

# Total Immersion: An Organization-wide Approach to Risk Management

by Cummins Behavioral Health Systems, Inc.

**Winner: President's Award, 2007 Negley Awards for Excellence in Risk Management**

## I. HISTORY AND BACKGROUND

Cummins Behavioral Health Systems' risk management program had its beginnings in January of 2000, at a time when the organization had recently completed a period of rapid growth and expansion. Over seven years, Cummins had added five new counties to its original two-county service area, had increased its budget by 513%, and had tripled its workforce. Additionally, it was preparing for its initial JCAHO accreditation survey, transitioning away from CARF accreditation.

During its 28-year history, Cummins had not placed a great deal of emphasis upon risk management. Three factors dominated the decision to adopt a strong risk management program: (1) With past organizational attention directed toward other matters, it was now time to "backfill," to develop the advanced clinical and administrative systems and processes necessary to support sound operations; (2) The new accrediting entity required formal risk management processes—systems that Cummins did not yet have in place; and (3) It was the right thing to do.

## II. DESIGNING THE PROGRAM

The staff at Cummins did not have a template for creating a risk management program. *The leadership team decided that it would NOT simply take the JCAHO manual and develop a risk management program that mirrored accreditation standards. We wanted it to be OUR program—one that met our needs, one that was a vibrant and important part of everyday organizational life.* We approached the task in the following manner:

**STAGE 1:** The questions were asked: What keeps you up at night? What are the things that could go terribly wrong in a behavioral health provider organization, and what can we do to prevent those things from happening? What protections do we need to have in place for our consumers, staff, and organization?

**STAGE 2:** The team developed a list of potential risk areas—everything from "How can we help consumers avoid exploitation by others?" to "How could we prevent a clinician from being wrongly accused of sexual misconduct with a client?" to "Do we have sufficient liability insurance?" to "How would we know if we had ghost

employees?" Risk areas were divided into nine categories: (1) Clinical; (2) Financial; (3) Disaster Preparedness; (4) Human Resources; (5) Safety, Facilities, and Transportation; (6) Insurance and Indemnification; (7) Corporate Compliance; (8) Contracts and Agreements; and Claims and Litigation.

**STAGE 3:** The policy on risk management was developed. (Attachment A\*.)

**STAGE 4:** The Risk Management Oversight Committee was organized. The President and CEO, believing that the executive leadership must be highly visible and active in the risk management initiative, has chaired the committee since its inception. Agenda items for this committee are defined in Attachment B\*.

**STAGE 5:** As the newly-formed committee launched its work, much discussion had to do with critical success factors. It was determined the following were essential to success: (1) Risk management has to be *everybody's* business at Cummins; it has to be a part of our organizational culture. (2) Executive leadership and executive example-setting are essential. Our mind set must be about prevention.

## III. IMPLEMENTATION

We needed more than a Risk Management Committee; we needed a plan to integrate risk management and risk prevention into everything our workforce does.

**Employee, Board Education and Awareness:** In order for there to be employee and board member buy-in, everyone must have knowledge and awareness about risk management issues. Key methods used:

>Immediately, the CEO informed staff and board members of the new risk management initiative and its importance. On the first day of each new employee and board member orientation session, the CEO personally explains everyone's role in risk management and Cummins' expectations regarding risk management and prevention.

>Risk management is addressed in detail during various orientation courses and ongoing board and staff training. We emphasize that good clinical quality is the cornerstone of everything we do.

>A number of risk management teams issue regular employee bulletins on HIPAA, safety, youth safety, infection control, clinical issues, corporate compliance, and other topics.

>The Youth Safety Task Force (a spin-off from the Risk Management Oversight Committee) issues quarterly quizzes about youth risk management topics.

>Risk, liability, and loss prevention are key components of the professional development plans and staff and board training curricula within Cummins.

>Cummins' attorney provides the Board with training on legal issues and risk management at least once per year.

## Employee Involvement and the Culture:

After employee knowledge, we believe that the next most important tool for achieving success is the personal commitment of each employee to risk management. Within the organizational culture, there must be wholesale awareness, knowledge, and dedication to the effort. The most effective method we found for achieving buy-in is involving front line staff in various risk management roles within their respective business units—and at the organizational management level. Child and adolescent service providers from each county serve with the CEO and other organizational executives on the Youth Safety Task Force. Each county has its own safety officer. Each county has its own HIPAA safety and security officer. These staff add significant energy to the program, take ownership and pride in accomplishing the goals of their respective risk management areas, and are duly recognized for their achievements.

## Scenario Planning and Risk Reviews:

To help risk management "come alive" and serve our practical interests, Cummins makes heavy use of scenario planning to address risk management issues. Risk reviews and failure mode effect analyses at all levels within the organization engage staff by asking "What if?" "What if there was an accident and a hazardous spill occurred?" "How would we find out about it?" "How would we evacuate everybody?" "Where would we take them?" "How would we operate if a building was unusable for several days?" During a risk

review, we: (1) assess current risk; (2) review existing policies and procedures to see whether potential risks are adequately addressed; (3) look at actual practice to determine whether staff are knowledgeable about the procedures to be used and would be able to take action quickly; (5) identify whether new policies, procedures, or practices are needed; and (5) develop a training, communications, and operational plan to implement new or improved risk management processes.

**Evaluation and Performance Improvement:**

Risk management reports are issued on a monthly, quarterly, and annual basis and are monitored by Cummins’ Leadership Council, Board of Directors, and local staff teams.

**Local oversight:** At the beginning of each fiscal year, all business units are provided a set of benchmarks to be achieved during the upcoming year. They include a variety of clinical, safety, compliance, and administrative risk management performance targets. On a monthly basis, during a process known as the operations review, local staff analyze their benchmark outcomes and develop their own strategies for performance improvement. Compensation is based in part on benchmark results, so the measures are taken quite seriously.

**Organizational leadership:** Each month, Cummins’ Leadership Council reviews risk management outcomes—and determines whether additional performance improvement strategies are necessary. The chief reports include: Risk Management Report, Safety Report, Corporate Compliance Report, Infection Control Report, Clinical Services Report, Medical Services Report, Organizational Benchmarks Report, Unusual Occurrence and Problem Resolution Report, and Confidentiality/HIPAA Privacy and Security Report.

**Board of Directors:** On a quarterly basis and annually, the Board of Directors reviews various reports on risk management, including the quarterly Risk Management Report, Clinical Services Report, Medical Services Report, Benchmarks Report, and Corporate Compliance Report. The Board has developed its own action plan addressing corporate compliance and Sarbanes Oxley requirements and reviews its progress four times per year. The annual CEO performance evaluation also includes items related to risk management.

**IV. OUTCOMES**

One problem with risk management is that it’s hard to say what *didn’t* happen

due to a program’s implementation. That notwithstanding, the following graph shows results of some of the studies conducted to determine the effectiveness of Cummins’ efforts. Comparisons are based either on the baseline year and current performance or the full seven-year periods prior to and following the establishment of the risk management program. It is noted that progress has been *incremental*, with trending showing gradual improvement over time.

RISK AREA	Pre-Implementation (1993-2000)	Post Implementation (2000-2007)	Percent Change
Liability, legal action	5 claims filed against Cummins	1 claim filed	80% reduction in claims (No claims since May 2000)
External Medicaid audits	Initial Medicaid audit billing errors: \$24,323	Most recent Medicaid Audit billing errors: \$1,361	94.4% reduction (even though Medicaid claims grew 471% During comparison period)
Other external compliance, accreditation & regulatory reviews	In 1993 Cummins failed to meet the minimum certification standards set by the state mental health authority	Cummins meets and in most Cases significantly exceeds Standards required by 100% Of ALL external reviews	
Medication errors	1.18 per 100 persons served	.4 per 100 persons served	66.1% reduction
Number of falls	.5 per 100 persons served	.2 per 100 persons served	60% reduction
Unusual occurrences	5.01 per 100 persons served	2.86 per 100 persons served	42.9% reduction
Clinical occurrences	4.58 per 100 persons served	3.51 per 100 persons served	23.3% reduction
Non-clinical occurrences	3.75 per 100 persons served	1.53 per 100 persons served	59.2% reduction
Consumer/visitor accidents/injuries	.28 per 100 persons served	.11 per 100 persons served	60.7% reduction
Workers Compensation injuries	12 injuries for 102 employees (1:8.5 injury to employee ratio)	13 injuries for 284 employees (1:21.8 injury to employee ratio)	Ratio of injuries to employees Decreased 65.5%

**OTHER OUTCOMES**

**Youth Safety Task Force:** Three and a half years after the Risk Management Oversight Committee was formed, it became apparent that services for children and adolescents have unique and far-reaching liability and risk management implications. In October of 2004, the Youth Safety Task Force was established. (Attachment C\* is this committee’s charter.) The Task Force established a Youth Safety Education and Awareness Committee, which, among other activities, issues a quarterly staff quiz and gives opportunities for \$50 gift cards for participants. (Attachment D\* offers a sample.) A follow-up e-mail to all staff announces the prize winner and provides an educational briefing on the best practices to be applied in this and similar situations.

**Internal/external customer satisfaction:** From the baseline year of 2000 until the present time, employee satisfaction and customer satisfaction ratings, as measured by five different instruments over the years, have remained at the same consistent levels: above the targets set by Cummins for customer and employee satisfaction, and higher than those achieved by like providers. While we do not have data to indicate that the risk program is a causal factor for satisfaction, our examination of key *dissatisfaction* indicators would rule out the risk program as adversely affecting either consumer or employee perceptions.

(Chief dissatisfiers for consumers are fees; for staff, they are external paperwork requirements - primarily from the Medicaid program.)

**V. RESOURCES**

The program required no outside or additional resources. Because the goal was to fully integrate risk management, we believe the fiscal impact is clearly positive: risks and losses have been reduced and expenses are no more than they would have been without the program.

**V. SUMMARY AND REPLICATION:**

Nearly seven years after the implementation of an organization-wide risk management program, we believe that our original premises held true: risk management has to be *everybody’s* business in any behavioral health setting; it has to be a part of the organizational culture; executive leadership and executive example-setting are essential; and the mind-set should be about prevention.

This low-cost and integrated approach lends itself readily to replication by other provider organizations. The primary prerequisite is *organizational will* rather than expensive or time-consuming add-on processes. As we have learned here, the benefits are myriad—not the least of which is that we DO sleep better at night.

**ABOUT CUMMINS**

Cummins Behavioral Health Systems, Inc. is a private not-for-profit community mental health center established in 1972 to provide behavioral health services within a two-county area in rural central Indiana. The service area now includes eight urban, suburban and rural counties in a geographic area having Indianapolis, Lafayette, and Terre Haute as its boundary cities. During FY 06, Cummins served 9,323 people and delivered 250,877 units of service. Contact CEO Ann Borders for \*attachments/ information: ABorders@cumminsbhs.org