University of the Cumberlands

Week 8 Practical Connection Assignment

Enterprise Risk Management\_(ITS-835-30)

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Enterprise risk management in Health care domain like the business of healthcare is the delivery of care that is safe, timely, effective, efficient, and patient-centered within diverse populations. Operational risks relate to those risks resulting from inadequate or failed internal processes, people, or systems that affect business operations. Included are risks related to: adverse event management, credentialing and staffing, documentation, chain of command, and deviation from practice. Risks associated with the focus and direction of the organization. Because the rapid pace of change can create unpredictability, risks included within the strategic domain are associated with brand, reputation, competition, failure to adapt to changing times,

health reform or customer priorities. Managed care relationships/partnerships, conflict

of interest, marketing and sales, media relations, mergers, acquisitions, divestitures, joint ventures, affiliations and other business arrangements, contract administration, and advertising are other areas generally considered as potential strategic risks.

This domain refers to the organization’s workforce. This is an important issue in today’s

tight labor and economic markets. Included are risks associated with employee selection,

retention, turnover, staffing, absenteeism, on-the-job work-related injuries (workers’

compensation), work schedules and fatigue, productivity and compensation. Human capital

associated risks may cover recruitment, retention, and termination of members of the

medical and allied health staff. This domain covers machines, hardware, equipment, devices and tools, but can also include techniques, systems and methods of organization. Healthcare has seen an explosion in the use of technology for clinical diagnosis and treatment, training and

education, information storage and retrieval, and asset preservation. Examples also include

Risk Management Information Systems (RMIS), Electronic Health Records (EHR) and

Meaningful Use, social networking and cyber liability. This ERM domain covers assets and their value. Traditionally, insurable hazard risk has related to natural exposure and business interruption. Specific risks can also include risk related to: facility management, plant age, parking valuables, construction/renovation, earthquakes, windstorms, tornadoes, floods, fires. Due to the dynamic and multifaceted nature of risk management in healthcare, the role is constantly evolving. Some of the current responsibilities of the healthcare risk manager include communicating with stakeholders, documenting and reporting on risk and adverse circumstances, and creating processes, policies, and procedures for responding to and managing risk and uncertainty.

Risk management plans should clearly define the purpose and benefits of the healthcare risk management plan. Specific goals to reduce liability claims, sentinel events, near misses, and the overall cost of the organization’s risk should also be well-articulated. Additionally, reporting on quantifiable and actionable data should be detailed and mandated by the plan.