Don’t Face the Risk Apocalypse: 
Practical Approaches to Implementing and Integrating ERM and Compliance with Quality

HCCA Compliance Institute - March 29, 2017

Quality and Compliance Starts with the Patient Experience!
We are the Patient Experience!

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SVP, ERM and Chief Compliance Officer  
JPS Health Network

Frank Rosinia, M.D.  
Chief Quality Officer  
JPS Health Network

Agenda

- About JPS Health Network
- JPS Organizational Culture
- Our ERM Journey
- The JPS Quality and Patient Safety Program
- Combining ERM and Quality
- Questions
About JPS Health Network

At John Peter Smith Hospital, in Fort Worth’s Near Southside, we provide emergency services and trauma care at Tarrant County’s only Level I Trauma Center, urgent care, inpatient care (including intensive care for infants and adults), emergency and inpatient psychiatric care, and a full range of outpatient services located across Tarrant County.

JPS Health Network is...
- Tarrant County’s only Level I Trauma Center
- 2.3 million square feet of facility space
- 6,500 team members
- 11 residency and fellowship programs
- 573 bed acute care hospital
- More than 40 primary specialty and school-based health centers
- Tarrant County’s only Psychiatric Emergency Center

223 emergency visits per day in 2009
312 emergency visits per day in 2015

JPS medical staff credentials include:
- 690 MDs
- 199 DOs
- 17 DDS
- 5 PhDs
- 4 DPMs
- 1 DMD

As our community grows and industry standards, regulations, academic requirements and new technology emerge, JPS too must evolve to meet the demands.

Get the latest update at www.jpshealthnet.org/bonds

Centered in Care
Powered by Pride

JPS is an equal opportunity employer and does not discriminate on the basis of race, sex, age, national origin, handicap, color, religion, sexual orientation, or gender identity.

3/28/2017
Organizational Culture: Tone at the Top

**JPS Rules of the Road**

*Own It*
*Seek Joy*
*Don’t be a Jerk*

Elements of culture leading to improved Quality and ERM programs

- Recognition Programs
- Physician Observation
- Senior Leader Rounding
- Inpatient and Outpatient Priority Matrix
- Rules of the Road (Robert’s Rules)
- Leadership Development Institute

90% employee engagement

JPS Culture
Our ERM Journey

ERM Helps Manage Reputational Risk

It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.

—Warren Buffett
ERM Timeline

- SVP, ERM and Chief Compliance Officer position created in 2015 reporting directly to both the Board and CEO
- 9 JPS Board members appointed by the 5 elected County Commissioners
- Board meetings open to public and streamed live on the Internet
- Board wanted to develop an ERM program to give them more visibility on organization-wide risks. Board did not have a good understanding of ERM
- First ERM risk assessment conducted from September 2015 – January 2016
- Met with executive leaders and Board to prioritize top 10 ERM risks
- Currently building risk profiles for each of the top ERM risks and implementing GRC software
- Implementing ERM communication plan and reporting

Overcoming ERM Organizational Barriers

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of support</td>
<td>✓ Establish board and leadership support at the beginning</td>
</tr>
<tr>
<td>Lack of &quot;real&quot; work</td>
<td>✓ Educate key stakeholders</td>
</tr>
<tr>
<td>Flavor of the month</td>
<td>✓ Define goals and value proposition</td>
</tr>
<tr>
<td>Too academic</td>
<td>✓ Keep it simple</td>
</tr>
<tr>
<td>Why ERM?</td>
<td>✓ Get quick wins to gain support</td>
</tr>
<tr>
<td>Too confusing</td>
<td>✓ Identify a few key ERM risks</td>
</tr>
<tr>
<td>Too many risks to focus on</td>
<td>✓ Practice telling the ERM story</td>
</tr>
<tr>
<td>Others?</td>
<td>✓ Align ERM to key organizational goals and quantify</td>
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</table>
Strategic Alignment

Connecting ERM with Strategy and Operations
ERM Road Map

Set Foundation
- Risk universe
- Risk definitions
- Frameworks
- Organizational structure
- Board oversight

Establish oversight
- Risk assessment
- Risk responses
- Pilot results
- Risk owners

Assess risk and develop responses
- ID current state
- Gap analysis
- Management reporting

Determine desired future state
- Risk quantification
- Risk tolerances
- Risk appetite

Quantify risks
- ID leading practices
- Link risks to key metrics
- Track performance improvement

Performance Improvement


ERM Risk Universe

JPS Enterprise Risk Universe

<table>
<thead>
<tr>
<th>External</th>
<th>Internal</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Strategic Alignment</td>
<td>Policies and Procedures</td>
</tr>
<tr>
<td>Catastrophic Loss</td>
<td>Organizational Structure</td>
<td>Legal</td>
</tr>
<tr>
<td>Political/Legislative</td>
<td>Change Readiness</td>
<td>Regulatory Compliance</td>
</tr>
<tr>
<td>Competition</td>
<td>Board Governance</td>
<td>Contracts</td>
</tr>
<tr>
<td>Strategic Partnerships</td>
<td>Business Planning</td>
<td>Financial Reporting</td>
</tr>
</tbody>
</table>

Stewardship
- Leadership
- Clinical Quality
- Patient Experience
- Patient Access

Quality
- Project Management
- Patient Safety
- Regulation Health

People
- Resource Availability
- Care Co-ordination
- Primary Care Delivery

Service
- Employee Competence
- Accreditation
- Behavioral Health

Operational Excellence
- Authority/Accountability
- Research
- Maternal and Neonatal Health

Margination/Cost Control
- Management Performance
- Academic Programs
- Geriatric Care

Accounting
- Management Development
- GME Support
- Community Collaborations

System/Data Integrity
- Academics
- Research
- Health Insurance Plan

Disaster Recovery
- Physician Engagement
- Academic Leadership Development

Philanthropy
- Physician Engagement
- Management Development

Supply Chain
- Facility and Equipment Maintenance

Billing and Collections
- Transaction Processing

3/28/2017
Top ERM Risks

Strategic Partnerships
Academic Programs (Research, GME)
Clinical Quality
Operational Excellence
Physician Engagement
Authority/Accountability
Patient Experience / Patient Access
Primary Care Delivery
Behavioral Health
Care Coordination

Risk Profile

Identify Risk Events
Document Risk Response Action Plans
Develop Reporting Metrics

How Mature Are Our Capabilities to Manage each ERM Risk?

<table>
<thead>
<tr>
<th>CONINUUM</th>
<th>CAPABILITY ATTRIBUTES</th>
<th>METHOD OF ACHIEVEMENT</th>
</tr>
</thead>
</table>
| Optimized      | (Continuous Feedback) Risk management a source of competitive advantage | • Increased emphasis on exploiting opportunities
|                 |                                                            | • "Best of class" processes                                                         |
|                 |                                                            | • Knowledge accumulated and shared                                                   |
| Managed         | (Quantitative) Risks measured / managed quantitatively and aggregated enterprise-wide | • Rigorous measurement methodologies and analysis                                  |
|                 |                                                            | • Intensive debate on risk/reward trade-off issues                                  |
| Defined         | (Qualitative /Quantitative) Policies, processes and standards defined and hardwired | • Process uniformity applied across the organization / rigorous methodologies      |
|                 |                                                            | • Remaining elements of infrastructure in place                                   |
| Repeateable     | (Intuitive) Process established and repeating; reliance on people continues | • Common language                                                                  |
|                 |                                                            | • Quality people assigned with defined tasks                                       |
|                 |                                                            | • Initial infrastructure elements                                                   |
| Initial         | (Ad Hoc/Chaotic) Dependent on hercules; Institutional capability lacking | • Undefined tasks and relies on initiative                                         |
|                 |                                                            | • "Just do it" attitude                                                            |
|                 |                                                            | • Reliance on key people                                                           |

Risk Profile Elements

1. ERM Risk Name / Executive Risk Owners
2. Risk Definition
3. Risk Category (JPS Pillar / Strategic / Regulatory)
4. Risk Drivers
   - External / Internal
5. Risk Events
   - (Rating: Impact / Significance / Velocity)
6. Risk Mitigation Strategies
   - (Effectiveness of Current & Proposed)
7. Risk Maturity Current and Desired
8. Risk Tolerance / Risk Appetite
9. Evaluative Metrics

Building Relationships and Support

- Understand the business
  - Operational rounding
  - Off-site meetings and retreats
  - Goal setting and strategy meetings
  - Financial performance and incentives
- Understand the cultural and political environment
  - Backgrounds of board and senior leaders
  - Fast-paced or deliberative decision making process
  - Stated and hidden agendas
  - Key influencers
  - Historical organizational challenges

The effectiveness of an ERM program depends on the relationship the risk leader has with the board and senior leadership.
2017 ERM Goals

- Develop risk profiles for the top 10 ERM risks
- Implement GRC Software
- Develop ERM reporting package for the Board, Executives, and broader management
- Collaborate to transition the management of the top ERM risks to the risk owners
- Align ERM with JPS goal setting and budget processes

The JPS Quality and Patient Safety Program
We are on our Journey to Excellence in our Quality and Patient Safety Program!

“PERFECTION IS NOT ATTAINABLE, BUT IF WE CHASE PERFECTION WE CAN CATCH EXCELLENCE.”
VINCE LOMBARDI

Excellence Begins with High Reliability

THE POWER OF ZER0: STEPS TOWARD HIGH RELIABILITY HEALTHCARE
Elements of a High Reliability Organization

- Obsession with Failure
- Reluctance to Simplify
- Sensitivity to Operations
- Commitment to Resilience
- Deference to Expertise

Source: Adapted from numerous scholarly journals and organizations including the Joint Commission and the Studer Group.

We are building an environment of psychological safety

- Psychological Danger:
  - Fear of admitting mistakes
  - Blaming others
  - Less likely to share different views

- Psychological Safety:
  - Comfort admitting mistakes
  - Everyone openly shares ideas
  - Learning from failure
  - Better innovation & decision-making
Psychological safety begins with the right leadership behaviors

**Leadership Behaviors for Cultivating Psychological Safety**
- Be accessible and approachable
- Acknowledge the limits of your knowledge
- Show you are capable of making mistakes; be fallible
- Invite participation
- Failures are learning opportunities
- Be direct and clear. No uncertainty in communication.
- Set boundaries for behavior
- Accountability

We celebrate patient safety wins along the way!

- Across JPS there were zero central line blood stream infections (CLABSI) in over 7 months
- CDU had zero patient safety events for 7 months
- Clinical unit on P5 had no catheter associated urinary tract infections (CAUTI) for over a year
How do we measure progress?

Quality Metrics

1. Reduce falls with injury score greater than 4
2. Reduce annual catheter associated urinary tract infections (CAUTI(s))
3. Reduce annual central line blood stream infections (CLABSI(s))
4. Reduce 30 day all cause readmission rate
5. Decrease hospital acquired pressure injuries greater than or equal to Stage 3
6. Reduce annual surgical site infections
7. Reduce selected patient safety and adverse events
8. Improve procedural safety
9. Increase percentage of patients having a post discharge follow up appointment within 14 days
10. Maintain an annual average ED boarding hour target per bed requests

How do you achieve a safe system?

Adapted from National Patient Safety Foundation
ERM and Quality Collaboration
Success Stories

- Data Governance
- Physician Engagement
- Academics

Source: Images courtesy of US News and World Report, OLAP.com, and Odgers Law Group
Integration is about tearing down silos!

Risk and Quality Synergy is Essential

**SYNERGY**

1+1 = 3

**Risk**
- Risk Control
- Compliance
- Enterprise Risk Management
- Policies and Procedures
- Insurance

**Quality**
- Clinical Best Practices
- Patient Satisfaction
- Peer Review
- Quality Management
- Provider Performance

**Culture of Safety**
- Accreditation Issues
- Corrective Action Plans
- Patient Safety Initiatives
Clinical Quality ERM Risk Profile Summary

<table>
<thead>
<tr>
<th>RISK DEFINITION</th>
<th>RISK OWNERS</th>
<th>PILLAR</th>
<th>MATURITY</th>
<th>TREND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical quality failures, reflected through patient outcomes and satisfaction, significantly affect the organization’s reputation, efficiency, compliance and accreditation status, and reimbursement</td>
<td>Frank Rosinia, M.D. James Johnson, M.D.</td>
<td>Quality</td>
<td>Current: Initial Desired: Defined</td>
<td>Establishing Baseline</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>TOP RISKS</th>
<th>RISK MITIGATION STRATEGIES</th>
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<tbody>
<tr>
<td>1. Inadequate Clinical Documentation (High)</td>
<td>1. Clinical Documentation Improvement initiatives</td>
</tr>
<tr>
<td>2. Inconsistent Care Coordination (High)</td>
<td>2. Improvements to inpatient access</td>
</tr>
<tr>
<td>3. Medical Errors (High)</td>
<td>3. Identify patient safety risks common to JPS patient population (falls/CAUTIs/CLABSI/SSI)</td>
</tr>
<tr>
<td>4. Resident Supervision (High)</td>
<td>4. Strategic Recruitment</td>
</tr>
<tr>
<td>5. Hospital-acquired infections (High)</td>
<td>5. Infection Control</td>
</tr>
<tr>
<td>6. Medical alarms are not responded to timely (Medium)</td>
<td>6. Continuing Education for all clinicians</td>
</tr>
<tr>
<td>7. Hospital readmissions (Medium)</td>
<td>7. New Leadership in Academic Affairs</td>
</tr>
<tr>
<td>8. Clinical Staff Competencies (Low)</td>
<td></td>
</tr>
<tr>
<td>9. Patient falls/trauma (Low)</td>
<td></td>
</tr>
<tr>
<td>10. Mortality (Low)</td>
<td></td>
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ERM Internal Communication Plan

The Quality ERM risk profile was presented to the following:

- CEO Senior Management Meeting
- Compliance Committee
- Patient Safety & Quality Committee
- Project Governance Committee
- Leadership Connection
- Medical Executive Committee
- Board Governance Committee
ERM and Quality Collaboration
Success Stories

- Board Influence

- Quality Outcomes

ERM Lessons Learned

- Keep it simple and layer complexity over time
- Determine and advocate for appropriate resources for the ERM program
- Tell the ERM story in the context of the organizational culture
- Relate ERM to major business initiatives and the budget cycle
- Develop ERM champions at each level in the organization
- Utilize various forms of internal and external education
- Evaluate the use of technology to prioritize risks and implement program
- Don’t be the only one telling the ERM story
- Develop an ERM reporting package for each key stakeholder group (board, executives, operational leaders, etc.)
- Don’t get frustrated with implementing ERM more slowly than you expected...it’s a marathon, not a sprint

What other communication approaches or tips have you found effective?
Quality and Risk Synergy
Lessons Learned

- Seek senior leadership support for aligning the patient safety, risk, and quality functions
- Alignment of quality and risk activities with strategic goals
- Assess current activities to clarify responsibilities and reduce duplication
- Establish structure to ensure patient safety activities are addressed in a coordinated manner involving the risk and quality functions
- Learn from each other
- Periodically evaluate the roles of quality and risk and change as needed

Adapted from Economic Cycle Research Institute: Patient Safety, Risk, and Quality, 11/18/14

Victory comes from strong leadership to foster an environment of change
Questions

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