What is Risk Management and How Does it Help Me?

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The June 1st bulletin discussed certification in the area of your nursing specialty as one example of risk management. You may be most familiar with risk management whenever you file an incident report pursuant to your facility's reporting policy. Although important, there are many more aspects of risk management than those incident reports that affect your daily nursing practice.

Risk management's overall goal is to reduce or prevent any type of risk to the health care facility. Such risks include financial loss, preventable patient injuries, and preventable accidents. The steps to accomplish the overall goal can vary depending on the type of risk the facility is trying to avoid. Even so, there are four main categories and steps to risk management that have been identified. (1) They are: risk identification, risk analysis, risk treatment and risk avoidance. (2)

Risk identification is done in many ways, but those incident reports you are so familiar with are one way in which risks that have occurred during patient care are identified and where preventive measures are identified and put into place to avoid those risks in the future (3).

Risk analysis consists of prioritizing the risks identified and determining which ones need to be dealt with immediately and which can wait until the more immediate ones are taken care of (4).

Risk treatment applies risk control and risk financing to identify how a risk should be treated (5). As an example, a facility might decide that because there are lots of risks involved in providing labor and delivery services, a decision is made to no longer provide this service to the public. Eliminating a risk is called *risk avoidance*, which is the only sure way to avoid an identified risk (6). Risk treatment also involves purchasing liability insurance, including professional liability insurance, to generally cover health care providers of the facility.

Risk evaluation requires a review of the prior steps in the risk management process to determine if the objectives set for those respective steps have been met (7). Where necessary, changes are made in order to further meet the objectives identified.

And, don't forget that risk management, through its risk management department, works closely with quality management/assurance and utilization (review) management , all of which share common goals within the institution, albeit from different perspectives.

As a nurse in your facility, your role in risk management is essential. First and foremost, your

monitoring and evaluation of patient care is pivotal. Whether as a Chief Nurse Executive (CNE), a nurse managers or a staff nurse, the shared goal of quality patient care cannot be underestimated. Holding membership on quality management and utilization review committees is one way in which to meet the goal of maintaining quality patient care.

The proper utilization of incident reports is another important function for you as a nurse in your facility. A non-punitive incident reporting policy is necessary for staff nurses, and others, to use the incident report as a way to meet the challenges of meeting and maintaining quality patient care. In short, incident/occurrence reports should be utilized as one means to correct nursing care that does not meet the patient's needs and that may result in injury or death to the patient.

Initiating or participating in research on patient care issues is also another way in which you can contribute to reducing patient care risks in your facility. Simply doing something for a patient that has "always been done that way" may result in an unknown potential risk to the patient. Identifying that change is needed, and making those changes through facility processes, is an invaluable contribution to quality care and to risk reduction.

Utilizing the risk manager as a resource in your facility is another way to contribute to reducing risks to your employer and reducing preventable risks to your patients. When a question arises as to a health care colleague whose practices are questionable or when a state law's application to a patient care situation arises, as examples, contacting your nurse manager and the risk manager can avoid more problems with the clinician or avoid a breach of a duty established by a state law.

In future bulletins, additional risk management approaches to patient care will be discussed. If you have been involved in reducing risks in your facility, share those experiences. The other readers and I would love to about your experiences.

FOOTNOTES

- **Tool Kit, American Society for Healthcare Risk Management (2000). Risk Management Program Development Tool Kit (Sample Excerpt). Available at http://www.ashrm.org/ashrm/samples/RMProgdevToolKitSample.pdf . Accessed June 13, 2012.**

1. Julie A. Roth, (2009), **"**Risk Management and Quality Improvement", in Fundamentals of Law for Health Informatics . Melanie Brodnik, Mary Cole McCain et al., Editors. Chicago: American Health Information Management Association, 293-295.
2. Id., at 294.
3. Id.
4. Id.
5. Id.
6. Id.

GENERAL REFERENCE

Nancy J. Brent (2001), “Professional Negligence: Prevention and Defense”, in Nurses And The Law: A Guide To Principles And Applications. Nancy J. Brent. Philadelphia: W.B. Saunders, 75-90.