

# Risk Management



The Hekman Group

*Medical Management Ingenuity*

4623 Forest Lane, Suite 100  
Holland, Michigan 49423  
(616) 335-5700

Copyright © 2007 The Hekman Group

by Kenneth Hekman, MBA, FACMPE

***Risk management is far more than simply helping the group stay out of court from medical malpractice.***

*Assuring patient safety is a fundamental responsibility of the medical group administrator.*

*Identify weaknesses in the patient care delivery system that might impact patient safety.*

One of the least understood leadership skills of a medical group administrator is the skill of managing risk. Risk management is far more than simply helping the group stay out of court either for malpractice incidents or for non-compliance with billing requirements. Visionary administrators look at risk management with the much more positive view of making sure that patients receive safe care consistently with every interaction.

In 1998, the Institute of Medicine produced a scathing report about patient safety in the healthcare delivery system. The report indicated that the number of medical misadventures occurring at the hands of physicians in hospitals and in medical practice settings was far greater than was previously known. ***To Err Is Human: Building a Safer Health System***, found that more people die from medical mistakes each year than from highway accidents, breast cancer, or AIDS. While the report stirred a great deal of controversy, it also enlightened the medical community about the multitude of risks it had overlooked for years. The report struck at the heart of physicians who have the Hippocratic Oath at the core of their tradition - an oath that affirms above all else that physicians should "do no harm."

If assuring patient safety is a fundamental responsibility of the medical group administrator, there are a number of tactics that can be deployed.

First, administrators should establish an incident reporting mechanism that identifies any misadventure within the practice to be reviewed periodically. Physicians and managers ought to be learning the lessons that can prevent future incidences and can inform the group about its patient care risks.

Second, medical group administrators can consistently seek feedback from patients through a patient satisfaction survey. Include questions in this survey that will invite patients to expose potential risks for patient safety or for misunderstanding that could lead to more serious consequences.

Third, I encourage administrators to have a risk-free mechanism for employees to identify weaknesses in the patient care delivery system that might impact patient safety. It is important to establish a mechanism that is free of bias or one that might cause the employee to feel like it is unsafe to report a safety concern. This might be accomplished by establishing an anonymous feedback system or by being explicit in the personnel policies that patient safety is the organization's first concern and that any employee who identifies a weakness or a risk to patients will be rewarded rather than punished.

Risk management also goes beyond patient safety to consider employee safety. Clinical support staff are constantly handling potentially hazardous materials, including sharps and medical waste materials, and they should receive continuous training in the proper handling of such hazardous items. OSHA requirements call for deliberate plans in handling hazardous materials and for assuring that all staff are oriented and consistently kept up-to-date on new hazardous material handling policies. I also encourage employers to periodically conduct employee satisfaction surveys to expose the beginnings of discontent that have the potential to rise into serious unintentional consequences.

***The administrator's role also includes legal compliance.***

*Risk management shouldn't leave a negative taste, but rather it should initiate actions that respect all parties involved; from the physician, to the patient, to the community.*

The medical group administrator's role in managing risk goes beyond assuring patient safety and employee safety to making sure that the group maintains legal compliance with corporate laws, maintains corporate history and record keeping procedures, audits aspects of its financial activities to minimize the risks harming the company, and more to the traditional understanding of risk management - helping to maintain professional liability insurance that protects the group in the risk of malpractice suits.

I think the natural tendency in approaching risk management is to view it with a negative pair of glasses. However, I encourage administrators to look at risk management as an opportunity to advance patients' interests and to help the group distinguish itself within the healthcare marketplace as a practice that respects all of its constituencies - patients, physicians, staff, and the community at large - by protecting everyone's interests against inadvertent misadventures. While risk management may never become the administrator's favorite leadership skill, it is still an essential component of a well-rounded medical group leader.