Emerging Role of Risk Management

In Senior Living and Skilled Nursing

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Background

Since the establishment of the American Society of Health Care Risk Management in 1980, risk managers have focused on implementing safe and effective care practices, preserving financial resources, and maintaining safe working environments for health care environments.

In 1972 the federal government enacted specific requirements for nursing homes, and around that same time, the first assisted living community opened.

In today's senior living market, resident health care needs have become a priority. Senior living options range from independent living, assisted living, memory care, and skilled nursing. Resident care needs, regulations and risk management processes differ in all four levels of living.

One constant in senior living is that in all four living settings, risk **exists**. Therefore, the skills and expertise of a risk manager are vital to an organization. Traditionally, risk managers oversee a variety of roles and responsibilities for their organizations.

Risk manager roles and responsibilites
The role of the senior living risk manager may vary from the traditional role provided by the risk manager in the hospital setting. The risk exposures may differ and the risk management position in senior living is evolving.

The risk manager in senior living may also have other nursing or administrative job responsibilities and position may not be solely dedicated to risk management.

In senior living, not only are risk managers necessary for day-to-day operations, but risk managers are also often called upon when litigation is pending during the discovery, deposition, or litigation process to clarify an asserted claim.

A successful risk management program may offer fewer lawsuits, fewer claims, improved clinical performance, improved employee morale, and resident satisfaction measures.

Areas of risk management responsibility in senior living may include some of the following tasks:

1. Loss prevention and reduction
2. Design and implementation of comprehensive orientation programs for new and existing associates
3. Development and implementation of loss prevention training programs for providers and staff
4. Implementation and oversight to event reporting systems
5. Researching, writing, or assisting with developing policies and procedures to minimize loss
6. Participation in organizational committees that promote loss prevention and reduction
7. Direct oversight and implementation of the organization enterprise risk management process

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Risk manager goals

The primary goal of a clinical risk manager is to shift from being reactive to events to taking more of a proactive approach.

Risk management specifically is concerned with improving the quality and safety of healthcare services by identifying the circumstances and care outliers that place residents at risk of harm and then acting to prevent or control those risks.

Risk managers can follow a four-step process to manage clinical risks:

1. Identify the risk
2. Assess the frequency and severity of the risk
3. Reduce or eliminate the risk
4. Assess the costs saved by reducing the risk or the costs if the risk eventuates

The success of a risk management program depends on creating and maintaining safe systems of care and processes designed to reduce adverse events and improve organizational performance.

Effective risk management involves all levels of care in senior living, so all healthcare associates must understand the objectives and relevance of the risk management strategies and relevance to their work position responsibilities and competencies.

Due to resident clinical complexities and the increase in regulatory scrutiny in senior living, risk management oversight is becoming increasingly necessary. Although senior living providers offer differing levels of care, many of the clinical and safety risks have similarities.

Resident falls are the highest driver of claims and pressure injury or wounds is another condition where senior living operators experience loss.

The CNA aging service report[1] and the WTW Senior Living Claims Benchmarking Study[2] highlight many similarities of risk that result in claims. Both reports identified that Resident falls are the highest driver of claims and pressure injury or wounds is another condition where senior living operators experience loss. In addition, the cost exposure for wounds has a higher average claim severity of $230,000 compared to $155,000 for falls.

Often, senior living and skilled nursing are categorized to be the same level of care. It is important for the risk manager to understand the distinct differences in care levels and also to know that each level of care will require a different approach to risk management and risk mitigation processes. One known factor is each level of care has risk which need to be identified, analyzed, monitored, and managed.

The following is a breakdown of the senior living levels of care. It provides examples of clinical and safety risk exposures and requirements for quality improvement activities unique to the level of care setting.

1. **Skilled nursing:** There are about 15,700 skilled nursing centers nationwide providing care to more than 1.4 million people in the United States[3]. Skilled nursing facilities are federally regulated and some states require a designated risk manager to oversee the risk management program.

   a. **Clinical risk**
   - Resident falls: Nearly half of fall related claims involve the resident's death[4]
   - Pressure Injury: Prevalence of pressure injury in US skilled nursing facilities ranges from 8.2% to 32.2%[5]
   - Infection Prevention and Control
   - Medical Management/failure to treat
   - Medication variance
   - Abuse
   - Residents can be totally dependent for ADL
   - Elopement
   - Staffing shortages
   - Registered Nurse (RN) availability 8 hours minimum standards
   - Infection Control

   b. **Resident safety**
   - Environment
   - Accidents Hazards
   - Assistive Devices
   - Security System Failures

   c. **Quality improvement**
   - QAPI is a federal requirement
   - Public reported Quality Indicators which are compared to other skilled nursing centers across the United States. The Quality Measures are monitored by the local health department are used for survey performance measures.
   - Nursing Home Comparison data is available
   - Requirements on reporting adverse events

2. **Assisted living:** There are nearly 30,000 assisted living communities in the United States serving more than 810,000 residents[6]. According to the CNA Aging Services report[7], assisted living closed claims cost more than skilled nursing claims. Assisted living communities or agencies are state regulated. Risk managers should focus their efforts on the following clinical risk areas to mitigate claim severity and loss.

   a. Clinical risk
      - Resident falls: Remain a persistent risk in aging service accounting for 40.5% of all claims. Assisted living claims incur a higher average total paid (The WTW Benchmarking report found that between 2014 and 2018, falls accounted for 35% of all losses).
      - Pressure Injury
      - Infection Prevention
      - Elopement
      - Medical Management/Medication administration/Failure to treat
      - Abuse
      - Staffing shortages
      - RN staffing requirements vary by state
      - Activity od Daily Living (ADL) assistance but not ADL dependent

   b. Resident safety
      - Antipsychotic Drug Use
      - Assistive Device Usage
      - Resident Preferences and Service Plan Goals
      - Surrogate Decision Maker
      - Staff Stability
      - Security System Failures

   c. Quality improvement
      - No requirement for QAPI
      - May have state requirements
      - No national publicized quality benchmarks
      - Requirements on reporting adverse events

3. **Memory care**
   a. Clinical risk
      - Dementia, Alzheimers is a factor in 62.8% of all fall-related claims[8]
      - Behaviors and Dementia/Alzheimers disease progression
      - Memory loss
      - Wandering and Elopement Risk
      - Infection Prevention
      - Mental confusion
      - Loneliness
      - Abuse
      - Staffing Shortages

   b. Resident safety
      - Lack of safety situational awareness visual disturbances
      - Environmental - lighting, carpet floor coverings, equipment failures
      - Resident abuse/ Resident to Resident Altercation
      - Improper Administration of Medications
      - Security system failures
      - Resident Preferences and Service Plan Goals
      - Surrogate Decision Maker

   c. Quality Assurance and Process Improvement (QAPI)
      - No federal requirements for Quality Improvement
      - May have state requirements
      - No national publicized quality data available
      - Requirements on reporting adverse events

4. **Independent living:** Anecdotally, data for independent living settings is fluid and not required as the licensed facilities. Independent living communities are primarily regulated by building codes and by health inspectors for dining sanitation and food safety.

    a. **Clinical risk**
        - Falls
        - Transitions of Care
        - Loneliness
        - Third Party Contractor
        - Staffing Shortages

    b. **Resident safety**
        - Social activities: happy Hour
        - Driving: cars and scooters and transport
        - Assisted device
        - Environment
        - Security system failures

    c. **Quality improvement**
        - No federal requirements for Quality Improvement
        - No national publicized quality data available
        - No formalized process for reporting adverse events

Reducing risk strategies for all senior living levels of care

Risk reduction strategies are necessary.

The following strategies can steer senior living risk management efforts and improve resident safety:

1. Establish a culture of safety throughout the communities
2. Leadership Communication and Teamwork
3. Policy and Procedure development on clinical and safety risk
4. Adopt Residents as partners in resident safety
5. Early, reporting, and timely incident investigation and resolution
6. Safety Event Reporting
7. Comprehensive admission screening
8. Set realistic expectations
9. Adopt Electronic medical record and secure documentation system
10. Execute employment engagement strategies
11. Educate associates to know how to report known risks or hazards in the workplace
12. Keep accurate and complete medical records
13. Educate associates to know when and how to ask for help from a supervisor, senior clinician, and other healthcare professionals
14. Participate in meetings that discuss risk management and patient safety
15. Respond appropriately to patients and families
16. Conduct annual risk assessment and gap analysis
17. Contract your brokers risk manager for insight in developing a formalized risk management process

Quality assurance process improvement recommendations

Quality improvement regulations are federally enforced for skilled nursing however, assisted living, memory care, and independent living do not have quality improvement federal mandates. State regulations exist for assisted living and memory care but often do not require a formalized quality improvement process.

Quality performance and process improvement recommendations

1. Apply a Quality Assurance Process Improvement process to all levels of care as best practice.
2. Implement a formal process for a daily standup meeting for all levels of care
3. Bring community leaders together to review a three-part plan to promote situational awareness, mutual support, and proactive risk identification.

   The plan can be achieved by:
   - Look back-what occurred in the past 24 hours involving safety or quality.
   - Look ahead and determine what is expected to occur in the next 24 hours.
   - Follow-up on the status of key performance indicators from each department

4. Utilize findings from clinical reports, resident satisfaction surveys and grievance reports and include them in QAPI projects.

5. Protect all QAPI work projects by including legal counsel guidance. Place corporate confidentiality language on work projects, audit tools, etc.

Conclusion:

Forward thinking risk management and the future for senior living

As we look toward the future, the senior living communities that improve their risk management procedures will become more standardized, flexible, and better positioned for long-term success. Managing the numerous risk exposures in all levels of living is critical to the organization's success.

Senior living providers should work closely with their insurance brokers for clinical risk guidance to support their overall operations. Risk managers will provide resources and support to set the tone for a culture of safety foundation throughout the community. The role of a risk manager should be a top priority for senior living providers to effectively manage and mitigate risk exposures in all senior living levels of care.

Underwriters look favorably on organizations that have a risk management professional to guide internal preventative and risk mitigation strategies.

[1] https://www.cna.com/web/wcm/connect

[2] https://www.wtwco.com/-/media/WTW/Insights

[3] https://www.senioradvisor.com/nursing-home

[4] https://www.cna.com/web/wcm/connect

[5] https://journals.lww.com/jwocnonline/Fulltext

[6] https://www.consumeraffairs.com/assisted-living/statistics

[7] https://www.cna.com/web/wcm/connect

[8] https://www.cna.com/web/wcm/connect

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