, the practice also raises significant safety

and liability concerns. Let's take a look at some of the significant issues, and review some practical risk management strategies.

### Major Liability Concerns

A temporary employee who lacks a practice-specific orientation, proper credentials, training and/or professional liability insurance coverage leaves your organization legally vulnerable in the event of patient injury. Before bringing a temporary staff member into your organizational structure, consider the following critical exposures:

**Contracts.** If a contract fails to specify who is liable in the event of a claim, your organization may, by default, become the responsible party in a lawsuit. To protect yourself, legal counsel should review all staffing agency contracts to ensure the presence of protective hold-harmless and indemnity provisions, including provisions adequately covering the key issues of confidentiality, terms, renewal and termination. The contract should delineate the agency's responsibilities with respect to employees' or subcontractors' competence level, as well as its duty to perform criminal background checks and other standard staff screening procedures. In addition, contracts should address the eligibility of temporary employees for benefits and other forms of compensation. Finally, contracts should protect your right to specify training and experience requirements, and also hold the agency responsible for replacing in a timely manner any staff members who do not meet your needs.

**Insurance requirements.** Insurance coverage is a critical risk management issue for temporary employees and must

be periodically checked and documented. Contracts should specify the agency's insurance requirements, ensuring that temporary staff members have all necessary coverages, including professional liability (when appropriate) and workers' compensation insurance. Temporary personnel should have coverage limits equal to those of your fulltime employees, underwritten by carriers rated A- or better by A.M. Best.

**Credentialing.** Your agreement with the staffing agency should obligate it to perform personal interviews; conduct federal, state and local criminal background checks; and evaluate and periodically verify the licensure and competence of prospective candidates. The agency should require prospective temporary staff to submit a credentialing file containing licensure, certificate of insurance, physical examination results, inoculation records and proof of U.S. work eligibility, plus education, training and certification documents. Finally, the agency should verify with the applicable licensing board that the temporary worker has no pending or prior investigations on record, and document this finding in the credentialing file.

### Working with Temporary Staff

For the benefit of both patient safety and employee morale, temporary staff members should be held to the same standards as permanent staff, and treated with the same degree of respect and consideration. Here are some of the specific risk management issues to address when utilizing temporary staff:

**Initial assessment.** Always test and document basic competency before allowing temporary staff members to take on a new job responsibility at your practice. If a previously hired temporary worker returns to a similar position at your practice, explain any changes in policy and procedure that have occurred in the interim. In addition, verify that he or she has retained the necessary knowledge and skills to perform delegated tasks.

**Orientation.** The orientation program should effectively communicate your organization's expectations to temporary employees, answer any questions, provide introductions to colleagues and facilitate a smooth transition. During orientation, temporary staff members also should be required to review your facility's policies and procedures and sign a form indicating that they will comply with regulations. This form, and other personnel documents, should also be maintained on file with the staffing agency.

**Training and supervision.** Every new work assignment, skilled or unskilled, should be preceded by a thorough and well-documented training program in addition to orientation. Appoint a seasoned supervisor as a resource to assist newly-hired temporary staff with the transition and to provide initial monitoring. This close supervision should continue until staff members have demonstrated full proficiency.

**Confidentiality.** As with full-time employees, temporary personnel must understand the Health Insurance Portability and Accountability Act of 1996 (HIPAA) legislation, state confidentiality statutes, laws governing patient privacy requirements and relevant institutional practices. While HIPAA training generally occurs as part of the orientation process, responsibility for temporary staff knowledge and acceptance of privacy regulations should reside with the staffing agency. Require

that the agency have temporary personnel sign binding, HIPAA-compliant confidentiality statements, and then place these executed documents in their personnel files.

### Questions to Ask of Staffing Agencies

It is a good practice to work with a small number of reputable, well-established agencies that have demonstrated their ability to provide competent staff and responsive service. With such relationships in place, both parties are more likely to have a mutual understanding of expectations and responsibilities.

Before executing any contract with a temporary staffing agency, ensure agency representatives can answer the following questions to your satisfaction:

- What services are covered by agency fees?
- What categories of healthcare providers are available, and what type and level of care are they qualified to deliver?
- Does the agency verify each prospective employee's work experience and educational background in writing and perform criminal background checks at least annually?
- Does the agency warrant in writing that candidates are properly licensed and credentialed?
- How thorough are the agency's skills assessment and competency testing procedures?
- How does the agency respond to a client who does not find the staff member to be a good "fit"?

For many healthcare practices, temporary staffing agencies have become indispensable for managing workload fluctuations and staff shortages. However, it is necessary to be mindful of the risks associated with hiring temporary workers, notably exposure to allegations of negligent hiring, credentialing and/or supervision.

To protect your patients and your organization's assets, be sure to select temporary staffing agencies carefully, require legal counsel to scrutinize all contracts, and take measures to integrate temporary staff successfully into your workforce.

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# Hiring Checklist: Preparing for the process

As a business owner, you are responsible for ensuring that all care your employees and contractors provide to your patients is safe, quality care. The first step to ensuring this is hiring personnel who are qualified, competent and dedicated to patient welfare. By selecting skilled, dependable employees you establish your organization's health and safety culture, and can help avoid long-term financial and operational problems. One way of accomplishing this is background checks and drug screening. Consider incorporating the following strategies into your screening and hiring procedures, so you can significantly minimize risk.

## Where Do I Start?

Before you even begin the hiring process, there are steps you can take that can complement your employee background and drug screening program, and can help safeguard your practice:

- ✓ Seek legal employment counsel to determine all county, state and federal laws within your operating states.
- ✓ Place prominent signs around your office that state you conduct background checks and drug testing.
- ✓ Place a notice on your Web site stating the same.
- ✓ When you advertise a job opening, consider placing the following words after the ad: "background checks required."
- ✓ With the help of your lawyer, write a background screening policy and plan on distributing it to all potential employees.
- ✓ Create background screening authorization forms for applicants and obtain their authorization in advance. Often the screening company you hire will have forms available for your use. Consider getting the authorization before they complete your employment application.
- ✓ Establish a policy to insist that your temporary employment agency perform criminal background checks. Make sure you get copies of information,



## The Hiring Process

- ✓ Require all potential employees to complete, sign and date an application. Only request information that demonstrably relates to the applicant's suitability for the position – e.g., educational attainments, certifications and past employment history.
- ✓ Conduct general and criminal background checks to identifying unsuitable applicants. Check for motor vehicle citations if the job includes driving duties. Be sure to have the applicant authorize the inquiry in writing.
- ✓ Conduct drug testing to filter out potentially undesirable employees. Keep in mind that you must conform to applicable state laws and to the Americans with Disabilities Act. Model guidelines are available from the Institute for a Drug-Free Workplace at [www.drugfreeworkplace.org](http://www.drugfreeworkplace.org).
- ✓ Conduct health screenings including those potential staff members that will be involved in areas that require less direct patient contact, such as patient administration and housekeeping. Focus primarily on the applicant's immunization history and exposure to tuberculosis, hepatitis B, herpes simplex, herpes zoster and other communicable diseases. Be sure to follow all federal and state laws.
- ✓ Require vendors and independent contractor companies who are on your premises to perform background checks, drug testing and health screenings on their employees.
- ✓ Always get copies of the reports before employing any staff member or temporary worker.

The actions described here can help your practice minimize the likelihood of making a poor hiring decision. By implementing a thorough and deliberate hiring process, you can ensure that new employees have all necessary qualifications, fit smoothly into the team and are committed to the common goal of providing safe, quality care.

## PT CLAIMS STUDY

Physical therapists play a significant role in optimizing wellness, but if a patient is injured, you can become vulnerable to professional liability claims. For that reason, HPSO worked closely with our underwriter, CNA, to make a claim study available for our PT customers. This study examines key physical therapy liabilities and presents practical risk management strategies that can be incorporated into your clinical practice.

Copies of the claim data study results are now available from CNA at [www.hpso.com/ptclaimstudy](http://www.hpso.com/ptclaimstudy) or by calling CNA directly at 1-888-600-4776.

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