CLARITY White Paper

Risk-Quality-Safety Beyond the Traditional Hospital Setting

The Time for Awareness is Now

This is the first in a series of white papers to discuss the needs, challenges, approaches and results of addressing patient safety in ambulatory settings with an integrated risk-quality-safety management approach.

A note about terminology: For purposes of this white paper series, "ambulatory setting" is defined in a broad sense to include non-hospital settings including surgical centers, outpatient care centers and office practices. Ambulatory and outpatient are used interchangeably within this paper.

Focusing on patient safety in healthcare is not a new concept. Yet, while healthcare providers, risk managers, insurers, legislators, executives and administrators work together to make progress toward creating safer hospital settings, dramatic shifts in the healthcare landscape demand that we broaden our efforts to reach beyond the traditional hospital setting and include the entire continuum of care. Under the auspices of the Affordable Care Act, healthcare delivery systems are becoming more complex, and there is an accelerated movement towards coordinated care management and tying payment to those coordinated efforts. To meet these changes, healthcare providers need to implement more integrated risk-quality-safety management strategies within their practice settings.

The traditional framework of healthcare's focus of caring for the ill in the hospital setting may soon be obsolete. With an emerging focus on maintaining population health, the structures for provision of care are changing and, by necessity, taking on a more integrated configuration in order to achieve more defined outcomes. Simultaneously, limited resources and healthcare reform are driving demands for more efficiency, and therefore, accelerating the push for clinical integration. Whether through informal or formal networks, through organizations such as Accountable Care Organizations (ACOs), the responsibility of providing patient care is increasingly being shared. These factors are resulting in more activity in outpatient settings outside of the hospital. According to a June 2011 article in the *Journal of the American Medical Association*, there are nearly 30 times more outpatient visits than hospital

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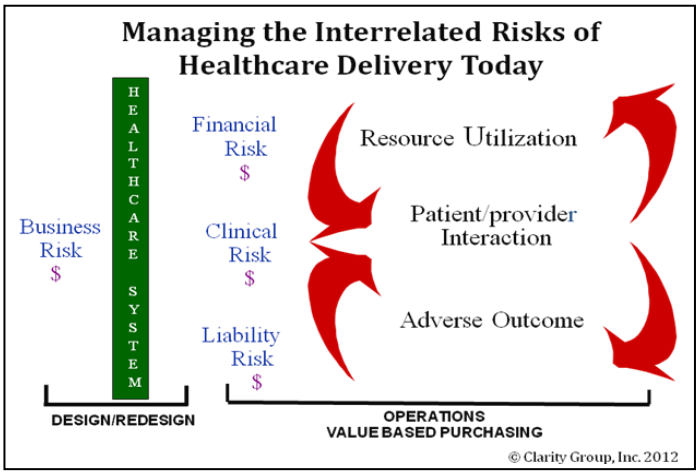
discharges annually[1]. With one billion visits to physician offices[2], why then, should hospitals be the only focus for strategies that mitigate the risk of patient harm? The potential for harm follows the path of the patient through the complete system of care – from the physician office to the hospital to the outpatient surgical center to the rehab center and ultimately to his/her home.

As new provider systems emerge, we must also respond with a revised approach to managing the risks associated with healthcare delivery. Healthcare risk management has traditionally been focused on managing a hospital's financial risk exposure through insurance products, loss prevention and claim management. However, professional liability starts with a fundamental premise: if there is no harm, there is no claim. A comprehensive focus on risk-quality-safety (RQS) is the most effective way to mitigate potential professional liability exposure as well as reduce potential harm to patients. To succeed as a healthcare enterprise focused on enhancing the health of the population through coordinated care delivery systems, there needs to be a focus on managing risks associated with both professional liability and resource consumption across the system of care that is financially interrelated. The figure to the right illustrates this interrelation of clinical, liability, financial and business risk. As it shows, the patient-provider interaction is responsible for both resource utilization and the potential for adverse outcome; in this context, focusing on that patient-provider interaction is the key to overall RQS exposure modification.



Managing the Interrelated Risks of Healthcare

With the additional interdependencies of an integrated provider system, it becomes strategically important for *any* provider to ensure that issues of quality management, patient safety and patient satisfaction are incorporated into the risk, quality and safety management of its care delivery setting. This is evidenced through value-based purchasing, which links provider payments to improved performance and holds healthcare providers accountable for both the cost and quality of care they provide.

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As hospitals with professional risk managers are at the nexus of emerging coordinated care systems, we can look to their RQS management model and translate the skills and approach into the outpatient setting. Hospital risk managers and professional liability insurers have educated healthcare providers on risk mitigation strategies for decades using closed claims data to identify risky practices that led to poor patient outcomes and ultimately allegations of malpractice. Today, in order for providers to meet the objectives of improving risk, quality and patient safety in our changing healthcare delivery system, risk management educational strategies need to be improved, expanded and adapted to non-hospital settings.

A proactive total-risk-quality-safety service management approach (TRQS[2] Management Model) can be the solution for the largest healthcare enterprise systems to the smallest physician office practices. This management model creates internal transparency through integrated risk-quality-safety service management processes including proactive risk assessments, process evaluations and real-time event reporting to raise awareness of safety events that may be indicative of processes that need to be addressed.

While safety events might be similar in both hospital and outpatient settings, it is also critical to acknowledge and understand the differences in addressing patient safety in ambulatory care. Concern for patient safety and quality care is directly aligned with the physician's role as a primary care provider. Yet, resources, infrastructure and expertise related to improving patient safety and quality are often limited in the outpatient setting, whereas the hospital typically has a dedicated staff member or team ensuring safety across the organization. As the volume and acuity of patients in the non-hospital setting increases, the risk of patient harm, and ultimately the potential for medical malpractice claims, will also increase. Already more than 50% of malpractice claims against physicians come from the outpatient setting[3]. At the same time, this increase in outpatient volume will further consume the already limited resources of time and staff, hampering the ability to dedicate attention to a system-wide integrated approach to patient safety. Therefore, in preparation for the drastic changes already in their nascent stages, the time is now to educate, create awareness and develop a model of risk-quality-safety management in the outpatient setting that aligns with the new integrated care model.

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Creating the Spiral of Positive Change

This model of continuous improvement and quality enhancement must start with the awareness of a need or the desire for improvement. The approach to risk management is then transformed and moves through a cycle of interventions and modifications to systems that push the organization along a spiral of positive change, which ultimately comes full circle and results in greater awareness of better care delivery systems.

Establishing this spiral of positive change becomes the process by which healthcare organizations can execute on their goals for managing population health and the potential risk exposure that may be emerging from the interrelated systems of care.

Everyone in the ambulatory setting – from the office manager to individual physicians and health professionals – plays a critical role and must be involved in the education process in order to achieve a shift in thinking that can lead to real change and prevention of harm throughout integrated care systems. The process of culture change is one that requires vigilance and data to create awareness around issues of risk, quality and safety. Currently, event management or incident reporting is a function that resides primarily in the domain of the hospital setting. As a result, there is little data to provide us a full picture of safety in non-hospital care settings. As we acknowledged earlier, the outpatient environment may face risks and errors similar to the hospital setting, but the understanding, root causes, contributing factors, management of those events and how they affect the outcome of care delivery may be very different.

Establishing practices for the capture of data from outpatient settings is a start at understanding this environment. This will also be an opportunity to raise awareness about how the issues of potential risk exposure are interrelated with clinical outcome, resource utilization and financial reimbursement. As the healthcare landscape changes and reliance on outpatient settings increases, so must our practices to ensure both the population health and the financial health of our care delivery systems.

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Our next white paper will address how to start the process for data capture in the ambulatory setting and what to focus on to begin to instill awareness that can foster intervention and positive change.

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