Uncover the Bigger Picture of Healthcare Risk – and Improve Outcomes

HOW HEALTHCARE PROVIDER ORGANIZATIONS CAN OPERATIONALIZE ENTERPRISE RISK MANAGEMENT

Healthcare provider organizations (HPOs) often overlook the vital connection between traditional risk management activities—including patient safety, compliance, and quality—and broader enterprise risk management (ERM) efforts. This oversight is primarily because of data, operational, and technology silos within the risk landscape. And providers can find themselves managing risk in a fragmented manner, hindering their ability to view their entire risk profile.

Tearing down these silos can enhance risk management processes and significantly improve operations. Here are common barriers, strategies for overcoming barriers, and advantages of a fully integrated enterprise risk management program.

Unraveling the Complexity of ERM

Hospitals and health systems face significant challenges from disjointed risk management areas and activities that lack interrelation and technological interoperability, primarily because of:

1. **Limited familiarity with ERM:** Enterprise risk management was formally introduced to the healthcare industry less than a decade ago. Consequently, healthcare's well-established clinical risk management audience is still becoming acquainted with the concept. ERM is often initiated within the compliance department, focusing on information security, legal matters, and financial issues. "Unfortunately, this approach inadvertently creates silos around strategic, financial, and operational risks, further segregating traditional risk management," says Jay Lechtman, vice president of strategy and innovation for healthcare at Riskonnect.

2. **Disparate tech solutions:** These challenges are exacerbated when traditional risk management has its own technology stacks in the following areas:
   - Patient safety
   - Patient compliance
   - Patient experience
   - Provider quality management
   - Peer review
   - Credentialing

Lechtman estimates that the average provider organization relies on five to fifteen technology systems for risk management. These technologies, however, are not designed to share data, functionality, and workflows with each other. "Analytics capabilities within each system are usually confined to their specific data sets, lacking an automated means to connect the dots and understand the interconnectedness of different risk areas," he explains.

Creating a Unified Risk Management Approach

To tackle these challenges, HPOs can adopt integrated risk management strategies that connect the different risk domains to create a more comprehensive view of organizational risk. Thinking holistically and connecting leading indicators to potential risks has enormous benefits. For instance, by focusing on prevention, organizations can enhance their risk and claims management processes over time, resulting in cost reductions and improvements. Through connectivity providers can monitor interventions in real-time, ensuring their effectiveness and sustainability, ultimately leading to significant operational improvements.

Lechtman shares an example where a Riskonnect customer achieved a nearly 300% return on investment three years after implementing an integrated risk management solution, amounting to approximately $1.8 million in cost savings. "This customer witnessed notable savings in two key areas, including a 55% increase in efficiency due to the automation of manual tasks and an additional 55% percent savings from improved risk avoidance," he explains.

Recognizing the significance of technology, Lechtman underscores the value of adopting a technology model similar to the electronic health record (EHR). "Providers view their EHR as a central source for clinical information, whether it is generated organically within the EHR or integrated from other data sources. The EHR sets an example for other functional technologies within healthcare to follow."

Accordingly, Lechtman suggests HPOs consolidate their risk management model onto a single platform, enabling them to establish a unified source of truth for all risk-related matters. "Utilizing a single platform that combines risk identification with all the operational activities associated with risk is a far superior approach compared to piecing together up to 15 different solutions attempting to achieve the same outcome," he says. "Providers are recognizing the significant operational benefits of implementing integrated risk management, whether independently or with the support of a technology solution."

Embracing a Visionary Mindset

Lechtman also highlights a large Midwestern academic medical system currently redesigning its overall safety and risk management structure. The system is organized around three core principles: patients, providers, and the institution as a whole. "By establishing comprehensive visibility around each of these three areas, they enable real-time management and gain a deeper understanding of the relationships among stakeholders and how they impact one another." Lechtman emphasizes that the key takeaway from this health system is to "think big" in managing risk and consider the capabilities and flexibility of the technology used.

The next level of risk management entails integrating a single, unified risk management platform with patient and provider relationship-management solutions. This integration includes equipping call center agents with patient-specific risk data, including past grievances, safety incidents, claims, and lawsuits. By leveraging this data, agents can make informed decisions that contribute to a positive patient experience. The ultimate objective is to provide an end-to-end solution that connects risks with activities and workflows designed to reduce the likelihood of risks – or prevent them from happening altogether.

For more on integrated risk management technology in the healthcare industry, please visit riskonnect.com.

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More than 2,000 customers across six continents use our unique risk-correlation technology to gain previously unattainable insights that deliver better business outcomes. Riskonnect has more than 800 risk management experts in the Americas, Europe, and Asia. To learn more, visit riskonnect.com.

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