

Risk Prioritization- Case Study

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Why do a risk assessment?

- ▶ Prevention, Detection and/or Deter risks identified from becoming catastrophic
- ▶ Help to eliminate surprises
- ▶ Support from regulatory and Federal Sentencing Guidelines that promote ongoing risk assessments
- ▶ Promotes...”see something, say something”
- ▶ Assists organization in understanding the intelligence of the company around real and/or potential risks

How do we usually gain intelligence about our risks? (reactive)

- ▶ Lessons learned from after-incident analysis
- ▶ Enforcement actions involving fines, investigations, settlements (internal and in the market)
- ▶ Natural disasters: Earthquakes, Fires, Floods, etc.
- ▶ Incidences: safety incidents, work place violence, billing and coding issues, documentation issues
- ▶ New legislation
- ▶ Budget cuts
- ▶ Hotline trends/issues
- ▶ Other?

Considerations for conducting a Risk Assessment?

- ▶ Resource availability
- ▶ Resource skill set
- ▶ Capability of organization to objectively address risk - is there a risk management process in place at your organization?
- ▶ Culture - are accountabilities clear and supported by leaders?
- ▶ Want to encourage “see something, say something”. Is your compliance program rooted in “fear or policing viewpoints”?

Risk Assessment Methods-learning about risks "on going"- Identification

DYNAMIC PROCESS

- ▶ Surveys
- ▶ Review of audit findings
- ▶ External review/audits/complaints
- ▶ Walking the halls
- ▶ Water cooler conversations
- ▶ Hotline
- ▶ Other?

What is Risk Prioritization?

After the organization goes through "real time" identification of real and/or potential risks, we need to prioritize the risks.

- ▶ What is included in prioritization:
 - ▶ Impact/Likelihood of risks occurring are two common variables that are utilized for prioritization
 - ▶ What are other areas that you might consider in prioritizing risks?
- ▶ Resource availability
- ▶ Resource skill set
- ▶ Taking the fear out of Compliance, no organization wants to be non-compliant.

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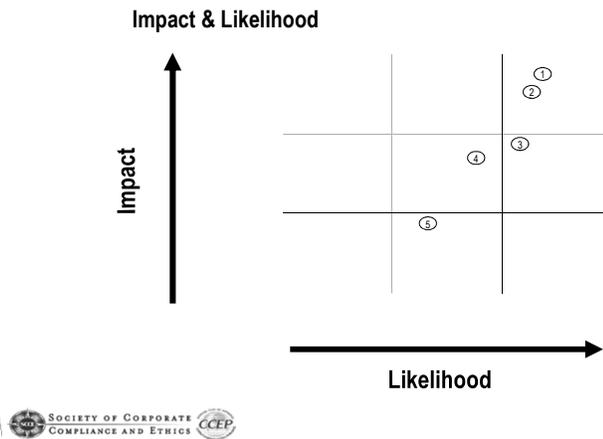
Prioritizing = narrowing down the risk list to a manageable and scalable list that can be executed.

- ▶ Resource availability
- ▶ Resource skill set
- ▶ Taking the fear out of Compliance, no organization wants to be non-compliant. Its okay to identify risks.

What is included in Risk Prioritization?

- ▶ What is included in prioritization:
 - ▶ Impact/Likelihood of risks occurring are two common variables that are utilized for prioritization
 - ▶ High (red), Medium (yellow), Low (green) are also commonly used
 - ▶ What are other areas that you might consider in prioritizing risks?
- ▶ Who participates in ranking risks? If you have the resources, it is a good approach to include the below groups:
 - ▶ Management
 - ▶ Staff
 - ▶ Executive leadership\
 - ▶ Other?
- ▶ When you don't have the resources to help get all the above feedback, utilize who/what you can

Risk Prioritization - Deliverable - Example



9

Scalability of Risks you are asked to execute on

Considerations:

- ▶ Resource availability
- ▶ Resource skill set
- ▶ Taking the fear out of Compliance, no organization wants to be non-compliant. Its okay to identify risks.\

If you don't have the resources, you do not want to promise that these risks will be executed on. Management and compliance may need to reprioritize to a more realistic list of risks for action.

Case Study: Anchor Health System

- ▶ Tribal Health System
 - ▶ Two hospitals
 - ▶ Multiple rural clinics
 - ▶ Skilled nursing facility
 - ▶ Home Health
 - ▶ Mental Health Facility
- ▶ Hospitals, SNF and Mental Health Facilities are located in Anchorage
- ▶ Provider clinics are located throughout a 100 mile area

Case Study Exercise

Describe what methods you might use to identify risks in the organization.

Identify the risk prioritization process you will use for this organization, who you will involve and how you will make sure this continues “ongoing and is dynamic”.

How will you represent your priority risks to your management team and any outside organization?

Key points

Risk assessments should be conducted periodically.

The first two steps in a risk assessment process are identification and prioritization.

This process is ongoing and dynamic and should be updated periodically with the organization's leadership.

Key priorities establish the plan for focus of the organization and need to be reviewed periodically to determine if there are other risk priorities that were identified.

Anyone can do the risk assessment but the culture has to be ready to execute on the findings and mitigate the risks identified. Scalability is very important when considering key priorities of the organization.