

**GUJARAT FORENSIC SCIENCES UNIVERSITY
INSTITUTE OF MANAGEMENT AND TRAINING**



**MASTER OF BUSINESS ADMINISTRATION
IN
HOSPITAL AND HEALTHCARE MANAGEMENT**

REPORT ON RISK MANAGEMENT IN HOSPITALS AND HEALTHCARE

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Risk management is the process of analysing processes and practices that are in place, identifying risk factors, and implementing procedures to address those risks. Risk management in health care can mean the difference between life and death, which makes the stakes significantly higher. In some respects, risk management in health care is potentially more important than in any other industry.

In health care, risks can range from—but aren't limited to—faulty equipment and other hazards, medical malpractice, and procedures. Managing these and other risks is pivotal within the health care industry to keep people safe and secure, and to keep costs down. Once risk management strategies are put into place, hospitals, long-term care facilities, and other health care organizations can minimize the potential for loss.



The Role of Healthcare Risk Managers

Risk managers are trained to handle various issues in multiple settings. The duties a risk manager undertakes are ultimately determined by the specific organization. These professionals typically work in the following areas of medical administration:

- Financing, insurance, and claims management
- Event and incident management
- Clinical research
- Psychological and human healthcare
- Emergency preparedness

Need for Hospital Risk Management and Mitigation

- Compromised quality of healthcare services in patient care leading to dissatisfaction.
- Increased liability risks.
- Financial Losses.
- Noncompliance with Regulation and Standardization that is leading to litigation issues.
- Decline in hospital reputation.

Top Five Risks Facing the Healthcare Industry

The healthcare industry faces unprecedented risks and compounding regulatory compliance requirements.

1. Cyber Threats

The healthcare industry continuously undergoes changes as new technology is developed and implemented into patient care, facility management, and everyday routines. As a result, cyber threats continue to evolve to adapt to and circumnavigate these updates. Primary concerns stem from electronic records of personally identifiable information (PII). While these are easy to access internally and through approved third-parties, the records also become more vulnerable to cyber criminals.

Healthcare professionals also need to be wary of cyber-attacks that could threaten critical operations, such as removing power or access to locked doors or shutting down health-related systems. You can never be certain of the motive, so it's always best to be prepared for worst-case scenarios. As history has proven, some cyber criminals will hold critical functions for ransom, some will quietly try to steal data, and some just want to cause destruction.

Data breaches and gaps in network security can extend far beyond damaging your reputation and accruing legal fees, but also endanger the patients the hospital vowed to protect. Easy first steps begin with system awareness and training, incident response plans, and certification and accreditation

2. Physical Attacks

Increasingly, physical threats are growing and even healthcare facilities are not immune to the threat. Not only does an inadequate physical security defense leave employees vulnerable, but patients are also at risk. Easy initial steps are ensuring access controls such as requiring patients to be buzzed in past reception, proper security at entrances, special access to certain floors through the elevator or from the stairway, etc. Badge tap, proximity badges, and biometrics are optimal, but expensive solutions. Intrusion detection systems, security lighting, and video surveillance are all easy steps that contribute to a safer environment.

3. Compliance Lapse

Today's healthcare regulatory environment is more complex than ever, putting facilities at higher risk of non-compliance. Healthcare organizations and providers need to be fully aware of all laws and regulations that apply to them. These can include HIPAA, HITECH, patient care, billing, etc. Healthcare organizations and providers also have to comply with regulations that apply to non-healthcare businesses such as the Occupational Safety and Health Administration (OSHA) and the Equal Employment Opportunity Commission (EEOC). Many of these standards and practices will overlap with risks and propose basic requirements for attempting to mitigate them.

4. Healthcare Illness

It's not difficult to imagine that one of the greatest risks of healthcare facilities is spreadable illness and germs. Affecting both staff and patients, unnecessary exposure to bacteria or viruses can completely derail your operations. This ranges from catching a cold to Healthcare-associated infections (HAIs).

Company policy and training is crucial to ensure this is prevented. Simple processes like washing your hands after treating every patient has been recommended since 1846 and is now required because it reduces the likelihood of transferring illness, yet hospitals still report they have trouble enforcing this with staff. Ensure sanitation systems are up to date and all employees are trained.

5. Privacy Management and Information Security

Managing all users and data is a challenge that not everyone is prepared to adapt to, simply because they lack the resources to implement such a change. Many organizations are set up to share workstations to quickly log patient notes, and have a general-use password. In a time when patients need to be able to access their own records and data as well, this information must be made available to them online while still being protected.

In response, many healthcare organizations are moving to role-based access and reviewing access rights more frequently. This and logging ensures employees aren't accessing patient information that they don't need to see to do their jobs. On-site and for patients, moving to multi-factor authentication is gaining traction to ensure personal information stays protected. The struggle is and will continue to be, finding the right balance between security and streamlining the healthcare process.

Ways of Addressing and Streamlining Hospital Risk Management Process

- **Implementing Robust Strategies for Patient Care and Safety** – by adequately equipping hospital staff by training, encouraging strong communication and healthy interactions, providing counselling services and conducting competency assessments. Additionally, patient specific strategies include preventing medical abuse by not refilling expired prescriptions, doing follow- ups on missing diagnostic results, tracking appointments and ensuring physical safety by preventing falls and handling immobility.
- **Making effective utilization of patient data** – which aids in providing value-added patient care services by using.
 - Reliable Clinical Decision Making Tools supported by robust quality standards and meaningful healthcare criteria.
 - Seamless Information Exchange across all departments of the hospital including radiology, laboratory, preoperative, inpatient and outpatient units to make accurate patient information available in a timely and secure mode.
 - Capabilities of Medical Reconciliation of Electronic Health Records (EHR) of hospitals to prevent adverse health effects of patients.
 - Consolidated Patient Registries which clearly depict treatment roadmap and identify gaps for analysing and implementing care management techniques, thereby enhancing quality of patient care and impacting cost.
- **Proactively promoting Patient Participation and Engagement** – by clearly demonstrating the value of patient-centric services and value-based care for them. Key stakeholders include healthcare providers, insurance payers and patients in hospitals. This is challenging because the definition of perceived value differs between various entities. Thus, there is a need for building a robust consensus on many of these healthcare value propositions and agreeing on clearly defined goals around patient care objectives, healthcare processes and its associated costs.
- **Handling and Managing Expectations of Multiple Stakeholders** – A homepage pop-up for appointment will help the person who is looking to book the appointment or people in emergency situations. Include only the required details such as name, age, etc., and try to remove the unnecessary fields. People who are in urgency may not find enough time to fill all the details and sometimes it would become a task for them and they simply skip.
- **Accurately Identifying Reportable (Adverse) Events** - Hospital Risk Managers put substantial time and efforts for determining whether any incident constitutes a reportable event. Also, this evaluation happens across multiple hospital departments. Hence it is important to have adequate reporting tools and review this associated data in a single integrated repository and have a streamlined process to collaborate all concerned stakeholders in real time, enable feedback mechanisms and monitor the entire process through automation.