21 Questions Healthcare Boards Should be Asking About RISK

Presenters: Polly Stevens, Jordan Willcox, Annette Down
HIROC is owned and governed by:

- Healthcare organizations
  - Employees, volunteers, boards, MDs in leadership
  - Midwives; regulatory colleges; national associations

- We are not-for-profit
  - Surplus funds go back into HC

- We are passionate about patient safety
Outline

• Risk 101: risk >> risk management >> integrated risk management
• Case study – Mid-Staffordshire NHS Foundation Trust
• “21 Questions” resource overview
• Small group activity
• Wrap-up
• Appendix – national healthcare risk data
“Risk is an inescapable part of every decision. For most of the everyday choices people make, the risks are small. But on a corporate scale, the implications can be enormous.”

Buchanan. HBR, 2006

https://hbr.org/2006/01/a-brief-history-of-decision-making
• The *possibility* of loss or harm
• The effect of uncertainty on *objectives*
• The risk “molecule”...

**Likelihood + Impact**
What is risk management?

- **Likelihood**
  - Proactive/Prevention

- **Impact**
  - Containment/Resiliency

**RISK**
In complex, high-risk industries, the only realistic goal is resilience – to develop a maximum capability to catch, correct, and learn from surprises as they arise

— (e.g. early detection of sepsis, fetal distress)

Weick and Sutcliffe, 2015
Risk management practice
“By the time Mid Staffordshire hospital's failings were exposed, up to 1,200 patients had died needlessly... appalling accounts of neglect.”

http://www.youtube.com/watch?v=3XeYUlOp07Q
The final analysis

“These failures were in part due to a focus on reaching targets, achieving financial balance and seeking foundation trust status at the cost of delivering acceptable standards of care.”

“The Trust Board was weak. It did not listen sufficiently to its patients and staff or ensure the correction of deficiencies brought to the Trust’s attention.”

“Mid Staffs was a culture which trumpeted successes and said little about failings.”
A continuous, proactive, systematic approach to identifying, assessing, understanding, prioritizing*, acting on, and communicating risk from an organization-wide, aggregate perspective.

Treasury Board of Canada Secretariat, 2010
“There are a large number of common misconceptions about both the approach and the process that have become obstacles to successful implementation of ERM…” Fraser, 2007

Rogues gallery of obstacles:

• Strategic/Corporate vs Operational risks
• Upside vs Downside risks
• Risk Tolerance/Appetite
• Inherent vs Residual risks
“... ERM is in fact an easier, simpler, and more logical undertaking than most people realize.”
Fraser, 2007

Best practices:
1. Focus on board and senior leaders (“attention is the currency of leadership”)
2. Focus on risks to vision, key objectives
3. Keep it simple
Simple & effective IRM framework

Board Oversight

Senior Leadership Ownership

Vision, Strategy, Objectives

What can go wrong?

How bad?

How often?

Is there a need for action?

Reporting and Monitoring
The “21 Questions” tool to support IRM

Strategic context
1. What are the organization’s vision and strategic objectives and do they reflect the core mandate of delivering high-quality, safe care?

Board governance
2. How does the board get the knowledge and experience necessary to oversee risk management in a healthcare organization?

Risk culture
3. What is the board doing to encourage speaking up across the organization about potential risks and unsafe practices?

Risk management program
6. What is the organization’s policy/plan/framework for identifying, assessing and managing key risks?

Key risks (patients & staff)
6. What are the most significant risks related to care?
7. What is the process for handling patient complaints?
8. What are the most significant risks related to human resources?

Key risks (other)
9. What are the most significant risks related to leadership?
10. What are the most significant risks related to external relations?
11. What are the most significant risks related to information management/technology?
12. What are the most significant risks related to regulatory compliance?
13. What are the other significant risks (e.g., research, education)?

Risk prioritization
14. How can senior leaders determine key organizational risks and assign priorities for reporting to the board?

Risk reporting
15. What metrics are key, and how do these risk-related reports inform decision making and the board?

Crisis response
16. How does the organization plan for responding to and learning from crises?

Assurance and evaluation
17. How is the board assured that controls for key risks are working?
18. How is the organization’s risk management program evaluated?

Risk management
19. How are decisions made on additional controls or actions required to manage key risks?

20. What can go wrong?

How will it happen?

How bad will it be?

How often will it happen?

How will we respond?

How will we learn?

21. How will we lead?

A simplified risk management framework

Questions and Recommended Practices

Strategic context
1. What are the organization’s vision, mission, values and strategic objectives that define and mandate the delivery of high-quality, safe care?

Board education
2. How does the board get the knowledge and expertise necessary to oversee risk management in a healthcare organization?

Board orientation
3. How does the board get the knowledge and expertise necessary to oversee risk management in a healthcare organization?

Risk culture
3. What is the board doing to encourage speaking up across the organization about potential risks and unsafe practices?

Risk management program
4. What is the organization’s policy/plan/framework for identifying, assessing and managing key risks?

Risk reporting
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97. How is the board assured that controls for key risks are working?
Areas of focus

A. Strategic context
B. Board education
C. Risk culture
D. Risk management program
E. Key risks (patient & staff)
F. Key risks (other)
G. Risk management
H. Risk prioritization
I. Risk reporting
J. Crisis response
K. Assurance and evaluation
• Risk concepts and misconceptions
• Risk identification, assessment, management
• The link between risk management, patient safety and quality
• Just culture
• High reliability organizations

By key objective:

• Care
• Human resources
• Financial
• Leadership
• IT
• Facilities
• Etc
Care risk in Canada


1 death per 100 hospital stays
= to 1 plane crash every 5 days
75 crashes/year

CIHI. Hospital Harm Indicator. 2016.

Patient harm in Canadian hospitals? It does happen.
Hospitals are generally safe, but sometimes harmful events happen that affect patients. Many of these events are preventable.

How often does it happen? In 2014–2015, 1 in 18 hospital stays in Canada involved at least 1 harmful event (138,000 out of 2.5 million hospital stays).
## Risk Management - Sample Risk Register Report

<table>
<thead>
<tr>
<th>REF #</th>
<th>Risk category</th>
<th>Risk name</th>
<th>Description</th>
<th>Similar Lead</th>
<th>Controls</th>
<th>Gaps</th>
<th>Impact (current)</th>
<th>Likelihood (current)</th>
<th>Risk level (Initial)</th>
<th>Risk level (current)</th>
<th>ADEQUACY OF CONTROLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARE-1</td>
<td>Care</td>
<td>Access</td>
<td>The risk that the organization is not able to provide appropriate level of access to services; Demand &gt; Capacity</td>
<td>F. Jones</td>
<td>Patient and family advisory council/patient perspective; Daily safety huddle;</td>
<td>Contingency plan development;</td>
<td>High</td>
<td>Medium</td>
<td>Very High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>CARE-2</td>
<td>Care</td>
<td>Medication Errors</td>
<td>Risk of overdose with high alert medications.</td>
<td>F. Jones</td>
<td>Medication reconciliation (administration, transfuse, discharge); Two identifier policy and audit;</td>
<td>Independent double check knowledge and testing;</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>HR-1</td>
<td>Human Resources</td>
<td>Workplace Violence</td>
<td>Risk of significant harm from violence against staff.</td>
<td>L. Peters</td>
<td>Violence in the workplace policy (including zero tolerance); Non-violent crisis intervention;</td>
<td>Crisis response drills;</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>IT-1</td>
<td>IS/ Technology</td>
<td>Breach/ Loss of Information</td>
<td>Risk of data breach (internal or external) and compromise of patient data.</td>
<td>J. Smith</td>
<td>Timely application of security patches and upgrades; Penetration tests;</td>
<td>Intrusion detection and notification solutions; Cyber incident management plan;</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>LEAD-1</td>
<td>Leadership</td>
<td>Strategic Projects</td>
<td>Risk of deficiencies/failures in large scale projects.</td>
<td>L. Clark</td>
<td>Clearly defined scope, plans, deliverables; Project Manager hired;</td>
<td>Stakeholder engagement; Insurance (building/construction);</td>
<td>High</td>
<td>High</td>
<td>Very High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>FIN-1</td>
<td>Financial</td>
<td>Revenue/ Funding</td>
<td>Risk of insufficient revenue/funding.</td>
<td>L. Clark</td>
<td>Government communication strategies; Contingency plan in place for unanticipated expenses;</td>
<td>A procure and monitor project enhancements;</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
<td>Very High</td>
<td></td>
</tr>
</tbody>
</table>
## Assurance and evaluation (Q21)

### How mature is your IRM (ERM) program?

<table>
<thead>
<tr>
<th>Level</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Risk management activities are implemented on an ad-hoc basis to address specific risks.</td>
</tr>
<tr>
<td>2</td>
<td>Limited capabilities to identify, assess, prioritize, manage and monitor organizational risks.</td>
</tr>
<tr>
<td>3</td>
<td>Sufficient capabilities to identify, measure, prioritize, manage, report and monitor major organizational risks; processes and techniques are defined and utilized (perhaps inconsistently) across the organization.</td>
</tr>
<tr>
<td>4</td>
<td>Consistent ability to identify, measure, prioritize, manage, report and monitor organizational risks; consistent application of processes and techniques across the organization; some consideration of risks in decision making and planning.</td>
</tr>
<tr>
<td>5</td>
<td>Well-developed ability to identify, measure, prioritize, manage and monitor organizational risks; process is dynamic and able to adapt to changing risks and variations in reporting needs and cycles; risks and risk management is embedded in organizational decision making and strategic planning.</td>
</tr>
</tbody>
</table>
Global Average is “2.5” – Basic to Defined

Risk Register Subscribers (HIROC)

IRM Maturity Trend

Pre: 2.63
Post Yr 1: 3.71
Post Yr 2: 4.00
• Could Mid-Staffs happen here?
• In your organization:
  – How are you encouraging speaking up? (Q3)
  – How do senior leaders demonstrate ownership of key risks? (Q5)
  – What are the themes and trends arising from patient complaints? (Q7)
  – How do senior leaders determine which risks to report to the board? (Q17)
• Use the 21 questions and recommended practices to advance your IRM program
• Share the 21 questions with your board and senior team
• Keep it simple and just do it
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Appendix: National IRM data
### National data – top risks snapshot

#### TOP RISKS SNAPSHOT – ALL ORGANIZATIONS

<table>
<thead>
<tr>
<th>FREQUENCY</th>
<th>LIKELIHOOD</th>
<th>IMPACT</th>
<th>RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Revenue/funding</td>
<td>Politics</td>
<td>Suicide/self-harm</td>
<td>Politics</td>
</tr>
<tr>
<td>2 Recruitment/retention</td>
<td>Length of stay</td>
<td>Systems integration</td>
<td>Systems integration</td>
</tr>
<tr>
<td>3 Regulations/legislation</td>
<td>Records management</td>
<td>Politics</td>
<td>Length of stay</td>
</tr>
<tr>
<td>4 Communication/coordination</td>
<td>Alignment acute/non-acute</td>
<td>Multi-patient events</td>
<td>Access</td>
</tr>
<tr>
<td>5 Medication adverse events</td>
<td>Systems integration</td>
<td>Breach/loss of information</td>
<td>Patient falls</td>
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</tbody>
</table>

- **Care**
- **Human Resources**
- **Financial**
- **Leadership**
- **External Relations**
- **Information Management/Technology**
- **Facilities**
- **Regulatory**
- **Others**
### National data – top risks by impact over time

#### Figure 13: Top Risks by Average Impact Score – All Organizations

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Suicide/self-harm</td>
<td>Wrong patient/site</td>
<td>Privacy breach</td>
</tr>
<tr>
<td>2</td>
<td>Systems integration</td>
<td>Privacy breach</td>
<td>Adverse events (general)</td>
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<tr>
<td>3</td>
<td>Politics</td>
<td>Plant/systems failure</td>
<td>Laboratory/radiology</td>
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<td>4</td>
<td>Multi-patient events</td>
<td>Adverse events (general)</td>
<td>Strategic projects</td>
</tr>
<tr>
<td>5</td>
<td>Breach/loss of information</td>
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**Legend:**
- Care
- Human Resources
- Financial
- Leadership
- External Relations
- Information Management/Technology
- Facilities
- Regulatory
HR – Workplace Violence/Disruptive Behaviour

IM/IT – Breach/Loss of Information