

Background

Health care risk management in its present form did not really begin to emerge until when hospitals and other health care entities experienced rapid rise in claim costs, and subsequently insurance premiums. Over the years, hospitals have come to realized the value of operational risk management and are moving towards the concept of Enterprise Risk Management (ERM), considering the level of complex range of risks facing health care organisations. The patient safety movement which started after a near fatal chemotherapy drug overdose in 2009 has also prompted KKH's effort in the establishment of key structural elements that enable the Institutional Risk Officer (IRO) to draw up and enforce a risk management program. The program includes a defined scope of risks to manage, examining the inclusion of risks associated with patients, clinical and non-clinical staff, governing bodies, property, facilities and environment, and other risks that subject the health care organisation to potential liability or the threat of harm or loss.

Aim

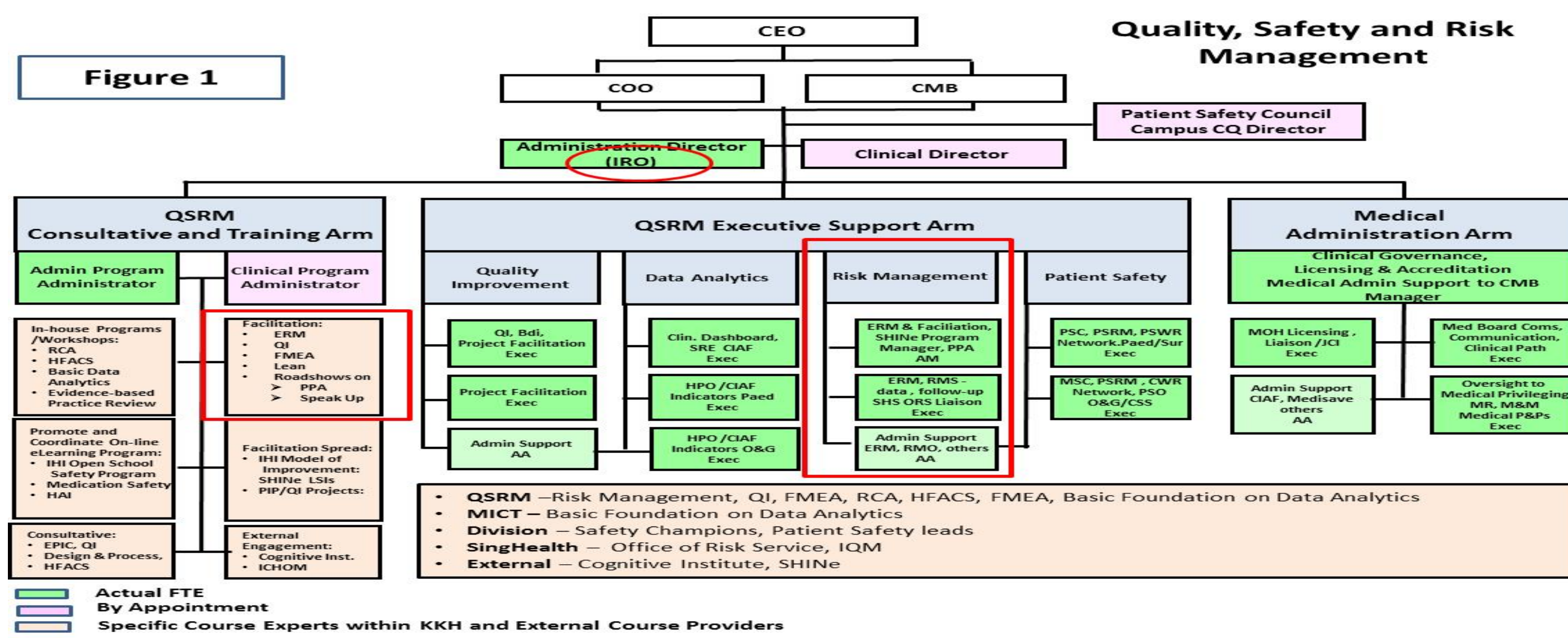
To make risk management an integral part of the managerial decision-making process that embeds ERM as part of the practice to manage and adapt to the changing internal and external environment of the organisation.

Methodology

KKH adapted COSO integrated framework with dedicated risk assessment and mitigation tools to determine the impact of risk to the institution and having risk management focus on all risks of an organisation. As effective ERM program requires firm elementary building blocks, the key structural elements were mapped to sufficiently cover all applicable categories of risk, with appropriate risk strategies, and written policies and procedures. The following key structural components are necessary for a risk management program to succeed:

• Risk Management Professional - Institutional Risk Officer (IRO)

An IRO who has direct report to Chairman Medical Board and Chief Operating Officer drive the implementation and development strategy and plans to promote risk awareness and change culture (refer to Figure 1). The IRO is also responsible for coordinating risk management activities with members of the clinical and non-clinical staff at all levels of the organisation with the support of Risk Management Executives in Quality, Safety and Risk Management (QSRM).

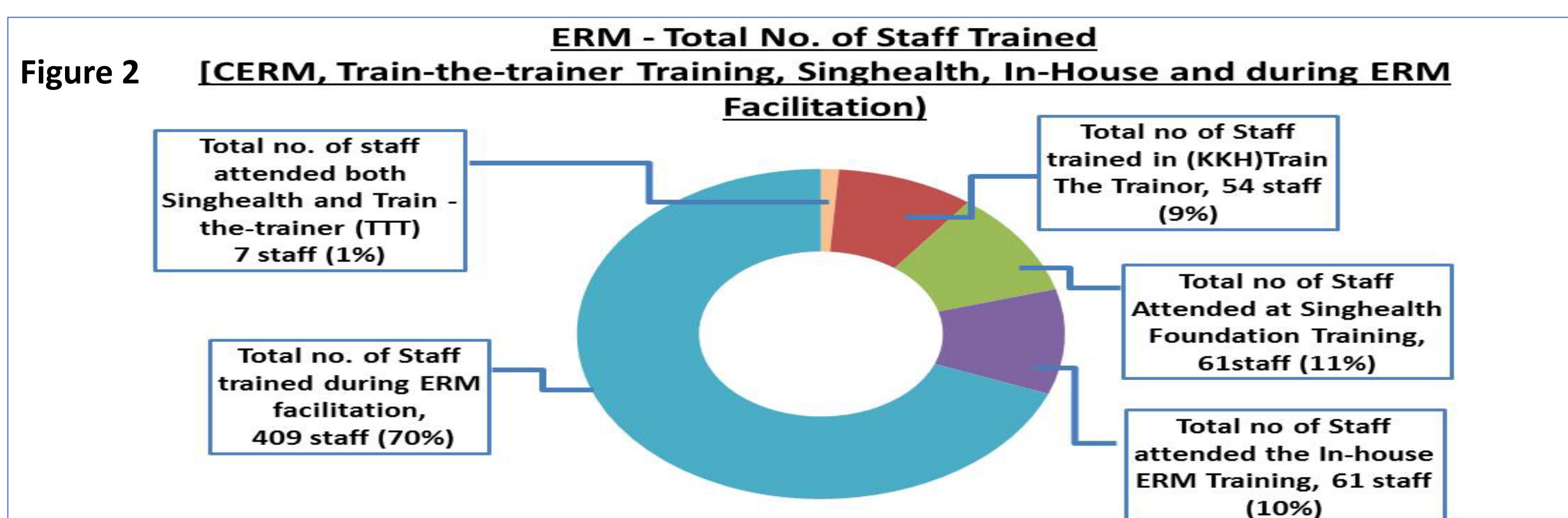


• Visibility

Foster an awareness of risk management through high level of facilitation to enhance opportunities for interaction, education, and communication practices among senior management and staff at all organisational levels. The formation of Consultative and Training arm (shown in Figure 1) and have ERM facilitation subsume as a part of QSRM role to promote stronger engagement through working in partnership with the departments in risk management.

• Training

Developing an effective training and facilitation program is essential to the sustenance of risk mitigation management. Training programs provide multiple benefits for staff and the organisation, however only if they are carefully planned and properly implemented (Figure 2 shows various training methodologies deployed). The success of ERM is also built on how well it is able to capture the trust and belief by every individual who reaped the value and the meaning towards what they can contribute.



• Coordination

The Risk Management arm (illustrated in Figure 1) within QSRM provides both formal and informal mechanisms for the coordination of the risk management program with departments and functions. In addition, it is to adequately integrate and coordinate risk management, establishing a system of reporting and communication relationships with key individuals within the organisation.

• Accountability

As healthcare system and function have many interrelated parts with multiple intricacy, having an integrated platform to work in a collaboratively manner help to foster multidisciplinary solutions to maximise the efficiency especially in multifaceted risk issues. Every discipline would require specific risk domain owner with performance capability to take charge of its completion and follow-up of the work team.

• Measurements

Key Performance Indicators were selected and are incorporated in the Balanced Scorecard; with metrics to measure all identified key risks. Additionally, the hospital has mandated the need for all divisions and departments to have indicators that promote cross-department participation in quality and risk mitigation projects.

Results

ERM was implemented in September 2011 and, within four and a half year period, KKH has initiated a total of 124 Risk Mitigation Work Plans with 106 completed and 18 ongoing (refer to Figure 3), targeting at various type of risks (illustrated in Figure 4) that could potentially impact on patients, staff and the organisation. There were multiple stakeholder ownerships to the ERM risk mitigation work plans and participation from all the divisions. Such collaboration has essentially improved staff decision in directing their work towards a common goal. Apart from the collaboration, our staffs were in the position to remove departmental silos. With cross-departmental collaboration, the teams were able to source or select system-wide risk management solution and strategy to effect their risk mitigation work plan.

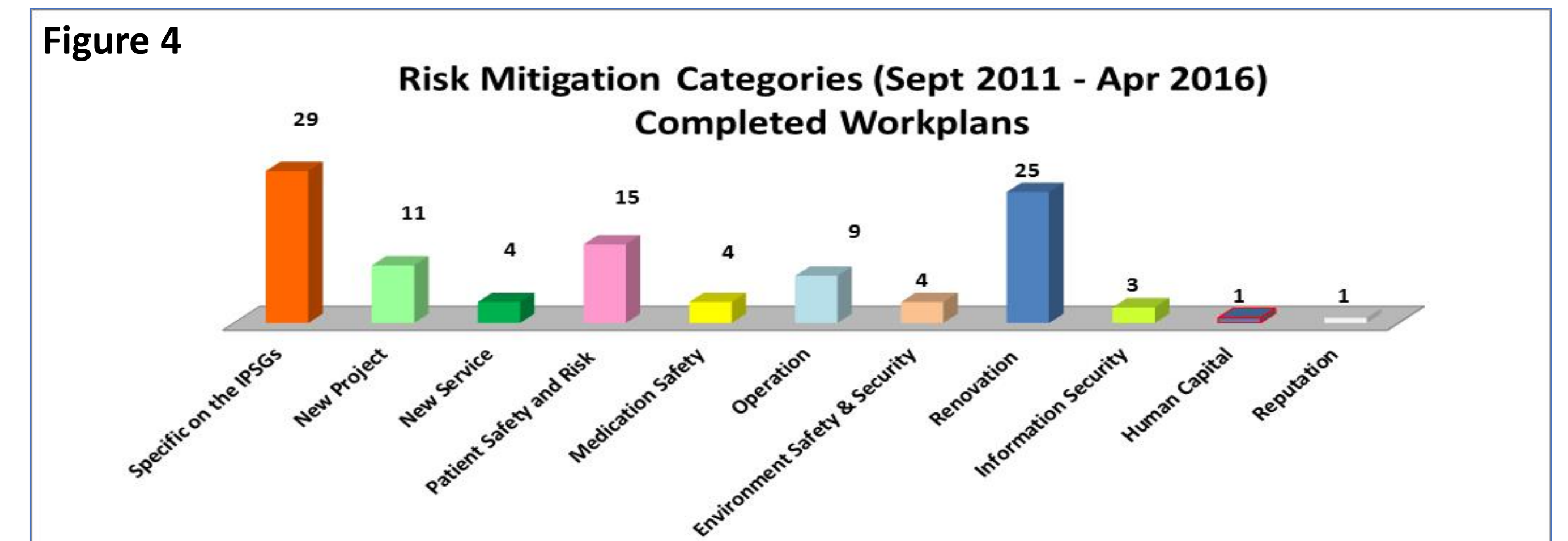
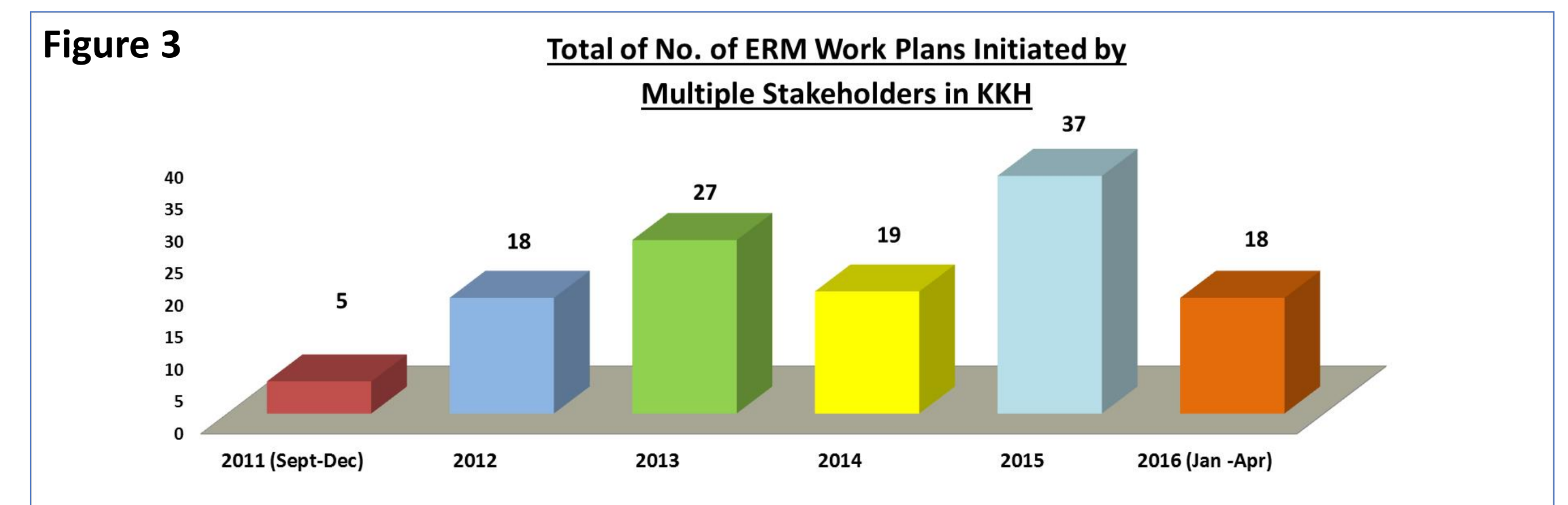
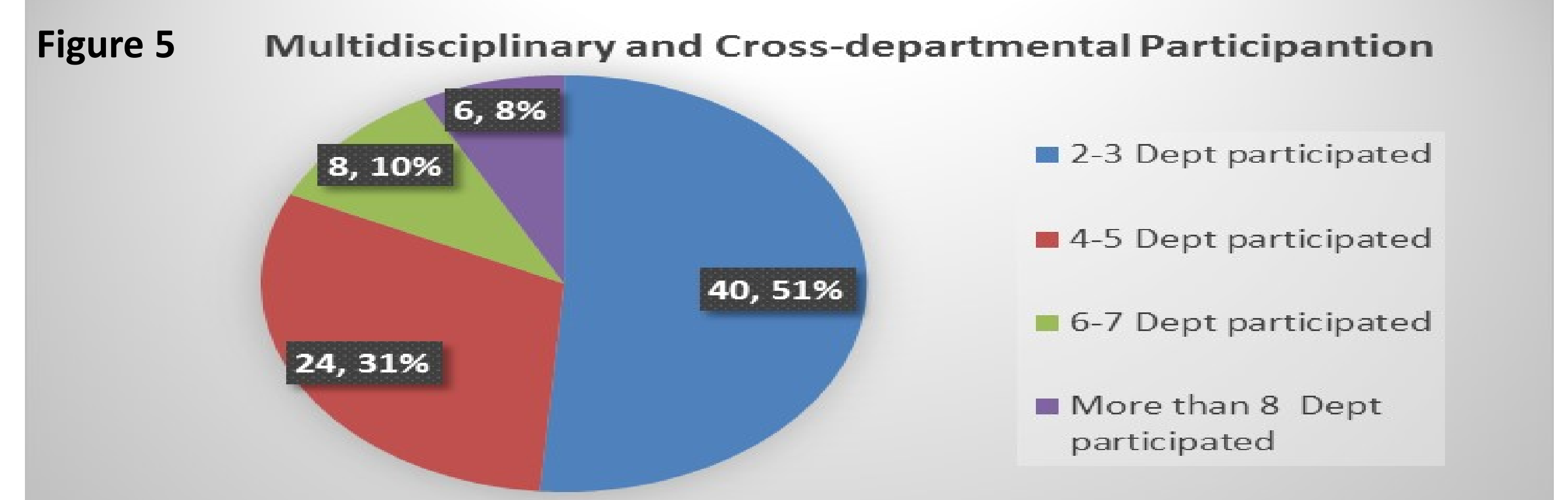


Figure 5 illustrated the percentage of participation from multiple categories of staff. Nursing is about 40% of total hospital staff and their participation in ERM has reflected an equal representation itself. Out of the 106 ERM Work Plans, more than 30% of the projects were co-owned with multidisciplinary and cross-departmental participation. This has demonstrated the close cooperative effort made to co-manage and mitigate risks that were identified.



KKH uses ERM Maturity Work Plan (MWP) for scoring on-going risk activities to assess Internal Environment & Objective Setting, Risk Identification & Risk Assessment, Risk Response & Control Activities, Information & Communication and Monitoring, the report was validated by Bickmore Consultant where the level of maturity achievement was 9.7/10 which is at Leadership level.

Conclusion

KKH has taken ERM to a higher level towards establishing a risk-aware culture. It has the tools to systematically identify, assess, and manage risk on an ongoing basis. Besides the accountability of managing risks through ongoing monitoring programs, there are also periodic presentations to hospital leadership, 3-monthly management reports, a follow-up system, and performance reviews. Active review of the key risk control and management program, sharing and learning, identified threats are managed adequately, thereby support the institution success in providing excellent and safe care delivery.