PRINCIPLES
OF RISK
MANAGEMENT
AND PATIENT
SAFETY

Edited by
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This book is dedicated to my beautiful daughter, Anie, who has changed my life in a thousand ways and who patiently suffered through lost weekends and holidays while I finished this book.
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An earlier edition of this book, originally titled *The Risk Manager’s Desk Reference*, was released in the same year that the Institute of Medicine (IOM) released its groundbreaking report titled “To Err Is Human: Building a Safer Health Care System.” The authors began that report with some startling data regarding the number of preventable medical errors that occur within the U.S. healthcare system every year. The report cited many reasons for this, among them a punitive culture that punishes individuals when they are involved in mistakes, a level of complexity (both as related to the patients receiving care and the environment in which care is provided) that is now the norm in healthcare and that makes errors more likely to occur, and the fact that we fail to learn from our errors or to openly discuss the systemic vulnerabilities that manifest every day and predispose individuals to err.

For me as a risk manager, much in the report was not a surprise, but it was, in my mind, an accurate statement about the lack of sustainable success that we have been able to achieve as healthcare risk managers, clinicians, and healthcare administrators. I recalled the early days when I began my career as a lawyer managing medical-malpractice claims and being struck with how seldom organizations and providers asked about what could be learned from the claim. Once a claim was resolved, the risk manager, the clinicians, and the administrators were already involved in something else, usually the next bad claim. In addition, I was struck by how often in the debate around healthcare reform, which occurred almost 20 years ago and seems to be repeating itself now, there seemed to be a desire to blame the legal system for the malpractice problems when, in truth, many of the problems are ours alone to fix.

Although the initial plan was to merely do a third edition of the *Desk Reference*, it soon became apparent that a more full-scale revision was required. Much has changed since the release of the IOM report 10 years ago. Many risk managers have been courageous enough to acknowledge specific aspects of the traditional risk management approach that were flawed and not yielding the desired results; and to embrace a new way of thinking about risk, error, transparency, and safety. The most successful risk managers realize that incorporating patient safety principles into risk management is about more than just changing the name of the department or adding an additional job responsibility to their business card. In fact, in many cases, it requires a reassessment of the long-held practices.

Risk managers often found it difficult to reconcile traditional principles of risk management, which frequently focused on protecting the financial assets of the organization through vigorous defense of all claims asserted against it, to limiting the sharing of information so that it
could be shielded from discovery, to focusing more on the aftermath of a claim than on the development of why the claim occurred in the first place and, more importantly, how it might have been prevented. There was lack of synergy between departments that often resulted in duplicate or fragmented work, or work that never achieved its potential. In addition, even when results seemed positive, they were often isolated to the area where the problem arose and not applied across the organization.

There remains in some organizations a healthy debate about where risk management ends and patient safety begins. In addition, patient safety, although a concept now better understood, is still in need of operational traction. Many departments and individuals in healthcare organizations have tried to claim patient safety as their singular responsibility, artificially segmenting the activities in ways that make little sense and yield diminished results. Also, at a time when many healthcare employees attempt to justify their own existence and positions, it may be threatening to think that the best organizations decentralize both risk management and patient safety so that everyone in the organization feels that keeping patients and colleagues safe and keeping the environment free of risks is their job. When this happens, the role of the risk manager is not diminished, but certainly it does change. This book lays out the ways in which a risk manager thinks to conform to this new reality and, ideally, bring about the changes associated with patient safety that 10 years of research have identified as necessary.

Readers familiar with the first and second editions of The Risk Manager’s Desk Reference will notice a number of things. Firstly, this text is clearly divided into the three domains that remain a part of most risk managers’ job responsibility: claims management, risk financing, and proactive risk reduction or patient safety. In the first two domains there have been some changes, as certainly discussions about transparency, disclosure, and early-offer programs has dramatically changed the manner in which many risk managers now respond to errors. The most significant changes, however, are noted in the final section of the book where, instead of characterizing risks as unique in light of the clinical specialty where they originate, I organized the section based on what I have learned over the past 10 years as a result of analyzing patient safety and risk management data, that is, that regardless of the department where the error occurs, the root cause of the problem is often identified as a systemic problem often caused by workplace complexity, pressure within the system to do more with less, and a lack of focus on simple human interaction between provider and patient or provider and colleague. Indeed, problems such as poor communication, inadequate handoffs, and fatigue often appear as a root cause of the majority of problems that continue to occur. There is still a great deal of research done that, in the years to come, will continue to advance our knowledge about the etiology of risk and, more importantly, the best manner in which to intervene to reduce and ultimately eliminate the risks that are identified. It will be our job to acknowledge what is learned and apply it to our current practice. Our knowledge base, our style of collaboration, and our way of seeing our work will change, and I am hopeful that this book will help to prepare both, the risk managers working today and people who seek risk management as a profession, for the challenges of the future.
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