

# **SAMPLE: Self-Assessment Tool for Risk Management Programs & Functions.**

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[\\* Adobe® Reader® v.5 or higher required.](#)

## INTRODUCTION

The concept of health care risk management grew out of the medical professional liability crisis of the 1970's and 1980's. The development of risk management programs served the purpose of improving quality, safety and prevention and control of malpractice claims. The generic scope of health care risk management programs continues today to incorporate activities designed to identify, evaluate, and reduce the risk of patient injury associated with clinical care.

Today's health care risk manager is seeing the profession constantly change based on an ever increasing demand for regulatory compliance, consumer-driven initiatives in reaction to expectations of safer patient care, a hardening of the insurance market, high-risk clinical / technology advances, and a deeper involvement in systems analysis to reach the root cause of medical errors and near misses. The focus is more proactive than reactive. The health care risk manager must adapt and improve skills to stay abreast of the changes. These skills must continually be evaluated. The horizon is broadened to encompass not only malpractice claims, but also employee health care, safety and security, infection control, peer review, credentialing: all of these being the components of an equation for patient safety. The well-informed risk manager needs to become more knowledgeable regarding risk financing including insurance, self-insurance and other alternative financing methods. Within each health care organization, the risk manager needs to facilitate good working relationships between risk management, patient safety and quality improvement functions.

This tool represents the continuing mission of the American Society for Healthcare Risk Management to provide a comprehensive resource for structuring, managing, and measuring the outcomes of risk management functions in the new millennium. This, the second edition of the tool, serves as a global measurement of the systems and processes of the profession.

### Self-Assessment Tool Instructions

One of the more challenging questions that risk management professionals face is "What is the value of risk management?" This tool has been developed to assist risk managers to begin to answer this question through assessment of their current risk management programs and functions.

#### Uses of the Tool

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Using the evaluation templates in this tool may help risk managers:

- Organize a new risk management program, functions and activities
- Develop tailored program structure, process and outcome measures
- Evaluate the completeness and effectiveness of current risk management programs
- Gather data and demonstrate value to management and the governing body
- Justify the need for additional program resources
- Plan actions for enhancing program effectiveness.

The measures in this tool are applicable to a wide variety of inpatient and ambulatory health care organizations. While the program activities reflected in the measures are achievable, they may present a variety of implementation challenges. Smaller organizations may not have the ability to carry out all of the activities listed in the expanded measures but should aspire to meet the majority of the core measures.

Users of the tool might want to provide for innovation and evaluation of the changes in the tool itself as used by the risk manager. An interdisciplinary team could periodically review how well the tool, or a tailored version of the tool, is performing.

The primary value of this tool is to assist in internal risk management program self-assessment and improvement. **This tool is not intended to establish a set of national minimal standards, nor is it intended as a certification instrument for external evaluation or rating.**

## Modular Format Provides for Brief or Detailed Evaluation

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This tool has been designed to allow the user to direct the evaluation at different levels of assessment and to select those measures they wish to use. Several theoretical and conceptual approaches to risk management were used in the development of the measures:

- Donabedian's model of three measures of evaluation—structure, process and outcome. For further discussion of this approach to measurement, its utility in measurement of effectiveness and how to construct your own measures, see Appendix A on Page 55.
- Fundamentals of risk management from an insurance perspective
- Deming's emphasis on the continuing nature of quality improvement
- Current emphasis on the interrelationships between risk management, quality improvement and patient safety

The measurement process, developed by ASHRM, is designed in two modules: The core measures (found on Page 5) and the expanded measures (found on Page 18).

- *Core Measures.* The core measures section is designed to provide a quick evaluation of the basic elements of an effective risk management program. The core measures section lists the five basic functional components of a risk management program, i.e., program organization, risk identification and analysis, loss prevention, risk financing and claims management and provides measures for the basic elements of each functional component. There are some measures (or risk management program activities) for which research has demonstrated a correlation between the measure and reduction in claims. These measures are noted by an asterisk and footnote. Self-assessment Tool users should pay particular attention to these critical measures in any evaluation since basic published research indicates that these activities do make a difference. More recent research showed correlation and patterns of relationships between hospital risk management program activity scores on the original version of the ASHRM Self-assessment Tool and hospital malpractice claims frequency. **Core measures are indicated by a dark screen.**
- *Expanded Measures.* The expanded measures section provides a more comprehensive set of measures for the same five basic program components. The expanded measures section can be used as is or individualized by the user to create a detailed evaluation tool of the scope desired. The expanded measures section may also provide some ideas for developing or expanding a risk management program. **Expanded measures are indicated by a light screen.**

Also refer to Appendix D on Page 111 for a broad range of insurance, compliance and health care organizational activities that may not be reflected in the measures but fall under the scope of your risk management program. If you wish to evaluate these additional activities, such as workers' compensation programs, then you will have to develop your own measures.

## The Measures

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The measures are displayed in a chart-like format divided into four basic columns.

- *Column 1—Activities (or Structural Elements).* This is a listing of the identified elements of each functional component of a risk management program, such as for program organization/governing body support for the risk management program, designation of a risk manager, etc. When using the measures, the first step is to identify which of these activities are part of your program, by marking "Y" for yes or "N" for no. Since not all risk management programs are the same, there are obviously some activities that may not apply to your specific organization.
- *Column 2—Process Measures.* This is a listing of processes that can be used to evaluate whether the listed activity has been implemented. Again, not all processes listed may be applicable, so an evaluation of presence or absence of the process can be indicated in the Y / N columns.
- *Column 3—Outcome Measures.* This column lists a variety of outcome measures that can be utilized to measure the effectiveness of the activities listed. Since most outcome measures are more difficult or time-consuming to achieve or to track through measurement there is a provision in the tool for "outcome partially achieved".

- *Column 4—Action Plans.* This column provides the opportunity for you to determine whether any of the “Needs Development,” “Outcome Not Achieved” or “Outcome Partially Achieved” measures are worth including in your risk management program or evaluation process. Therefore, any action plans to address deficiencies or perceived action steps should be placed here.

The measurement tools, although extensive, are neither prescriptive nor exhaustive. They are examples or guidelines that can be used as needed or applicable to your program. Some activities and elements that are part of your risk management program may not be included in the measures. Therefore, a blank assessment form has been included on Page 51 to allow you to individualize or expand the tool to meet your own needs.

### **Scoring the Evaluation**

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No numerical scores or weights are attached to the various core and expanded measures. However, risk management program activity scores may be computed by simply counting the number of activities that are “in place” and those with “outcome achieved” and dividing by the total activities possible, then multiplying the result by 100 to create a percent activity score. There are several different ways that the total score could be analyzed and compared, including by major functional components, such as claims management or by individual measure. The value in this activity is that risk managers can compare their own scores over time, compare scores with other organizations and focus program improvements. Remember to pay special attention to those core measures validated through research. Repeated evaluations over time can be used to show progress in program improvement.

If a health care system or network wishes to conduct a system-wide evaluation and compile a summary or comparative report, it may be most helpful to focus on the top five or ten core risk management program elements that are not well-implemented throughout the system.

### **Appendices**

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In addition to the Self-Assessment Tool, there are several appendices beginning on Page 54, as well as a list of references on Page 114, for your use and reference:

- *Appendix A* is designed to describe the measurement process in general and describe the ways of developing structure, process and outcome measures.
- *Appendix B* contains supplementary measurement information that includes multiple examples of operationalizing the measures found in the tool. Turn to this appendix if you are stumped on how or why to complete a process or outcome measurement.
- *Appendix C* provides data reporting tips when preparing evaluation or risk management data reports for management and the governing body.
- *Appendix D* provides a suggested approach for a distinctly different type of assessment – that of identification of potential loss areas for an organization.

## CORE RISK MANAGEMENT SELF-ASSESSMENT MEASURES

## Core Self-Assessment Measures

The following section of the tool provides core dimensions from each of the five risk management structural components:

- Risk Management Program Organization
- Risk Identification and Analysis
- Loss Prevention
- Risk Financing
- Claims Management.

The core measures set is intended to provide an overview assessment of those risk management activities and outcomes that are most essential to an effective risk management function. If you have limited time to conduct an risk management program self-assessment or wish to gain familiarity with the tool prior to conducting a more in-depth assessment, use this section to conduct an initial program self-assessment.

Measures with an asterisk have been shown by research to be related to significantly better claims experience.<sup>1</sup>  
**Refer to instructions on Page 2 for more details on how to use the core measures.**

**Structural Component: Risk Management Program Organization**

Activities	In place	Needs development	Process Measures	In place	Needs development	Outcome Measures	Outcome achieved	Outcome partially achieved	Outcome not achieved	Action Plans
<b>Governing Body Oversight of Risk Management, Quality Improvement and / or Patient Safety Programs</b>										
Develop a written resolution, policy statement or plan describing the risk management program			<p>Have governing body bylaws specify the governing body's responsibility for the oversight of the risk management, quality improvement and / or patient safety programs</p> <p>Have content of policy statement, resolution, or plan contain the following:</p> <ul style="list-style-type: none"> <li>• Goals and objectives of the risk management program</li> <li>• Delegated responsibility for the risk management program</li> <li>• Position of risk management department or function in organizational structure</li> <li>• References to use of a system for identifying adverse patient occurrences, medical errors and near misses</li> <li>• Delineated means for identified problems and implementation of system improvements as indicated</li> <li>• Requirement for education on loss prevention for all staff</li> <li>• Established communication and reporting channels between risk</li> </ul>			Documentation of governing body's approval of the written risk management resolution, plan or policy statement exists in file or minutes				

## Structural Component: Risk Management Program Organization

Activities	In place	Needs development	Process Measures	In place	Needs development	Outcome Measures	Outcome achieved	Outcome partially achieved	Outcome not achieved	Action Plans
			management and other organizational components							
Secure formal approval of resolution, or policy or plan by governing body			<ul style="list-style-type: none"> <li>Description of organizational policy of risk financing (see Risk Financing on Page 16)</li> </ul>			Governing body re-evaluates and / or updates plan at least annually				
Provide written risk management reports to the governing body at least twice per year			<p>Ensure content of the written risk management reports to the governing body include the following:</p> <ul style="list-style-type: none"> <li>Summary of insurance and / or risk financing mechanisms and costs by line of coverage</li> <li>Summary of identified adverse events, medical errors, and near misses</li> <li>Frequency</li> <li>Severity</li> <li>Causes</li> <li>System improvements based on identified problems</li> <li>Summary of claims experience</li> <li>Number of claims opened / closed</li> <li>Discussion of specific litigation information</li> <li>Discussion of special loss control issues</li> <li>Reporting required to comply with local, state, and federal risk management requirements, as applicable</li> </ul>			<p>Governing body takes appropriate action on risk management data presented as reflected in governing body minutes</p> <p>Summary of system improvements made as result of analysis of adverse event, medical error, and near miss data</p>				