



Risk management is an integral component of a healthcare firm's standard business practice. Healthcare Providers Service Organization (HPSO) and Nurses Service Organization (NSO), the administrators of your professional liability insurance policy, have partnered with CNA HealthPro (the program underwriter) to provide you with the elements of a sample risk management plan. This resource also includes references to how that plan interfaces with the organization’s overall risk management program. Firms may use a customized version of the sample plan to meet the specific needs and unique characteristics of their healthcare practice.

We encourage you to use this as a guide to develop your own risk management plan. This is intended as a suggested general format. Please do not rely solely on the suggested text included in this document. We recommend that you add content that is specific to your business and clinical practice.

**[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 protect patients, staff members and visitors from inadvertent injury. The program is also designed to protect the organization’s financial assets and intangibles, such as reputation and standing in the community.

The risk management plan is a primary tool for implementing the organization’s overall risk management program. It is designed to provide guidance and structure for the organization’s clinical and business services that drive quality patient care while fostering a safe environment.

The focus of the risk management plan is to provide an ongoing, comprehensive, and systematic approach to reducing risk exposures. Risk management activities include identifying, investigating, analyzing, and evaluating risks, followed by selecting and implementing the most appropriate methods for correcting, reducing, managing, transferring and/or eliminating them.

**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 with the assistance of the patient care and administrative staffs. The governing body has overall responsibility for the effectiveness of the program and providing the necessary resources. The governing body’s responsibilities are supported through regular written and verbal communications regarding risk management activities that may affect the organization’s finances.

The role of the risk manager is to maintain a proactive risk management program in compliance with the provisions of federal, state, and local statutes, applicable scope of practice and regulations. The organization may participate with voluntary accrediting organizations. 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 control, organizational/patient safety and environment of care management. The specific description of the risk manager’s role should be addressed in a separate job description 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 provides policies, procedures and protocols to address events which 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 responsibility under the risk management plan. This process is directed by 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.

Risk management will influence, persuade and educate leaders within the following departments in order to achieve 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 Control
* Legal Services
* Medical Equipment
* Medical Staff (if applicable)
* Medical Staff Credentialing (if applicable)
* Patient Relations
* Quality/Performance Improvement
* 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:

* promoting the quality of patient care, in collaboration with quality/performance improvement activities
* enhancing patient satisfaction
* minimizing the frequency and severity of adverse events
* supporting a non-punitive culture that promotes awareness and empowers staff to identify risk-related issues
* enhancing patient safety through participation in National Patient Safety Goals, organizational safety strategies and other patient safety initiatives
* enhancing environmental safety for patients, visitors and staff through participation in environment of care-related activities
* utilizing risk management strategies to identify and minimize the frequency and severity of near misses, incidents and claims
* managing adverse events and injuries to minimize financial loss
* evaluating systems that can contribute to patient care, error or injury
* educating stakeholders on emerging and known risk exposures and risk reduction initiatives
* achieving requirements promulgated by accrediting organizations
* complying with state-specific scope of practice, applicable laws, regulations and standards

**Specific Components**

The risk management program will include the following components:

***Event/Incident/Occurrence reporting***

Event reporting is intended to provide a systematic, organization-wide program of reporting risk exposures to identify potential future liability. The risk management program includes an event reporting system that is used to identify, report, track, and trend patterns of events with the potential for causing adverse patient outcomes or other injuries to people, property or other assets of the organization. It is designed to reduce or ameliorate preventable injuries and property damage, and minimize the financial severity of claims.

The risk manager tracks and trends event data in order to report those findings to the quality/performance improvement department and the department(s) involved in the events for follow-up action.

Certain specific events must be reported to governmental agencies (Sentinel Events) through delineated methods. This is often a responsibility of the risk manager and compliance within established guidelines and time frames is critical.

***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 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 and contracted staff. A separate annual educational program will be provided to focus awareness of risk exposures and current risk prevention activities. Other 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.

***Management of patient and family complaints/grievances***

The organization will have a formal written process for managing patient and family complaints/grievances. This process should detail response to and resolution of patient and family complaints. It 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.

**Claims Management**

In some organizations, claims management is a function outside the risk management program and may have a separate staff with unique policies, procedures and protocols. If the claims management function is included in the risk management plan, it should be composed of the following elements:

* reporting potentially compensable events, unexpected outcomes or patient complaints to the involved department manager, the insurance carrier as appropriate and the organization’s risk manager
* performing initial and ongoing investigation and interviews
* documenting activities and correspondence related to the investigation of the event
* protecting and preserving the patient health information record and/or other documents and evidence for potential future litigation.
* organizing, managing and maintaining claim files
* limiting access to claim files to only authorized individuals under direct supervision of the risk manager
* coordinating activities with the defense team and providing input into the strategy for each claim
* reporting claim management activity to quality/performance improvement and appropriate organizational leaders
* participating in establishing defense/settlement posture
* resolving claims within established limits of authority
* maintaining confidentiality of protected documents
* reviewing, vetting and accepting legal service as appropriate
* timely forwarding subpoenas, summons and complaints to legal counsel

**Reports to the Governing Body**

The risk manager will provide periodic reports to the governing body but at least annually. The report will summarize activities, achievements, and on-going risk management issues that occurred since the prior report.

Additional or ad hoc communication should be held with the governing body for Sentinel Events, significant changes in claim reserves, claims scheduled for trial, events that may result in adverse publicity or news media attention, and severe patient injuries deemed highly likely to result in litigation.

The final annual risk management report should include all the above along with recommendations for risk control activities and identified resource needs for the coming 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 may be distributed outside the quality/performance improvement process only at the direction 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 appropriate 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.

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Signature and Title Date

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Signature and Title Date

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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 HealthPro 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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