Managing Risk in Healthcare Organizations

Sample Course Syllabus

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Risk managers in healthcare organizations work in a wide variety of functional areas – not only risk management, but also quality, patient safety, compliance, audit, and insurance. These areas have a common focus on managing and preventing downside risks (“bad” events), but they lack a framework for dealing with upside uncertainty (the “upside” of risk). In addition, risk management teams often report great difficulty in demonstrating the value they add. This course introduces a comprehensive approach for quantifying and managing downside risk and upside uncertainty that applies to all functional areas in healthcare organizations. It provides a top-level, senior management perspective on how to think about risk management across the organization.

Mapping the Field of Healthcare Risk Management
Roberta Carroll, editor of ASHRM’s three-volume Risk Management Handbook for Health Care Organizations and senior vice president at Aon Risk Solutions, provides an overview of the field of healthcare risk management. She draws from her decades of experience as a leader in healthcare risk management to discuss the history of healthcare risk management and present a perspective for managers on the comprehensive risk management needs of their organization.

Case Exercise: Risks in Your Organization – Identify and Categorize
Participants work in teams to identify and categorize a comprehensive list of risks in healthcare organizations.

Current State of the Art in Healthcare Risk Management at Stanford
Jeffrey Driver, the chief risk officer of Stanford Hospital & Clinics, describes the current state of the art in healthcare risk management at the Stanford University Medical Center.

Uncertainty, Risk, and Decision-Making
We describe how to think differently about uncertainty and risk, quantify them, incorporate them in better decision-making, and evaluate possible risk mitigation measures.

Value-Driven ERM
We describe why it is important to take an enterprise perspective for value-driven ERM and introduce the key methodologies underlying a value-driven approach to risk management – one that quantifies and manages downside risks and upside uncertainty and creates new alternatives to increase value.
Case Exercise: Risks in Your Organization – Sort Risks
Teams continue working on the case exercise, determining which risks and uncertainties can be quantified using heat maps, and which require value maps.

Value Maps
Value maps are a simple way to capture complex situations. Also known as influence diagrams or relevance diagrams, they graphically illustrate all of the factors bearing on risk and value. They can be readily shared with and understood by people not trained in decision and risk analysis. In this session, we describe the basic rules for drawing value maps.

Case Exercise: Safe Patient Handling – Develop Value Map
Safe Patient Handling programs involve installing equipment in hospitals to move patients, and training staff to use the equipment. The objectives are to improve the patient experience and reduce staff injuries from moving patients. In this session, we describe the analysis of Safe Patient Handling programs at Stanford Hospital, an award-winning application of these risk management methods. Teams then develop a map for a Safe Patient Handling program.

Case Exercise: Safe Patient Handling – Quantify One Variable
Determining the total value for a risk management program such as Safe Patient Handling requires quantifying many uncertain variables. In this session, teams apply subjective probability estimates to quantify one uncertainty for a Safe Patient Handling program.

Organizational Aspects of ERM
We discuss how decision-making processes can help organizations move from planning to implementation, who needs to participate, and how to engage them to assure success.

How Executives and Boards of Directors View Risk Management
Martha Marsh, past president and CEO of Stanford Hospital & Clinics, provides a top-level perspective on what senior management wants from risk management and what will be needed in the future.

Panel Discussion with Leaders in Healthcare Risk Management
Ms. Carroll, Mr. Driver, and Ms. March participate in a panel discussion regarding Board and C-level perspectives on risk management. Participants have an opportunity to ask questions of and interact with these noted leaders in healthcare risk management.

Case Exercise: Incident Reporting – Organizational Considerations
We describe how the tools for strategic decision-making and risk management can make the case for a difficult-to-quantify project: implementing a new Incident Reporting system. Participants work in teams to define the stakeholder groups they would have to convince to tackle Incident Reporting at their facilities and determine how they would “sell” the groups on the decision and begin implementation.
Case Exercise: Risk Management in a Merger
Participants apply what we have covered in the course about strategic decision-making and risk management to a hypothetical merger situation. They take on the roles of modern risk managers who consider both opportunity and downside, addressing the full uncertainty associated with a decision. They prepare for the first meeting of a task force that is evaluating a merger of one of their institutions with another, highlighting how they would approach the merger decision and identifying the issues that need to be addressed.

Future of Healthcare Risk Management
We describe where healthcare risk management needs to go and why, and how to guide the development of risk management in participants’ organizations.