

An iceberg floating in the ocean, with a small tip above the water and a much larger, jagged mass submerged below. The sky is blue with light clouds, and the water is a deep blue. The entire scene is framed by a white, hand-drawn style border.

Managing Risk: Best Practices for Healthcare Boards

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Presentation Overview



**AREAS OF RISK FOR
HEALTHCARE ORGANIZATIONS**



**HOW TO IDENTIFY, TRACK, AND
MITIGATE RISK**



**STRATEGIES FOR ENGAGING
AND EDUCATING BOARD
MEMBERS**

OVERVIEW OF BOARD MEMBER RESPONSIBILITIES

Board Members have a Fiduciary Responsibility

- A fiduciary is a person who acts on behalf of another person or organization, putting that person or organization's interests ahead of their own, with a duty to preserve good faith and trust.
- They have a duty to protect assets and provide financial oversight.

Fiduciary Responsibility, Cont.

To avoid liability, Board members must show:

- **Care:** Make informed and good faith decisions in performing their duties.
- **Loyalty:** Never further their personal interests at the expense of the organization.
- **Obedience:** Be faithful to the organization's mission and scope.

CHAPTER 31E. WEST VIRGINIA NONPROFIT CORPORATION ACT.

ARTICLE 1. GENERAL PROVISIONS.

ARTICLE 2. INCORPORATION.

ARTICLE 3. PURPOSES AND POWERS.

ARTICLE 4. NAME.

ARTICLE 5. OFFICE AND AGENT.

ARTICLE 6. MEMBERS – MEMBERSHIP RIGHTS AND LIABILITIES.

ARTICLE 7. MEMBERS – MEETINGS AND VOTING.

ARTICLE 8. DIRECTORS AND OFFICERS.

§31E-8-801. Requirement for and duties of board of directors.

PART 3. DIRECTORS.

§31E-8-830. STANDARDS OF CONDUCT FOR DIRECTORS.

- (a) Each member of the board of directors, when discharging the duties of a director, shall act: (1) In good faith; and (2) in a manner the director reasonably believes to be in the best interests of the corporation.
- (b) The members of the board of directors or a committee of the board, when becoming informed in connection with their decision-making function or devoting attention to their oversight function, shall discharge their duties with the care that a person in a like position would reasonably believe appropriate under similar circumstances.
- (c) In discharging board or committee duties a director, who does not have knowledge that makes reliance unwarranted, is entitled to rely on the performance by any of the persons specified in subdivisions (1) or (3), subsection (e) of this section to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board's functions that are delegable under applicable law.
- (d) In discharging board or committee duties a director, who does not have knowledge that makes reliance unwarranted, is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by any of the persons specified in subsection (e) of this section.

(e) A director is entitled to rely, in accordance with subsection (c) or (d) of this section, on:

- (1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports or statements provided;
- (2) Legal counsel, public accountants, or other persons retained by the corporation as to matters involving skills or expertise the director reasonably believes are matters: (A) Within the particular person's professional or expert competence; or (B) as to which the particular person merits confidence; or
- (3) A committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.

A Few Thoughts on Healthcare Boards

- Often comprised of individuals with a variety of non-healthcare related backgrounds and experience
- Expecting them to have pre-existing knowledge and understanding of healthcare operations and regulations is unrealistic.
- An educated and engaged governing Board is an asset to the organization and can help mitigate risk.

AREAS OF RISK FOR HEALTHCARE ORGANIZATIONS

What is Risk Management?



Proactively identifying potential risks or hazards that may occur and implementing preventive measures to mitigate their impact and minimize harm.

General Areas of Organizational Risk



Financial Risk (rising costs)



Environmental (disaster preparedness)



General liability (slips, trips, falls)



HR (labor shortages, staff burnout)

Healthcare Industry Specific Risks

- . Patients' rights (consent, privacy)
- . Medication management
- . Infection prevention and control
- . Abuse reporting
- . Patient privacy and confidentiality
- . Credentialing and privileging
- . Federal fraud and abuse laws
- . Security breaches and cyber threats
- . Staff safety and security
- . Patient quality and safety

HOW TO IDENTIFY, TRACK, AND MITIGATE RISK

Identifying Risk through Assessment



Ask for the completion of risk assessments for the organization. Each organization is different, even in healthcare, so what are the areas of risk most likely to affect your organization specifically?



Assessments can be done using specific risk assessment tools and documents.



Assessments can also include leadership safety rounds, patient or staff satisfaction survey results, data gathered from internal incident reports, or information from patient complaints or lawsuits.

Staff Responsible for Risk Management?

Everyone

CEO

Medical Director

Compliance Officer/Department

Quality Assurance Officer or Committee

Risk Manager

Available at:
<https://www.ahrq.gov/sops/surveys/>

Example Healthcare Risk Assessment Tool SOPS® Medical Office Survey (Surveys on Patient Safety Culture)

Medical Office Survey on Patient Safety

SURVEY INSTRUCTIONS

Think about the way things are done in **your** medical office and provide your opinions on issues that affect the overall safety and quality of the care provided to patients in your office.

- ▶ In this survey, the term **provider** refers to physicians, physician assistants, and nurse practitioners who diagnose, treat patients, and prescribe medications. The term **staff** refers to all others who work in the office.
 - If a question does not apply to you or you don't know the answer, please check "Does Not Apply or Don't Know."
 - If you work in more than one office or location for your practice, when answering this survey answer only about the office location where you received this survey—do not answer about the entire practice.
 - If your medical office is in a building with other medical offices, answer only about the specific medical office where you work—do not answer about any other medical offices in the building.

SECTION A: List of Patient Safety and Quality Issues

The following items describe things that can happen in medical offices that affect patient safety and quality of care. In your best estimate, how often did the following things happen in your medical office **OVER THE PAST 12 MONTHS?**

	Daily ▼	Weekly ▼	Monthly ▼	Several times in the past 12 months ▼	Once or twice in the past 12 months ▼	Not in the past 12 months ▼	Does Not Apply or Don't Know ▼
Access to Care							
1. A patient was unable to get an appointment within 48 hours for an acute/serious problem.....	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 9
Patient Identification							
2. The wrong chart/medical record was used for a patient.....	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 9
Charts/Medical Records							
3. A patient's chart/medical record was not available when needed..	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 9
4. Medical information was filed, scanned, or entered into the wrong patient's chart/medical record	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 9
Medical Equipment							
5. Medical equipment was not working properly or was in need of repair or replacement.....	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 9

Available at:

<https://www.ahrq.gov/sops/surveys/>

Example Healthcare Risk Assessment Tool SOPS® Medical Office Survey (Surveys on Patient Safety Culture)

Background Questions (continued)

3. What is your position in this office? Check **ONE** category that best applies to your job.

- a. Physician (MD or DO)
- b. Physician Assistant, Nurse Practitioner, Clinical Nurse Specialist, Nurse Midwife, Advanced Practice Nurse, etc.
- c. Management
- | | |
|----------------------|------------------|
| Practice Manager | Business Manager |
| Office Manager | Nurse Manager |
| Office Administrator | Lab Manager |
| | Other Manager |
- d. Administrative or clerical staff
- | | |
|---------------------|---|
| Insurance Processor | Front Desk |
| Billing Staff | Receptionist |
| Referral Staff | Scheduler (appointments, surgery, etc.) |
| Medical Records | Other administrative or clerical staff position |
- e. Nurse (RN), Licensed Vocational Nurse (LVN), Licensed Practical Nurse (LPN)
- f. Other clinical staff or clinical support staff
- | | |
|-------------------|--|
| Medical Assistant | Technician (all types) |
| Nursing Aide | Therapist (all types) |
| | Other clinical staff or clinical support staff |
- g. Other position; please specify: _____

Your Comments

Please feel free to write any comments you may have about patient safety or quality of care in your medical office.

THANK YOU FOR COMPLETING THIS SURVEY.

Available at: https://www.ashrm.org/resources/workplace_violence



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Health Care Facility Workplace Violence Risk Assessment Toolkit

Now Available for ASHRM Members and Nonmembers

Violence in the workplace continues to be an area that risk managers need to be proactively preparing their institutions to prevent. At the same time, the risk manager needs to know what to do in the event they are faced with an immediate situation. This toolkit is designed to assist with both.

ASHRM's risk assessment looks at the following proactive and reactive areas:

- Patient-to-Staff Violence: proactive prevention, reactive response
- Visitor/Family-to-Staff Violence: proactive prevention, reactive response
- Staff-to-Staff Violence/Harassment: proactive prevention, reactive response
- Physician/Third-Party-Professional-to-Staff Violence/Harassment: proactive prevention, reactive response
- Stranger/Nonemployee-to-Staff Violence: proactive prevention

What's Inside:

- Readiness Survey for Leadership
- Proactive Prevention Checklist
- Reactive Response to Event Checklist

Download Health Care Facility Workplace Violence Risk Assessment Toolkit

Please enter your information below to receive a download link.

First Name: *

Last Name: *

Email Address: *

City: *

State: *

Company Name: *

**Identifying
Risk through
Government
Audit and
Evaluation
Plans**





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Active Work Plan Items

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Active Work Plan Items reflect OIG audits, evaluations, and inspections that are underway or planned. Search the Work Plan using any words or numbers or download the Active Work Plan Items into a spreadsheet.

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entries

Search:

Announced or Revised	Agency	Title	Component	Report Number(s)
July 2022	Centers for Disease Control and Prevention	Audit of CDC's COVID-19 'Vaccinate with Confidence' Strategy	Office of Audit Services	WA-22-0007 (W-00-22-59473)
Completed (partial)	Centers for Disease Control and Prevention	Audit of CDC's COVID-19 Awards to Selected State Departments of Health	Office of Audit Services	W-00-22-59469; A-04-22-02035

Identifying Risk through Review of Studies and Surveys



ECRI

Top 10 Patient Safety Concerns 2024



Top 10 Patient Safety Concerns 2024

The List for 2024

1. Challenges Transitioning Newly Trained Clinicians from Education into Practice
2. Workarounds with Barcode Medication Administration Systems
3. Barriers to Access Maternal and Perinatal Care
4. Unintended Consequences of Technology Adoption
5. Decline in Physical and Emotional Well-Being of Healthcare Workers
6. Complexity of Preventing Diagnostic Error
7. Providing Equitable Care for People with Physical and Intellectual Disabilities
8. Delay in Care Resulting from Drug, Supply, and Equipment Shortages
9. Misuse of Parenteral Syringes to Administer Oral Liquid Medications
10. Ongoing Challenges with Preventing Patient Falls

Tracking and Mitigating Risk



Hire competent staff and support them.



Delegate clear roles and responsibilities.



Require a plan and follow-up on risk management activities.



Set deadlines and schedules.



Consider an annual compliance or risk management work plan.



Require staff training in areas of noted risk.



Ensure appropriate insurance coverage for areas of noted risk.

STRATEGIES FOR ENGAGING AND EDUCATING BOARD MEMBERS

Why Engage and Educate the Board on Risk Management?

- **“The board and its chairperson are ultimately responsible for the highest quality and safest care possible within an institution. Leveraging their enthusiasm, interest, and stature will be key to a successful patient safety program.”** *Leadership Oversight for Patient Safety Programs: An Essential Element* (Moffatt-Bruce, et al, 2017)
- **“Research has shown that higher performing health care organizations are correlated with well-educated boards that discuss and monitor quality and safety in measurable, meaningful ways at every board meeting”** *Governing Body, C-Suite, and Clinical Management Perceptions of Quality and Safety Structures, Processes, and Priorities in U.S. Hospitals* (Vaughn, et al., 2014).
- **“Board members have self-identified their own lack of competency in quality and safety.”** *Closing the Gap and Raising the Bar: Assessing Board Competency in Quality and Safety* (McGaffigan, et al., 2017)

Strategy 1: Conduct Comprehensive Onboarding for your Board of Directors

Board Member Onboarding

- Healthcare Boards oversee organizations with highly complex regulatory and legal standards.
- Boards are comprised of individuals with a variety of non-healthcare related backgrounds and trainings
- Expecting them to have pre-existing knowledge and understanding of healthcare regulations is unrealistic.
- An educated and engaged governing Board is an asset to the organization.

Board Onboarding Statistics

- Heidrick & Struggles partnered with George Mason University Law School in 2017 to survey over 500 board members of nonprofit organizations and released a report titled “Association and Nonprofit Boards: Maximizing Effective Service.”
- 53% of respondents reported that their organization had an onboarding process for new directors.
- Only 46% of the respondents said that their onboarding experience properly prepared them to be effective board members.
- 36% did not meet with the senior leadership of the organization before the first board meeting.



Tour and Introductions

Consider bringing new board members to the administrative office prior to the first Board meeting for formal orientation and to meet the key executive and management staff.

Onboarding Packets

- **Provide onboarding packets including items such as:**
 - The organization's mission, vision, and values;
 - Organizational Bylaws;
 - Board member position description;
 - Common industry acronyms;
 - Key policies (e.g. conflicts of interest, confidentiality);
 - Organizational chart;
 - General budget and financial statement information;
 - A list of Board Members and their contact information;
 - Board minutes for the previous 6 months;
 - The most recent strategic plan; and
 - Committee assignments and descriptions.

Onboarding Resources

- **National Counsel of Nonprofits**

<https://www.councilofnonprofits.org/tools-resources/board-orientation>

- **Corporate Responsibility and Corporate Compliance: A Resource for Health Care Boards of Directors (by the OIG and AHHA)**

<https://oig.hhs.gov/documents/compliance-guidance/816/040203CorpRespRsceGuide.pdf>

Strategy 2: Offer Board Member Training

Training Ideas



Consider third-party training during at least one Board meeting per year.



Consider regularly incorporating Board training into meetings.



Ask staff members from various departments to present to the Board on their specific areas of risk and how those are being mitigated.

Training Topics

- Financial literacy and responsibilities
- Key policies and procedures
- Board roles and responsibilities
- Conflicts of interest
- Specific industry area training

Board Education Resources

- **Joint Commission Resources on Board Education**

<https://www.jcrinc.com/our-priorities/board-education/>

- **NACHC Governing Board Member Workbook**

<https://static1.squarespace.com/static/53023f77e4b0f0275ec6224a/t/590200c0d2b8570c39c287aa/1493303497670/Governance+Workbook+8-18.pdf>

- **NACHC Governance Guide for Health Center Boards**

<https://opus-nc-public.digitellcdn.com/uploads/nachc/redactor/a3c122bab7d52beea6298b931208862426663b85a18e9dc976ef1825d4a38caf.pdf>

Strategy 3: Ensure Agenda and Documents are Received in Advance

Additional Ideas

- Have the Board self-evaluate its performance or complete a board engagement survey.
- Show appreciation for the Board's time and contributions.
- Conduct Board level strategic planning.



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