



Risk Management Best Practices for Community Centers in Texas

Risk management is an important management discipline in an organization that provides vital services to some of the most vulnerable populations in Texas. A community center delivers mental health care, early childhood interventions and services for intellectually and developmentally disabled citizens. This fact imposes a high standard for the safety of a center's clients and the protection of the center's ability to provide effective services. In today's economic environment centers must make the most efficient use of available resources. One way they make the most efficient use of their funding streams is to apply strong principles of risk management in all of their operations, services and facilities. By effectively controlling risk, they can assure that they are able to serve as many clients as possible. This bulletin will describe some of the best practices in risk management used by many community centers in Texas.

The following observations about best practices in risk management for community mental health and intellectual and development disability centers in Texas are based on intensive reviews of center practices. Risk management audits were conducted for over half of the centers in Texas, all members of the Texas Council Risk Management Fund. Methodology included three or more days on site interviewing key management staff and service providers, visits to facilities and review of policies, procedures, reports, claim history and public information about the center. The centers reviewed were in metropolitan, suburban and rural areas of the state. The observations about best practices in risk management start at the top of the organization and work through many of the service and support functions of the center.



SUMMARY OF BEST PRACTICES IN RISK MANAGEMENT

Executive Management – Executive level management accepts responsibility for risk management and safety in the organization and advocates its importance and priority across every function, location and division of the center. Upper management delegates responsibility and authority to all other members of management for areas of risk and safety under their control. Management establishes risk management structure appropriate for the size and nature of the organization. Management receives and acts upon reports from the risk management and safety functions. Risk management considerations are a part of every planning process and decision regarding new services, equipment, operations and facilities. Risk management and safety are standing agenda items for executive team meetings.



Governance – The board of trustees monitors and supports the executive director's safety and risk management efforts. Board policy and actions reflect its role as the policy making body for the center. The board adheres to its ethics and conflict of interest policies. The board also plans for the succession of the Executive Director. The board's role is very significant in setting the overall attitude toward the importance of safety and risk management at any community center.

Safety Policy – The first element of a safety policy is the "Statement of Safety Policy," a succinct description of the center's commitment to safety. The statement should be signed by the Executive Director and the Board Chair. It should state the unequivocal importance of safety within the organization and the center's commitment to safety for staff, clients and the public. This document serves as the introduction of the Safety Policy manual and should be a part of New Employee Orientation.

Compliance is a robust and vigorous function that ensures the quality and effectiveness of center services. It has a direct role in managing risk created by poor quality of service and the financial ramifications that result. Compliance uses the data it collects to solve service issues, train or re-train service providers and identify problem locations or departments. Compilation and analysis of key measures of risk, incidents and quality is reported to management. The center also places great importance on clients' rights and the prompt and thorough investigation of allegations of abuse and neglect. The center self reports and takes appropriate actions to repair and remedy incidents of abuse or neglect.

Risk and Safety Infrastructure in smaller organizations is characterized by risk management functions as part of each manager's job description. The role of risk management is often divided between the CFO, Director of Human Resources and the Executive Director. The Safety Officer may also be the Facilities person or a member of one of the service providing departments such as IDD or Mental Health. In larger organizations there may be full time people with these roles with clear reporting paths and authority to implement change. Some organizations combine the role of risk manager and safety officer. Another important element of safety is a Strategic Safety Plan that is updated annually to recognize changes in loss patterns, priorities and conditions. This document will help guide the safety and risk management effort.

The following diagrams represent typical structures for the risk management function. In the first diagram the safety function is often found as part of the facilities management/purchasing role with a reporting path to the CFO or a CAO (chief administrative officer). This is an effective arrangement if risk management and safety are strongly supported by upper management and all managers are fully aware and committed to their own risk management responsibilities. It also requires a safety committee and site safety coordinators reporting to the Safety Officer to be fully effective.



Another way to staff the risk management function in larger centers is to assign it to a committee composed of three to five managers who function as executive level decision makers for risk and safety issues. The risk manager/safety officer who may be a direct report to the CFO or CAO also serves on this committee.



A safety committee is another important part of the risk management infrastructure. It is composed of representatives from all functional areas of the center. Its membership should rotate on and off the committee so many staff members serve on the committee over time. A reasonable term of service on the committee is about eighteen months. The safety officer or risk manager chairs the committee which serves as the eyes and ears of safety and takes the message of safety back to each area of center operations. The safety committee helps determine training needs, investigates accidents and reports safety or risk issues from the members own department or location. The safety committee is a vital function in all sizes of organizations.

The Safety Manual contains all of the safety policies for the center. Important elements of a safety manual include the statement of safety policy signed by the executive director, safety management structure, safety rules, accident prevention and reporting. Emergency preparedness, drills, fire safety, fleet and driver safety, security, inspection process, infection control and disciplinary measures are also part of the manual.

New Employee Orientation should contain an introduction to safety at the center and an employee's responsibility to work safely, report safety issues and be ever mindful of the safety of clients, client family members and the public. New employees should be introduced to the Statement of Safety Policy, the Safety Manual and some of the common hazards they may encounter on the job. New employees who will drive for the center should be briefed on requirements for driver training. Van driver training is also required for those driving Center vans of any size.



Fire and severe weather drills are required by a center's state contracts and Texas Administrative Code, but best risk management practices take the routine drill to a more comprehensive level. Drills should include good recordkeeping, a debriefing process, staging of drills at all locations and executive and management participation in the drills. If management and executive staff are too busy for drills they send a powerfully negative message to their staff about the importance of the drill. Another type of drill that helps prepare a Center for emergencies is a disaster drill based on a possible scenario such as an ice storm, tropical storm or a local hazard such as a train derailment. The emergency preparedness drill can be staged and simulated or take the form of a table top drill. It should involve all elements of the Center including upper management.

A disaster response plan is in place that addresses how a center will protect its clients, staff and assets and resume vital operations after a disaster. Centers along the Texas Gulf Coast have experience responding to hurricanes but centers throughout the state could be affected by tornadoes, ice storms, heavy snowfall, rail accidents, refinery explosions or other events unique to a center's location. Planning and maintenance of supplies for disaster events are required for group homes. But this same level of preparedness should be in place for all center locations and operations.



Risk to a center's reputation is hard to quantify, but bad publicity can create problems and difficulty in gaining cooperation from other agencies or entities in the community. The center should have a quick response plan for dealing with events that generate negative publicity. There should be only one authorized spokesperson who has experience dealing with the press.

Succession planning for all major leadership and knowledge positions within the center is updated annually to account for changes in people and positions within the center. Knowledge positions include key people in any department who possess knowledge of how systems work or important relationships with regulators, bureaucracies, local officials or legislators. IT and compliance people who may not have a direct leadership role often fall into this category. Succession planning can be informal or quite detailed but should consider qualifications for various positions, a process to identify internal candidates and methods for mentoring or training people to assume new roles.

Reductions in force or layoffs often result in a cascade effect as people who remain are given the jobs of people who have left the organization. The cascade effect tends to overload people who already have several roles. If this happens to risk management and safety positions, the effectiveness of safety efforts may diminish. Another effect of reductions in force can be an increase in workers' compensation and discrimination claims by those being laid off. A reduction in force should be carefully planned with the involvement of TCRMF or center counsel to reduce the possibility of bogus claims.

Hiring new employees also poses risk to the center. Regardless of the competition for employees, centers should use the best hiring practices. These include requiring completion of an application, checking references and criminal background, using the Fund to run a prospective employee's driving record, drug testing and a post offer/pre-employment physical. Use of a mandatory arbitration agreement and an effective new employee orientation program also help reduce risk.

Employment policies should be consistently enforced to avoid allegations of employment discrimination, harassment or retaliation. There must be a full pattern of documentation for all adverse employment actions. A documentation trail that starts right before an employment action won't stand up in court. Human Resources policies should be periodically reviewed and kept current with changes in law and court precedents. Consult with the Fund's legal counsel or the center's counsel prior to employment actions if there is any uncertainty about the circumstances of the action.

Accident, incident and near-miss investigations provide essential information that will help prevent similar events in the future. Investigations should focus on the root cause of the accident without blame or fault finding that attacks individual character. Root cause analysis usually reveals human decisions that started a chain of events that lead to the accident or incident. Collection of near miss reports is also important because a near miss could become a serious and costly injury with only slight changes in timing or distance. They also indicate a frequency of incidents that could lead to a serious injury. Data about the cause of claims should be used to direct prevention and training efforts. This information comes from the center's own incident and accident reports, compliance data and claim data from the Fund.

Early return to work as a part of the center's workers' compensation claims administration is a key tool for reducing the length of an injured employee's time away from productive employment. Injured workers who are assigned to modified duty that accommodates the medical restrictions imposed by their physician recover quicker and with less cost than employees who simply go home and stay home until they are released to return to full duty. The center should be creative in finding work for employees who are able to return to limited duty. Fund claims adjusters will help coordinate early return to work with the center and the injured employee.

Employees who drive their own cars for the center must have their own automobile liability insurance. The vehicle owner's insurance is primary even if the car is being used on center business. The center should periodically verify that employees who drive their own vehicles have at least minimum Texas liability coverage.

Financial risk management should include an investment policy that is reviewed annually by the board of trustees and updated to conform to any changes in the Public Funds Investment Act. Investment policy should not include target rates of return on investments that might encourage investment strategies that are unsafe. Monitor the ratings of the center's depository for changes that could presage bank failure. Avoid concentration of certificates of deposit in one bank.

Health Benefits self insurance programs should be subject to periodic actuarial review by an independent actuary who reports findings directly to the center. Actuaries who report to benefits managers are not working for the center.

Employees who work in the field are subject to effective safety policies and procedures related to their work at remote sites. Case workers, ACT and MCOT staff should be well trained to recognize common hazards and dangerous situations. There should be a reporting procedure so someone at the center is aware of their schedule and itinerary. Staff members who are expected to respond to crises late at night should report to someone when a call is completed and they are heading home.

Employees who have had multiple workers' compensation claims should be counseled in a non-confrontational way to determine the cause of their injuries and means of preventing future accidents. Actions could include re-training, changes in job duties or procedures, intervention with supervisors or managers or capital expenditures for the acquisition of new equipment or facility repairs.

Preventive maintenance is an effective risk management tool because it reduces the risk of loss of use of premises, vehicles and equipment vital to the services the Center provides. Effective maintenance and repair of a center's fleet helps protect staff, clients and the public from vehicle accidents. The fleet of vehicles traveling throughout the center's service area is often the most visible aspect of operations and can influence public perception if vehicles are poorly maintained or show an obvious need of repair. Housekeeping inside vehicles can also influence family members' perceptions about how safely their loved ones are being transported. Loose objects in a vehicle can become dangerous or deadly to occupants in the event of a collision or emergency stop. Some leading causes of injury to employees also relate to maintenance issues. Slips and falls are often the result of wet floors caused by leaky plumbing or roof leaks. Burned out light bulbs in stairways, defective lift assist equipment and broken chairs also contribute to serious employee injury.



A **Safety Self Inspection** system is in place for regular periodic inspections of all facilities for basic premises hazards, unsafe conditions and practices. The inspection report generates action items for remediation and a follow-up procedure. Results are reported to upper management such as the executive director or risk management committee. The inspection process is overseen by the center's safety officer and the safety committee.



Medical risk management and infection control are ingrained in the organization to protect the clients, staff and family members served by the center. Centers with group homes, day hab facilities and medical services in association with mental health clinics practice these disciplines to prevent the spread of disease, control outbreaks and provide the best possible medical care for their clients. As more centers move toward integrated mental health and medical services, this discipline will become even more important.

Accreditation from the Joint Commission or the Commission on Accreditation of Rehabilitation Facilities includes significant risk management and safety elements that will help drive the center toward greater control of risk. Fund loss control and risk management consultants can help a center in the application and recertification process.

Basic safety features in every facility include lighted exit signs, emergency evacuation diagrams, emergency lighting, fully charged fire extinguishers, fully stocked first aid kits, adequate lighting in parking lots and a visitor monitoring and sign in procedure. Additional measures such as on site security guards, video monitoring and locked access to clinical areas should also be considered. Pharmacies and drug storage areas such as closets, cabinets and refrigerators are locked. Records storage areas are also locked when not attended.



Differences between the mental health and IDD sides of the center in the frequency and severity of injuries and incidents sometime create a disparity in safety and risk management awareness and adherence. In centers with group homes and active day hab facilities there is often a frequency of staff injury due to client interaction. Injuries caused by interaction with IDD clients include assaults, human bites, and strains while assisting client movement. Up to 40% of all workers' compensation claims at some centers are the result of client interaction. This pattern of claims tends to focus safety and loss prevention efforts in the divisions within the center that provide service to IDD clients. Sometimes there is much less focus on safety in the divisions serving mental health clients. Although there is not a frequency of injury in dealing with mental health clients, there can be a greater severity of injury when something does happen. The center must work to make sure there is uniform attention to safety across all functions.

Offices used for counseling are arranged to prevent entrapment. This consideration must override personal preference. The avoidable consequences of entrapment can be catastrophic.

Sheltered workshops engaged in manufacturing type activities adopt safety standards appropriate to the processes and equipment being used in the operation. The center/employer of clients engaged in piece work or manufacturing operations owes the same duty to provide a safe work environment as any other employer. Seek the expertise necessary to implement effective safety programs from Fund Loss Control Consultants.

All HIPAA and State of Texas privacy requirements are strictly enforced.

Effective and appropriate controls are in place to insure the integrity of information on computers and laptops. The use of wi-fi is minimized. Everyone at the center uses complex passwords and changes them regularly. Encryption is in place for data transmission away from the Center and laptops used in the field are essentially “dumb terminals” that do not contain any personal health information or client files.



Other IT safeguards are in place including virus protection, firewalls, mirrored servers or full back-up locations, complex passwords changed on a regular basis, battery or generator back-up power, tape or other media back-up stored offsite. The use of cloud sites is limited and used only after full consideration of possible security and access issues.

Effective risk transfer is accomplished through center contracts and insurance. Contracts with vendors, suppliers and contract service providers contain hold harmless language that protects the center. Contracts also include insurance requirements that provide adequate funding for the risk that providers assume through their contract with the center. Certificates of insurance are required from all vendors and contractors. Limits of liability and coverage provisions meet the center’s requirements. Underwriters and the risk management consultant at the Texas Council Risk Management Fund will review any contract that members send to them for effective indemnification, insurance and safety requirements. The center is also protected by an effective insurance program that transfers its risk of loss of property and risk of injury to employees, the public and consumers to a financially strong self insurance pool like the Texas Council Risk Management Fund. New operations and locations are reported to the Fund while they are under consideration.

Centers with the best safety and risk management systems fully utilize the services available to them from the Texas Council Risk Management Fund. The Fund provides Loss Control consultants, a risk management consultant, Leadership training for supervisors and managers and legal consulting regarding employment and contracting issues. Safety seminars are also offered around the state each year to address specific safety issues for center employees. All of these services are available to Fund members without additional charge. Quarterly seminars sponsored by the Risk Managers Advisory Committee present current topics related to risk from employment, compliance, privacy and legislative issues. There is a nominal charge for the seminars to help cover the expenses associated with the event.