SAMPLE RISK MANAGEMENT POLICY: PHYSICIAN OFFICE PRACTICE

Purpose
Risk management is the process by which the human and financial assets of a medical practice are protected against the adverse effects of preventable events that may cause loss and ensures that losses that do occur are properly managed. Risk management also incorporates safety practices into operating procedures so that patient care services are delivered in a safe manner by medical providers and staff. Risk management involves ongoing identification and control of risks and reduction of safety concerns.

Risk identification is accomplished through the collection of information through surveys, risk assessments, and direct observation; analysis of liability claim trends; and use of reporting systems that alert providers and managers to the occurrence of adverse events that harm patients (or place patients at risk for harm) and place the practice at risk for financial loss. In response to identified risks, the practice designs or redesigns procedures to reduce the frequency and severity of adverse events and errors leading to patient harm and to mitigate liability exposures and other risks.

The risk management process utilizes loss assumption, transfer, prevention, and control strategies.

Scope
The risk management policy applies to physicians, practice administrators, managers, mid-level providers, and all clinical and nonclinical employees of the practice. Everyone in the practice is responsible for risk management and patient safety and is accountable for the systems in which he or she works. The policy includes guidelines for identifying risks, assessing alternative methods to reduce risks, selecting and implementing the selected methods, and monitoring the effectiveness of the actions taken.

Objectives
The objectives of risk management are to preserve the assets, reputation, and quality of care of the practice by identifying, reducing, and/or eliminating the risk of loss and by improving patient safety. The following activities support the attainment of these objectives:

- Administration of insurance or self-insurance programs to maximize coverage and minimize expenses
- Examination of all physical premises to identify and correct conditions that are potentially hazardous to patients, employees, providers, and others
- Review of the performance of all providers and staff members to identify and correct any practices that deviate from established procedures or potentially place patients at risk of harm
- Review of the practice’s policies and procedures with revision as necessary to reflect current standards of practice
- Identification and investigation of hazardous conditions, near misses, adverse occurrences, and potentially compensable events to prevent recurrence of similar events and to mitigate losses
- Resolution of complaints to settle disputes, improve patient satisfaction, and improve care and services
- Coordination of the management of claims against the practice and/or its providers or staff in a timely and organized manner and in accordance with insurance coverage documents
- Provision of education programs on risk management and patient safety to heighten awareness of risk management issues and increase compliance with patient safety practices
- Compliance with legal and regulatory mandates
Event Reporting

The practice uses a system to identify, report, and document all events, near misses, and hazards. Information summarized from these reports is used to develop measures to prevent similar occurrences.

The purpose of reporting events is to identify problems or potential problems that may result in untoward events in the practice. The completion of an event report demonstrates conscientiousness and concern for those involved. Communication in the form of positive feedback to providers and staff on improvements made as a result of reported events reinforces use of the system as a nonpunitive means of identifying problems and developing solutions. Other purposes include the following:

- To provide a record of the event and to document factual information about the event
- To encourage staff to identify events, near misses, and hazards
- To provide for prompt treatment of any injuries that may have occurred
- To notify responsible individuals about events and hazards and to allow for prompt investigation of circumstances surrounding an event
- To analyze information generated from reporting events and hazards and to take actions to prevent recurrence and improve safety

Event reports are confidential, internal documents and are maintained in confidential risk management files. Event reports are not placed in patient medical records, and no copies should be made.

Reporting Medical Incidents and Claims

Providing early notice of a medical incident, claim, or lawsuit to the claims administrator or insurance company is important to allow prompt investigation and to defend claims made against insured physicians and practices. Timely notification assists in determining the merits of the allegation(s) made by patients and/or family members. It is important to remember that not all adverse or unexpected outcomes of medical treatment are caused by negligent acts. It may be determined that such outcomes are a consequence of the illness or an unpreventable and/or unforeseeable complication of the medical service(s) provided.

The following are examples of incidents that should be reported to the claims administrator or insurance company as soon as possible:

- Receipt of an attorney request for medical records before the medical records are released.
- Any medical incident, whether minor or severe, that is reasonably likely to result in a future malpractice claim or lawsuit
- Any allegation of injury or negligent care by the patient or family member (This includes any expression of dissatisfaction by the patient or his or her family or outright statement that a suit will be brought.)
- Any unexpected outcome from medical treatment, surgical procedure, or noninvasive or invasive diagnostic studies
- Any patient allegation of physical or sexual abuse by the medical provider or practice employee
- Any medical or surgical care of a patient that prompts a review by a peer-review or other medical staff committee at a hospital or other facility
- Any unexpected death that occurs within 24 hours of admission to or discharge from a healthcare facility or of treatment in the medical provider’s office
- Physician orders missed or otherwise not followed
- An equipment-related incident/malfunction that results in an injury
- Failure of any patient to keep a follow-up appointment following an adverse or unexpected outcome or expression of dissatisfaction with the care provided
- A request from an attorney for information about the treatment of a patient
Receipt of a letter of representation from an attorney indicating that he or she is making a claim on behalf of his or her client

Receipt of a letter from a patient or attorney with allegations of negligence or any wrongdoing and a demand to settle the claim

Receipt of a request or subpoena for deposition relating to the treatment of a patient

Receipt of any written or verbal notice from the state board of medical examiners, health insurers, or local medical society concerning a patient complaint

Risk Assessment

In order to identify priorities for improvement, the practice assesses and reassesses services and operations from a risk management and patient safety perspective. Information obtained through assessments serves as a baseline with which future assessments are compared to help determine whether improvement efforts are effective.

Improvement Plan

Risk assessment results are communicated to providers and employees, and action plans for making changes to reduce risk and improve safety are developed and implemented. The improvement plan includes specific actions, target dates, and personnel responsible for implementing them.

Risk and Safety Education

Providers and employees receive periodic education to gain an understanding of evolving risk exposures in the practice and how care systems affect patient safety. New providers and employees are oriented to risk management and patient safety concepts during orientation. Important components of the education program include communication skills, teamwork, and event and near-miss reporting.

Confidentiality/Protecting Privileged Information

Pertinent information about the practice’s key operations is shared among risk and quality management functions, medical providers, and designated administrative personnel as may be necessary. Risk management documents include records that pertain to patient and provider information. Therefore, all documents that are part of the internal risk management files, proceedings, reports, and records are maintained in a confidential manner.

It is the intent of this policy to apply all existing legal standards and state or federal statutes to protect privileged information and risk management documents from discovery. Consultation with legal counsel concerning all requirements and processes that are necessary to maintain any applicable legal privileges is recommended. Disclosure to any judicial or administrative proceeding will occur only under a court order or legal mandate.

Event reports, investigation and follow-up worksheets, legal correspondence, risk and quality management committee minutes, peer-review information, and other information related to risk management are stored in confidential files. Physicians, mid-level providers, and employees are obliged to maintain absolute confidentiality of all pertinent information to protect patient privacy rights as well as the interests of the practice.