
 PROCEDURE	Department: Legal	Policy No. ADM 0027B
		Supersedes Procedure No.
Subject: RISK MANAGEMENT PLAN	Approved By:  By: Edward N. Chu Its: HHSC President & CEO	Approved Date: February 27, 2025 Last Reviewed: February 27, 2025

I. PURPOSE:

The Risk Management Program Plan (the RM Plan) provides the framework for the organization’s Risk Management Program (the RM Program) and supports HHSC’s mission and vision in regards to clinical risk and patient safety, as well as visitor, third party, volunteer, and employee safety, and potential business, operational, and property risks. The RM Plan is consistent with HHSC’s philosophy that patient safety and risk management is everyone’s responsibility, and teamwork and participation among management, healthcare providers, volunteers, and administrative staff is essential for an efficient and effective RM Program.

II. DEFINITIONS:

Risk Management: The process of creating and implementing strategies directed at minimizing the adverse effects of accidental loss on HHSC’s human, physical, and financial assets through the identification and assessment of loss potential and recommendation of appropriate loss assumption, transfer, prevention and control mechanisms

III. PROCEDURES:

A. RM Plan Objectives.

HHSC’s RM Plan provides a system-wide, ongoing, comprehensive approach to reduce risk exposures. Each of the HHSC facilities will establish and periodically update its respective RM Plan designed to minimize risks consistent with the system-wide RM Plan. The system and regional boards, corporate and regional management, administrators, employees, and medical staffs work together to establish, maintain, and support these risk management efforts by identifying, investigating, analyzing, and evaluating

risks, followed by selecting and implementing a risk response to reduce, manage, transfer and/or eliminate the risks. The objectives of the corporate and facility RM Plans include, but are not limited to, the following:

- promoting the quality of patient care in collaboration with quality/performance improvement activities
- enhancing patient satisfaction through effective resolution of patient and family concerns through the complaint, grievance and resolution process
- enhancing employee satisfaction through a mechanism for reporting events, near misses and safety concerns
- minimizing losses to the organization by proactively identifying, analyzing, preventing and controlling potential clinical, business financial and operational risks
- supporting a just culture that is non-judgmental, promotes awareness, and empowers the staff to identify risk-related issues
- enhancing environmental safety for patients, visitors and staff through participation in environment-of-care related activities applying risk management strategies to identify, analyze and minimize the frequency and severity of near misses, incidents and claims
- managing adverse events and injuries in an effort to minimize loss
- identifying and analyzing care delivery systems that could contribute to error or injury
- educating stakeholders on emerging and known risk exposures and risk reduction initiatives
- facilitating implementation of evidence-based best practices, and achieving standards and requirements promulgated by accrediting and licensing organizations
- facilitating compliance with state-specific scope of practice, applicable laws, regulations and standards, and
- facilitating compliance with federal regulatory, legal, and accrediting agency requirements.

B. Components of the RM Plan.

Each facility or regional RM Plan shall include the following components:

1. Event Reporting.

Event reporting provides a systematic, organization-wide methods of identifying risk exposures that have already occurred, near-misses, and potential risk situations that could result in loss to the organization.

- Each facility RM Plan shall include an event reporting system that is used to identify, report, track, and trend patterns of events and risks that have the potential for causing adverse patient outcomes or injuries to people, property or other assets of the organization. This reporting is designed to reduce preventable injuries and property damage, and minimize loss to the organization.
- Certain specific events, such as suspected abuse of a resident, vulnerable adult or child, shall be reported to governmental agencies. Mandated reporting is the responsibility of the facility manager or risk manager who has the responsibility to follow prescribed reporting guidelines and notification deadlines, as applicable.
- The facility and regional risk managers shall share event data and reports with the quality/performance improvement department as well as the department(s) involved in the events for follow-up action.

2. Data Collection and Analysis.

Facility and regional RM Plans shall include the resources to:

- collect and process data, analyze information, and generate statistical trending reports of identified adverse events, near-misses and claims, to enhance the effectiveness of the RM Plan;
- oversee the collection and analysis of data to monitor the performance of processes that involve risk or that may result in adverse events;
- provide valuable feedback to providers and staff, and use trended data to facilitate systems improvements to reduce the probability of occurrence of future related events. Root cause analysis (RCA), Root cause analysis and actions (RCA²), and failure mode effects analysis (FMEA), and other similar tools may be used to identify contributing factors in the occurrence of such events.

3. Coordination with the Quality/Performance Improvement Process.

Facility, regional and corporate risk managers shall work with quality/performance improvement staff to coordinate activities between the two disciplines. This will improve the identification and resolution of risk and quality issues and maximize the confidentiality of their joint work product.

4. Educational Activities.

The Corporate Director of Risk Management shall work with the designated corporate staff, and the facility and regional risk managers to support a comprehensive, consistent orientation and training program geared toward the type of employee or contractor receiving the training. As part of this program, each facility or regional risk manager shall provide or facilitate risk management orientation for all new employees and contracted staff.

medical staff members. In addition, a separate annual educational program will be offered to the staff to focus awareness on risk exposures and current risk prevention activities. Other in-service and training programs shall be provided as identified through the ongoing monitoring, tracking and trending of events or as requested by staff members within the organization.

5. Management of Patient and Family Complaints and Grievances.

Each facility shall have a formal written process in place for managing patient and family complaints and grievances. This process shall detail receipt and recording of the complaint/grievance, investigation, and response to and resolution of the matter consistent with regulation governing the patient complaint and grievance process. It shall include time frames for responding, the chain-of-command used for issue-resolution, and final documentation of the findings that are consistent with regulations governing the patient complaint and grievance process.

6. Patient and Employee Satisfaction.

Each facility shall survey, track and measure patient and employee satisfaction and respond to significant issues identified. The facility and regional risk managers shall assist in improving patient satisfaction scores by monitoring patient complaints and assisting in the resolution of those complaints in a timely, effective manner. Employee complaints will be referred to the Human Resources department for management.

7. Claims Management.

Claims management is a collaborative effort between the facility or regional risk manager and the Corporate Director of Risk Management with guidance provided by the Corporate legal department. Effective and aggressive claims management include the following elements, which shall be practiced in all the facilities:

- Timely reporting of injuries, potentially compensable events, poor or unexpected clinical outcomes, and patient complaints shall be made to the involved department manager, facility or regional risk manager, Corporate Director of Risk Management, and, if necessary, the appropriate insurance carrier
- Performing initial and ongoing investigations of reported events, conducting appropriate interviews of persons involved, and documenting these activities
- Organizing, managing and maintaining claim files, and allowing access to authorized individuals, which shall occur only in the presence of the facility or regional risk manager
- Coordinating activities with the legal defense team and providing input for the litigation strategy, settlement authority, and claim resolution

- Assisting legal counsel as directed
- Working to resolve claims early within established limits of authority
- Reporting claim management activity to the quality/performance improvement committee in order to keep the appropriate organizational leaders informed
- Maintaining confidentiality, protecting and preserving the patient health information record and other documents and evidence for potential future litigation
- Forwarding in a timely manner all legal documents and pleadings (subpoenas, court orders, summons and complaints) to the appropriate department, HHSC legal department or retained legal counsel

8. Identify Roles and Responsibilities.

Each facility RM Plan defines the roles and responsibilities of the various stakeholders, such as the executive management team, board, medical staff, and risk manager.

9. Integration with Key Aspects of Operations.

Each facility RM Plan interfaces with other key aspects of operations and shares pertinent information as appropriate with organization functions and committees such as:

- Quality Management
- Medical Staff Services
- Human Resources
- Utilization Management
- Performance Improvement
- Environment of Care
- Infection Control
- Health Information Management
- Revenue Cycle
- Corporate Compliance
- Security

10. Reports to the Governing Boards.

The facility or regional risk manager shall provide a report to the regional system board at least annually. The Corporate Director of Risk Management or designated General Counsel or designee shall report at least twice a year to the HHSC Board of Directors. These reports shall summarize identified risks, ongoing risk activities and initiatives, achievements, claims, and significant risk management issues that arose since the prior report.

Additional communication(s) shall be transmitted to the respective boards for Sentinel Events, significant changes in claim reserves, claims scheduled for trial, events that may result in adverse publicity or news media attention, and injuries deemed likely to result in litigation. The annual risk management report shall include all the above issues along with recommendations for risk mitigation activities and identified resources needed for the coming fiscal year.

Protection of Risk Management Information Included in the Quality/Performance Improvement Program.

Risk management data, including information collected, analyzed and trended, and all reports shall be stored, maintained and become the property of the facility or HHSC quality/performance improvement department. All such data and reports shall be reported to the quality/performance improvement committee and/or designated subcommittees. This structure shall result in all retained data and reports receiving the maximum privilege and protection accorded by the law, and may be distributed outside of the quality/performance improvement process only at the direction of legal counsel.

IV. APPLICABILITY: All HHSC facilities

V. REFERENCES:

- HHSC Policy ADM 0027A
- HRS Chapter 323F
- HRS Chapter 663-1.7
- Risk Management Handbook for Healthcare Organizations, American Society for Healthcare Risk Management, sixth edition, 2011
- An Enterprise Risk Management Playbook: An Implementation Guide for Healthcare Professionals, American Society for Healthcare Risk Management, 2020

VI. ATTACHMENTS: None