

Policy Applies to:

CEO and Executive will facilitate compliance with this policy with the

- Board of Directors
- Mercy Hospital staff
- Credentialed Specialists
- Patients, Allied Health Professionals, Contractors, Students and Visitors.

Related Standards

- AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines
- EQIP Criterion 2.1.2 – Integrated Organisation-wide Risk Management Framework ensures that Corporate and Clinical Risks are Identified, Minimised and Managed
- NZS 8134:2008: 2.3 Health and Disability Services Standards: Quality and risk management systems
- Health Quality Safety Commission (HQSC); National Adverse Events Reporting Policy 2017
- Hazard Analysis Critical Control Point (HACCP) Food Safety Programme – New Zealand Food Safety Authority

Rationale

Mercy Hospital will minimise and manage inherent risks involved in providing healthcare services.

Objectives:

- To identify actual and potential risks associated with all aspects of Mercy Hospital's operation.
- To prioritise each identified risk using a standardised tool
- To develop and implement action plans to mitigate each risk appropriately
- To ensure a robust system is in place to report, monitor and review each risk

Definitions:

Risk:

The effect of uncertainty on objectives

ISO 31000 states:

“a risk is a future event and not something that is currently happening, but it could....there is no guarantee that it will happen but it is likely to be subject to a probability which we can predict. It will also have a cause and a consequence”

Risk Categories:

Risk at Mercy Hospital will be categorized as one of the following: Clinical; Infra-structure Operational; Corporate governance; Environmental

Risk Management:

Coordinated activities to direct and control an organization with regards to risk

Risk Assessment:

Risk assessment is a process that is used to identify the level of risk utilizing a likelihood and consequence matrix.

Likelihood: the state or fact of something's being likely; probability

Consequence: a result or effect, typically one that is unwelcome or unpleasant

Likelihood x Consequence (Table 1) = Level of Risk

Implementation:

- All policies and processes support risk mitigation at Mercy Hospital
- Heads of Departments are responsible for identification and active review of the Departmental Hazard Registers in conjunction with their Health & Safety Infection Control (HSIC) representatives. Significant risks are elevated to the appropriate Executive member for assessment and discussion at the weekly Executive meeting.
- The CEO manages an Organisational-wide Risk Register. Items on this Register require action and review at specified intervals according to the risk identified.
- The CEO (or designate) has responsibility to notify Mercy's insurer where the level of risk (ref: Table 1) is deemed to be 'Severe'
- Risk assessment is standardised using Appendix 1.
- Review is managed according to the level of risk and the control measures in place – each review is documented on the Risk Register
- Education is provided for staff to ensure risk assessment and management procedures are disseminated, discussed and applied consistently via HODs, HSIC representatives, incident reports, completion of action plans, feedback and meeting minutes

Evaluation

- Current Action plans for the Organizational-wide Risk Register are reviewed at Executive, Quality and Risk Advisory Committee and Board of Directors Meetings monthly.
- All other Organizational-wide risks are reviewed at the date specified on the Register.

- Completion of actions relating to Incidents and / or Complaints feedback via staff, meeting minutes and patient questionnaire all contribute to risk evaluation.
- Risk Management Global Audit - annually

Associated Documents

- **External**
 - EQuIP Standard 2.1 – Quality Improvement and Risk Management, Criteria 2.1.1 and 2.1.2
 - AS/NZS ISO 31000:2009 Risk Management. Principles and guidelines
 - Health & Safety at Work Act 2015
 - National Adverse Events Reporting Policy 2017
- **Internal**
 - Quality and Risk Advisory Committee Terms of Reference
 - Quality and Risk Frameworks and Plan
 - Emergency Management
 - Fire Plan
 - Incident Management Policy
 - Complaints Policy
 - Delegation of Authorities Policy
 - Credentialing Policy
 - Hazard Management Policy
 - Health and Safety Policy

Process:

Risk Identification:

The following are examples to assist in identifying and categorizing risk:

1. **Clinical**
 - Patient care
 - Products
 - Infection control
 - Staff
 - Credentialed Specialists
2. **Infra-structure**
 - Building maintenance
 - Equipment
 - Business continuity
 - Staff Health & Safety (Linked to Hazard Registers)

- *Disaster planning*
- 3. *Business Integrity***
- *Integrity of financial systems*
 - *Interruption of IT systems/communication system failure*
 - *Political environment*
 - *Security of revenue lines (ACC, DHB contracts, Private insurance, Self-funding)*
 - *Business interruption*
- 4. *Corporate governance***
- *Legislative compliance*
 - *Cultural aspects*
 - *Governance surety*
 - *Political environment*
 - *Mercy Ethos*

Risk Assessment: Document the Level of Risk and assign a quantitative value using Table 1

Table 1: Level of Risk

Likelihood	Consequences				
	Severe 5 <i>Hospital survival is at risk</i>	Major 4 <i>Operations severely disrupted</i>	Moderate 3 <i>Significant time/resources required to mitigate</i>	Minor 2 <i>Some disruption possible</i>	Minimal 1 <i>Minor problem easily handled by normal day to day processes</i>
Almost certain (e.g. >90% chance of occurring) 5	Extreme 25	Extreme 20	Extreme 15	High 10	High 5
Likely (e.g. between 50% and 90% chance of occurring) 4	Extreme 20	Extreme 16	High 12	High 8	Moderate 4
Moderate (e.g. between 10% and 50% chance of occurring) 3	Extreme 15	Extreme 12	High 9	Moderate 6	Low 3
Unlikely (e.g. between 3% and 10% chance of occurring) 2	Extreme 10	High 8	Moderate 6	Low 4	Low 2
Rare (e.g. <3% chance of occurring) 1	High 5	High 4	Moderate 3	Low 2	Low 1

Document required information on **Appendix 1** 'General Risk Assessment Worksheet'. This will form the background information required for discussion at Executive meeting.

Executive will assign a Risk Rating utilising Table 3 and the risk will be entered onto the Organisational Risk Register along with a documented review date. Reporting requirements will be determined and undertaken as specified in Table 2.

Table 2: Overall risk rating

Qualitative level of risk	Quantitative level of risk	Reporting requirements
Low	0 - 4	Manage within existing controls. Monitor annually
Moderate	5-9	Manage within existing controls. Monitor 6 monthly
High	10-15	Evaluate efficiency of existing controls. Develop and implement additional control mechanisms Monitor quarterly
Extreme	16-25	Implement mitigation plan Escalate/report to BOD Monitor monthly or more frequently as deemed appropriate

Risk Control: Document the Risk Control Rating using Table 3.

This table is a guide when considering risk control strategies – not all criteria will necessarily be met for any given rating

Table 3: Risk Control rating

Rating	Work Processes	Staff Awareness	Financial Protection
Excellent	<ul style="list-style-type: none"> All key work processes documented and monitored. Regular and comprehensive audit of work processes and legal compliance issues. Actions taken to address risks identified through audit. Mercy Hospital accredited to external standards. 	<ul style="list-style-type: none"> Comprehensive risk reporting at all levels. Staff and Managers provide timely reports of all incidents/risks and take action to prevent recurrence and minimize liability. Actions taken are fully documented and monitored for effectiveness. Staff and Managers work together to address risk issues, using a systems approach. 	Comprehensive insurance in place.

Rating	Work Processes	Staff Awareness	Financial Protection
	<ul style="list-style-type: none"> Continuous improvement methodologies used. 	<ul style="list-style-type: none"> All permanent staff and managers actively managing their specific risks. 	
Very Good	<ul style="list-style-type: none"> Policies, protocols, guidelines in place and compliance is regularly monitored. Actions taken to address issues. 	<ul style="list-style-type: none"> Risks are reported, acted upon, and actions fully documented – but not monitored for effectiveness in mitigating future risk. Most staff and managers actively managing their specific risks. 	Comprehensive insurance in place.
Good	<ul style="list-style-type: none"> Policies, protocols, procedures, guidelines in place but compliance is monitored on an ad hoc basis. 	<ul style="list-style-type: none"> Risks reported and actions taken – but not fully documented. Risks managed in an ad hoc fashion. 	Adequate insurance in place.
Adequate	<ul style="list-style-type: none"> Policies, protocols, procedures, guidelines in place but compliance with these is unknown/not monitored. 	<ul style="list-style-type: none"> Risks reported and actions taken on serious risks. New staff orientated re risk management. 	Adequate insurance in place.
Unacceptable	<ul style="list-style-type: none"> Some policies, protocols, procedures, guidelines in place, but staff not aware of them. 	<ul style="list-style-type: none"> Risks not reported and actions not taken to prevent recurrence in any systematic fashion. Most staff not aware of risk management. 	Inadequate insurance over or risk uninsured.

Does this involve a Health and Safety hazard? Yes No (if yes forward copy to IPC/OH Nurse)