



## The Risk Management Approach at Kaiser Permanente Los Angeles Medical Center

### Introduction: The Broadened Role of Risk Management

The competitive environment of today's health care industry, along with rising litigation and insurance costs, has created the impetus to continuously enhance quality of service and to further reduce risk. Because of the nature of current medical interventions, however, complete risk *avoidance* is not possible. Health care risk management is therefore designed to *reduce* the incidence of preventable accidents and injuries and to minimize financial loss to the organization should an accident or injury occur. Risk management is an extremely broad discipline which interfaces with virtually every aspect of an institution's operational activities.

Traditionally, the risk manager focused solely on preserving the financial integrity of the institution and making its environment safe. Currently, with the broadened focus of prevention of patient injury and promotion of quality of service, there is increased physician and hospital staff interaction and involvement. Areas of risk are identified by investigating and evaluating specific cases, watching for trends, and then identifying indicators for ongoing monitoring. First assistance is given to specific departments to identify and correct environmental conditions and work practices that could result in injury or in initiation of a claim, and information obtained is then disseminated throughout the medical center.

### Current Standards for Health Care Risk Management Programs

Licensing agencies and professional organizations prescribe minimum standards for a health care risk management program. These standards require direct interaction and support between the Risk Management Team, Administration, the Legal Department, medical staff, and Quality Management. Mechanisms must be in place for expeditious investigation and reporting of occurrences, prospective and retrospective analyses, and implementing preventive programs. The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) published its guidelines for hospitals in its Accreditation Manual for Hospitals. A major part of health care risk management is knowing the JCAHO guidelines and ensuring that departments comply with them. Valuable safety measures with inherent checks and balances are put into place which increase quality of care and also help to curtail liability claims.

### Correlation Between Services Provided and Risk

The Kaiser Permanente Los Angeles Medical Center (LAMC), in addition to providing routine primary

care and specialty clinical services, serves as the center for tertiary care for Kaiser Foundation Hospital/Health Plan (KFH/HP) members throughout Southern California. Examples of tertiary services, which by their very nature increase risk, include apheresis, bone marrow transplantation, cardiac catheterization, cardiac surgery, electrophysiologic studies, gynecologic oncology, radiation oncology, and organ transplantation. Notably, certain *nontertiary* services also inherently increase clinical risk exposure, placing the health care facility and its staff at high risk for incurring liability claims. Such nontertiary services provided at LAMC include Obstetrics, Emergency Services, Surgical Services, Anesthesia, Psychiatric Services, Radiology Services, and Home Health Services. Although the basic principles of health care risk management remain the same in low-risk and high-risk situations, even greater emphasis should be placed on these principles in high-risk situations because of the increased potential for adverse patient outcomes as well as financial losses to the organization.

### The Definitions of Incidents/Occurrences and Significant Events

An "incident" or "occurrence" is any event which happens at the medical center that is not consistent with routine patient care or with operation of the facility, and which adversely affects or threatens to affect the health, life, or comfort of patients, employees, or visitors. A "Significant Event" (a Kaiser-specific term) is an unexpected occurrence involving actual or potential physical or psychologic injury of a patient or that otherwise adversely affects the quality of service, operations, assets, or reputation of Kaiser Permanente. Table 1 (next page) summarizes the criteria established for determining each of the three Significant Event Levels, as well as their reviewing and reporting requirements. Notably, no Significant Event may be reported to an external regulatory or accrediting agency without the prior knowledge and approval of a designated representative of the KP Southern California Quality Committee. Plans and procedures are in place at LAMC to expeditiously identify, investigate, and analyze Significant Events as well as to formulate appropriate action plans. Subsequently, aggregating events into categories facilitates identification of any adverse trends or clusters of events.

### Guidelines for Effective Reporting to the Risk Manager

At LAMC, timely and accurate flow of information is encouraged and facilitated via written and

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**Table 1. Significant Event Levels and Required Actions\***

**Criteria:**

- Event has resulted in patient's unanticipated death or major permanent loss of function
- Event is associated with clinically significant adverse deviation from usual processes for providing health care services or managing health care operations
- Event or related circumstance has potential to attract adverse media involvement

**Level 1**

- Meets at least 2 of 3 above criteria **or** involves patient suicide in hospital, infant abduction, infant discharge to the wrong family, rape (by another patient or staff), hemolytic transfusion reaction, surgery on the wrong patient or wrong body part
- Requires reporting to Division/Program/Medical Group within 72 hours
- May result in review by regulators/accreditors (no voluntary reporting to JCAHO)
- Requires immediate abatement of obvious or suspected threats to patient safety, risk containment, and preservation of evidence
- Requires formal root cause analysis within 30 days from date of Event discovery (mandated format)

**Level 2**

- Meets 1 of above criteria **or** is part of a significant cluster of related Level 3 Events or is one of the following: nosocomial outbreak, foodborne illness, reportable practitioner discipline, disaster, regulatory sanctions, reportable hazardous substance release, suicide on premises (other than in hospital)
- Requires reporting during routine Division/Program/Medical Group reports
- Requires quality review and action plan (if appropriate) within 120 days

**Level 3**

- Defined by local quality plan
- Does not require reporting above local operational level
- Requires investigation, review, and reporting according to local quality plan

\* Subject to further development by the Significant Event Task Force.

oral communication with the risk manager. Reporting at the medical center is improved by increasing awareness of what to report, by creating a simple incident reporting system, by encouraging physician and other staff involvement, and by fostering interdepartmental cooperation. Moreover, proper, effective preparation of incident reports is acknowledged to require objective description, confidentiality, and promptness.

**Factual, Objective Reporting**

Incident reports should state the facts—who, what, why, where, when, and how—using objective instead of subjective evaluations. For example, if a patient is found on the floor of his or her room, the reporter should not write “the patient fell out of bed” unless a fall was actually witnessed. Instead, the reporter should more accurately write “the patient was found on the floor.” Thus, no conclusion is drawn which is unsupported by facts.

**Adherence to Principles of Confidentiality**

To maintain confidentiality, the original report should be sent to the risk manager immediately after it is completed. Copies should never be made, and the report should never be placed into the patient's medical record. Indeed, even a reference to the incident report in the medical record would erode the peer-review protection afforded by California Evidence Code Section 1157 and would make the incident report discoverable to opposing counsel. Any addendum to the original report must be similarly protected. Preservation of confidentiality ensures honesty of reports and encourages accurate and frequent reporting.

**Prompt Reporting**

Facts should be reported while they are still fresh; a written report should be sent to Risk Management within 24 hours. Any delay in transmitting the information may prevent the risk manager from doing appropriate follow-up within a day or two of the incident. High-priority patient care issues (eg, Significant Events) should initially be reported by telephone to the risk manager so that an investigation can proceed immediately.

Early identification of risks allows procedural problems to be identified and corrected—and equipment to be repaired or its use avoided—before incidents occur. Prompt reporting also facilitates initiation of actions to resolve issues before aggrieved patients become angry and take legal action.

**Relation Between Quality of Care and Risk**

The biggest interface with Risk Management is certainly Quality Management. A complementary relationship exists whereby improving quality decreases risk and decreasing risk improves quality. The Quality Management and Risk Management Departments thus have a synergistic and symbiotic relationship: anything affecting quality affects risk. Examples of this interaction include initial credentialing of physicians and award of hospital privileges, assessment of physician functioning by evaluating patient outcomes during morbidity and mortality conferences, and pa-



tients' actual perception of care as evidenced by compliments, complaints, and Member Appraisal of Physician and Provider Services (MAPPS) scores.

Members' perceptions of quality of care are crucial to the functioning and rating of any health care organization. Members' complaints regarding quality of service or quality of care are addressed at the point of service whenever possible; complaints that cannot be resolved to the member's satisfaction or that involve denial of a benefit or service are referred to the Member Services Department for investigation and response. Grievance information is logged by the Member Services Department into the Member Information Tracking System (MITS) and is made available to individual departments, thereby providing valuable insight into members' perceptions of quality of service.

### Organizational Structure of LAMC Risk Management Entities

#### The Patient Care Management Committee

The Patient Care Management Committee, formerly known as the Risk Management Committee, was created to address quality of care and risk management issues. The Committee examines current medical center practices as well as policies and procedures for proactive problem identification and recommends resolutions for these problems. The Committee also reviews past adverse events to ensure that necessary corrective action has been taken. The Committee is multidisciplinary: various clinical departments, hospital administrative departments, nursing departments, pharmacy, and other support services are represented. The Committee meets as needed but at least quarterly.

The Committee also educates housestaff regarding risk management by holding annual symposia and departmental conferences and by coordinating the Resident-Fellow Risk Management/Quality Improvement Committee, which meets quarterly and which was developed for two main purposes: to promote awareness of risk management and quality improvement issues among residents and fellows as these issues pertain to KFH/HP members; and to foster appropriate communication among primary, consulting, and support services. In addition to being an innovative means of housestaff education, this Committee has provided valuable insight for attending physicians and administrative staff.

The Patient Care Management Committee reports to the LAMC Quality Management Committee, which in turn reports to the Medical Center Administrative Team (MCAT). The MCAT is accountable to the Southern California Permanente Medical Group (SCPMG) Medical Director and to the KFH/HP President of the

California Division. The Regional Risk Management Committee oversees the Risk Management Program and reports directly to the KP Southern California Quality Committee, which reports to the KFH/HP President and to the SCPMG Medical Director. Ultimately, all information is transmitted to the KFH/HP Board of Directors via the Quality and Health Improvement Committee. This reporting protocol is a streamlined, integrated approach to the multifaceted process of risk management.

#### Improvements Generated by the Committee

During the past four years, the Patient Care Management Committee at LAMC has generated important improvements:

- 1) Implementation of joint educational programs to improve physician/nurse collaboration, communication, and education;
- 2) Increased awareness of confidentiality, achieved by presenting to the entire medical center a video about confidentiality and incorporating the video into the program orientation given to all new employees;
- 3) Implementation of annual risk management symposia for all housestaff;
- 4) Implementation of programs to improve the appropriateness of medical record documentation;
- 5) Revision of guidelines for preoperative and intraoperative diabetes management;
- 6) Establishment of protocols and education regarding central venous catheter selection (ie, to promote appropriate initial placement and thereby reduce the need for catheter replacement and risk of infection);
- 7) Redesign of the LAMC Incident Report Form to more accurately document medication occurrences;
- 8) Improvement of correct use of the Medication Administration Record;
- 9) Review of Critical Care Units and updating of direct admission policy and procedures;
- 10) Clarification of tuberculosis isolation policies in the Intensive Care Unit;
- 11) Introduction of a policy whereby patients' medication allergies are noted in admitting orders;
- 12) Clarification of correct placement of patients' dietary allergies in the inpatient chart.

#### The Medical Review Committee

The Medical Review Committee is a group which meets weekly to review member grievances and to

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make a disposition about each one. Any aggrieved member may attend this review by first requesting to attend a weekly meeting. A Member Services representative then advises the member of the meeting time as well as presentation protocols. (The member is advised that the opportunity is for presenting issues only, not to debate or to receive a decision.) An appointment not to exceed 15 minutes is agreed upon (preferably scheduled within regular Committee meeting time), and the Member Services Department notifies Committee members of these member appointments and case details in advance. At least one physician member of the Medical Review Committee attends the presentation, and depending on the case, the administrator of the department involved and other physicians may attend.

In our experience, giving members the opportunity to discuss their situations sets the stage for amicable resolution of issues and enhances members' perception of the system's quality.

#### **Reducing Risk through Effective Provider-Patient Communication**

Providers should always remember the importance of treating each patient as we would wish to be treated ourselves. Establishing good rapport with patients is paramount to rendering high-quality service and is a major deterrent to litigation, even after a poor outcome. This satisfying "two-way street" communication is sometimes difficult to achieve in brief encounters with patients and requires attentive listening, receptive body language, guided questioning, and perceptive commentary. These skills are not always innate to providers but can be developed at LAMC

via seminars and workshops. This practice enhancement may be voluntarily subscribed to but may be mandated by Administration if needed.

#### **Conclusion: Fundamental Principles of the LAMC Model**

Ultimately, health care risk management is a process to be practiced by medical staff and other employees on a daily basis. The key to this process is prevention of incidents. Everyday examples of preventive steps include such straightforward actions as wiping up spills on the floor to prevent falls, calling for the appropriate language interpreter to avoid potentially dangerous miscommunication, and verifying allergies and medications to prevent untoward drug reactions.

Active commitment shown by the medical staff as well as unwavering administrative support are also vital to the success of our Health Care Risk Management Program. Although each department or service is responsible for preventing hazards and controlling risk within its scope, the Health Care Risk Management Program has the flexibility necessary for multidisciplinary participation and education. As delineated in this article, the risk management process at LAMC follows a stepwise progression which demystifies risk management, making it less threatening and allowing mastery by all involved. ❖

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### **Connection**

"The melody you sing, like the steps you dance, is less important than the power of the connection your song establishes. The connection helps the patient heal. It doesn't matter how you do it, only that you do it."

*Carl A. Hammerschlag, M.D., "The Dancing Healers: A Doctor's Journey of Healing with Native Americans," Harper & Row, 1988*