Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Risk Management in the HSE; An Information Handbook

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Introduction

Management of risk is an integral part of good management. It is an iterative process of continuous improvement that is best embedded into existing practices or business processes. It emphasises [potential gains as well as potential losses.

The first stage in creating a quality service is making that service safe and managing risk appropriately. Effective risk management, an integral component of good organisational management, minimizes negative outcomes and identifies opportunities for quality improvement. Through the systematic application of risk management, the HSE will demonstrate its commitment to the vision outlined above thus providing assurance to both staff and service users.

In 2007 the HSE adopted the Australian New Zealand Risk Management Standard (AS/NZS 4360:2004) which was subsequently updated to the ISO 31000:2009 Risk management – Principles and guidelines.

1.1 Objective

It is essential that risks are properly managed to achieve

- improved quality and safety of services delivered to service users and enhanced quality of working environment for staff
- a more confident and rigorous basis for decision-making and planning
- better identification of opportunities and threats to our health service
- gaining value from uncertainty and variability
- pro-active rather than re-active risk management
- more effective allocation and use of resources within the health service
- improved incident management and reduction in loss and the cost of risk, including health service insurance premium
- improved stakeholder confidence and trust
- improved compliance with relevant legislation
- better corporate governance

The HSE recognises the interdependencies of risks, e.g. the relative safety of the service user and staff is dependent on the safety of the environment in which that care is delivered. Consequently, there are many categories and/or areas of risks (strategic / operational) to be considered (see appendix 2 for details), these include:

- Risks of injury (to patients, staff and the public).
- Risks to the Service User Experience.
- Risks to the compliance with Standards (statutory, clinical, professional and management).
- Risk to Objectives and Projects.
- Risk to Business Continuity.

- Risk to Reputation.
- Risk to Finances.
- Risk to the Environment.

Risk management should be applied to decision making at all levels for any activity or function of the HSE. It should be particularly applied when planning and making decisions about significant issues, e.g. changes in policy, introducing new strategies and procedures, managing projects, expanding large amounts of money or managing potentially sensitive issues.

1.2 Roles and Responsibilities for Risk Management

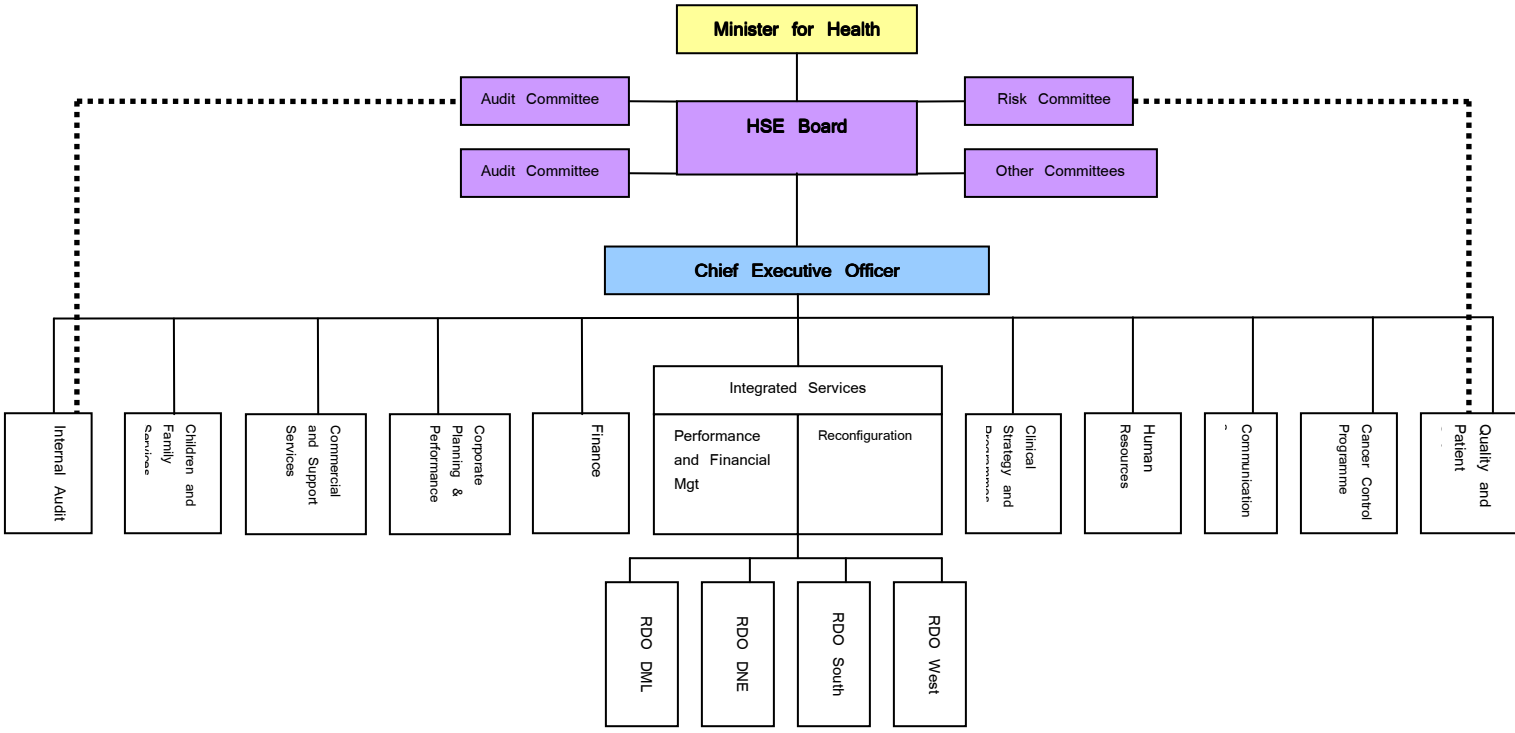
The Risk Committee is a subcommittee of the Board, It focuses principally on assisting the Board in fulfilling its duties by providing an independent and objective review, in relation to non-financial risks. In particular it will:

- review processes related to the identification, measurement, assessment and management of risk in the HSE
- promote a risk management culture throughout the health system.

Risk Management at an operational level is a line management function. Each Directorate is required to describe accountability arrangements for managing risk at all levels within the Directorate. These arrangements should be part of the normal reporting mechanism to ensure that risk management is embedded into the business process.

An outline of the organisational arrangements is illustrated in Figure 1.

Figure 1 Outline Organisational Arrangements



2.0 The Risk Management Process

The main elements of the risk management process are shown in Figure 2:

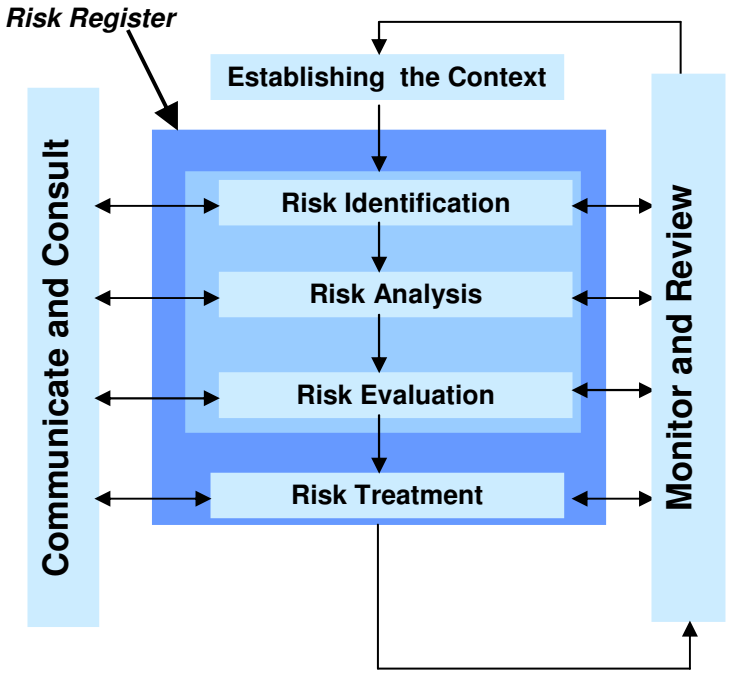


Figure 2: Elements Risk Management Process

The risk management process to be effective must be
- An integral part of management
- Embedded in the culture and practices of the organisation
- Tailored to the business processes of the organisation

The risk management process comprises the following activities

2.1 Communicate and consult

Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole. All stakeholders should be identified. Usually, there are a large number of external bodies who will have an interest in, or influence on the effectiveness of the process for managing risk in the HSE. These include but are not limited to:

- The Department of Health
- The Health Information and Quality Authority
- The Mental Health Commission
- The Clinical Indemnity Scheme
- The Health and Safety Authority

- The HSE's subcontractors and suppliers (especially where the supply of high risk products such as blood products is involved)
- Voluntary agencies with which the HSE has service level agreements
- Statutory inspection bodies e.g. Mental Health Commission etc.
- Professional, Royal Colleges and other specialty faculties
- Patient Advocacy bodies
- Office of the Ombudsman; Office of Ombudsman for Children
- Staff representative bodies
- The Comptroller and Auditor General.

2.2 Establish the context

Establish the external, internal and risk management context in which the rest of the process will take place. Criteria against which risks will be evaluated should be established and the structure of the analysis defined.

External Drivers:

- Patient/customers expectations of high quality and safe services
- Ministerial requirements
- Department of Health and Children requirements
- HIQA requirements
- Issues highlighted in reports, such as Commission on Financial Management and control systems in the Health Services1
- The Health Act 2004 provides a mechanism for the Minister for Health and Children to convene a consultation forum to advise on matters relating to the provision of health, personal and social services
- Mental Health Commission
- Health and Safety Authority
- Other professional bodies e.g. The Medical Council, An Bord Altranais and the Royal Colleges
- Legislation, e.g. Safety Health and Welfare at Work Act 2005
- The Health Act 2004 also includes inter alia, the provision for time limits for responses for the HSE regarding complaints
- Organisations who provide indemnity to the health services (clinical, employee, public liability)

Internal Drivers

- HSE Governance requirements

- The need to improve patient safety and the patient environment and to learn from reported incidents and complaints occurring in the organisation in order to reduce the associated costs in human tragedy and suffering to service users , the effects on healthcare staff involved and the financial costs of actual or near miss incidents.
- The need to establish an effective system of internal control to identify and evaluate the risks that threaten the achievement of the HSE objectives and programmes.
- The need to provide standardised HSE policies
- The need for organisation wide accountability for quality and risk.
- The need to demonstrate assurance

2.3 Identify the Risks

Identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of the HSE's objectives. Approaches used to identify risks include checklist, judgement based on experience and records, flow charts, brainstorming, systems analysis, scenario analysis.

Sources of information for identifying risk are outlined in figure 3

Figure 3: Sources of information for identifying risk

2.4 Analyse the Risks

Each identified risk should be analysed in terms of:

- the existing controls in place to manage the risk
- likelihood of an incident occurring
- impact to determine the level of risk posed.

The impact and likelihood should be assessed using the HSE Risk Assessment Matrix (see appendix 1). In analysing risk it is important to consider not only the issue of minimising risk but also maximising opportunity. The resultant analysis should be documented in the risk register.

2.5 Evaluate the Risks

The purpose of risk evaluation is to make decisions, based on the outcomes of risk analysis, about which risks need treatment and the treatment priorities. This requires comparing estimated levels of risk against the pre-established criteria and then to consider the balance between potential benefits and adverse outcomes for the health service. This enables decisions to be made about the extent and nature of the treatments required and the priorities for the health service.

2.6 Treat the Risks

Where risks require further treatment (action) a treatment (action) plan is developed to address it. This plan should outline the specific cost-effective actions to be taken, the person responsible and the timeframe for action. The plan should aim to reduce the level of risk. If possible risks should be eliminated. Where this is not possible, the risk should be reduced to as low a level as is reasonably practical.

2.7 Monitor and Review

It is necessary to monitor and review the effectiveness of all steps of the risk management process. This is best achieved through existing management fora. For each stage of the process records should be kept to enable evidenced based decisions to be documented as part of the process of continual improvement and learning.

3.0 Links to Quality

Risk should be managed as an integrated part of the HSE's overall approach to quality improvement. Not to do so would result in fragmentation and missed opportunities. The risk management process intertwines with the quality cycle, which includes the stage of risk identification i.e. identifying areas for improvement, risk treatment and monitoring and evaluation and secondly at the stage of risk treatment i.e. putting in place improvement programmes.

It is essential to ensure that the quality cycle includes the identification of risks from the widest range of information sources (See Figure 3).

Action planning to treat risks identified form part of the continuous quality improvement cycle. Tools such as the 'Plan, Do, Check, Act (PDCA)' cycle2 could be a useful resource in determining and implementing treatment (action) plans. The treating of risks through a structured quality improvement process is a very powerful mechanism and one which is capable of targeting the quality programmes to areas of need in a prioritised way.

To maximise the opportunity for an integrated approach to the management of quality and risk, services should consider having specialist risk and quality staff e.g. risk, quality, health & safety, infection control etc work in multidisciplinary teams and to an agreed work plan.

Appendix 1: Risk Assessment Tool

HSE RISK ASSESSMENT TOOL

Injury	Adverse event leading to minor injury not requiring first aid. No impaired Psychosocial functioning	Minor injury or illness, first aid treatment required <3 days absence < 3 days extended hospital stay Impaired psychosocial functioning greater than 3 days less than one month	Significant injury requiring medical treatment e.g. Fracture and/or counselling. Agency reportable, e.g. HSA, Gardaí (violent and aggressive acts). >3 Days absence 3-8 Days extended hospital Stay Impaired psychosocial functioning greater than one month less than six months	Major injuries/long term incapacity or disability (loss of limb) requiring medical treatment and/or counselling Impaired psychosocial functioning greater than six months	Incident leading to death or major permanent incapacity. Event which impacts on large number of patients or member of the public Permanent psychosocial functioning incapacity.
Service User Experience	Reduced quality of service user experience related to inadequate provision of information	Unsatisfactory service user experience related to less than optimal treatment and/or inadequate information, not being to talked to & treated as an equal; or not being treated with honesty, dignity & respect - readily resolvable	Unsatisfactory service user experience related to less than optimal treatment resulting in short term effects (less than 1 week)	Unsatisfactory service user experience related to poor treatment resulting in long term effects	Totally unsatisfactory service user outcome resulting in long term effects, or extremely poor experience of care provision
Compliance with Standards (Statutory, Clinical, Professional & Management)	Minor non compliance with internal standards. Small number of minor issues requiring improvement	Single failure to meet internal standards or follow protocol. Minor recommendations which can be easily addressed by local management	Repeated failure to meet internal standards or follow protocols. Important recommendations that can be addressed with an appropriate management action plan.	Repeated failure to meet external standards. Failure to meet national norms and standards / Regulations (e.g. Mental Health, Child Care Act etc). Critical report or substantial number of significant findings and/or lack of adherence to regulations.	Gross failure to meet external standards Repeated failure to meet national norms and standards / regulations. Severely critical report with possible major reputational or financial implications.
Objectives/Projects	Barely noticeable reduction in scope, quality or schedule.	Minor reduction in scope, quality or schedule.	Reduction in scope or quality of project; project objectives or schedule.	Significant project over – run.	Inability to meet project objectives. Reputation of the organisation seriously damaged.
Business Continuity	Interruption in a service which does not impact on the delivery of service user care or the ability to continue to provide service.	Short term disruption to service with minor impact on service user care.	Some disruption in service with unacceptable impact on service user care. Temporary loss of ability to provide service	Sustained loss of service which has serious impact on delivery of service user care or service resulting in major contingency plans being involved	Permanent loss of core service or facility. Disruption to facility leading to significant 'knock on' effect
Adverse publicity/ Reputation	Rumors, no media coverage. No public concerns voiced. Little effect on employees morale. No review/investigation necessary.	Local media coverage – short term. Some public concern. Minor effect on employees morale / public attitudes. Internal review necessary.	Local media – adverse publicity. Significant effect on employees morale & public perception of the organisation. Public calls (at local level) for specific remedial actions. Comprehensive review/investigation necessary.	National media/ adverse publicity, less than 3 days. News stories & features in national papers. Local media – long term adverse publicity. Public confidence in the organisation undermined. HSE use of resources questioned. Minister may make comment. Possible questions in the Dáil. Public calls (at national level) for specific remedial actions to be taken possible HSE review/investigation	National/International media/ adverse publicity, > than 3 days. Editorial follows days of news stories & features in National papers. Public confidence in the organisation undermined. HSE use of resources questioned. CEO's performance questioned. Calls for individual HSE officials to be sanctioned. Taoiseach/Minister forced to comment or intervene. Questions in the Dail. Public calls (at national level) for specific remedial actions to be taken. Court action. Public (independent) Inquiry.
Financial Loss (per local Contact)	<€1k	€1k – €10k	€10k – €100k	€100k – €1m	>€1m
Environment	Nuisance Release.	On site release contained by organisation.	On site release contained by organisation.	Release affecting minimal off-site area requiring external assistance (fire brigade, radiation, protection service etc.)	Toxic release affecting off-site with detrimental effect requiring outside assistance.

1. LIKELIHOOD SCORING

Rare/Remote (1)		Unlikely (2)		Possible (3)		Likely (4)		Almost Certain (5)	
Actual Frequency	Probability	Actual Frequency	Probability	Actual Frequency	Probability	Actual Frequency	Probability	Actual Frequency	Probability
Occurs every 5 years or more	1%	Occurs every 2-5 years	10%	Occurs every 1-2 years	50%	Bimonthly	75%	At least monthly	99%

3. RISK MATRIX

	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Rare/Remote (1)	1	2	3	4	5

Appendix 2 – Categories of Risk

(a) Patients/service users:
The prevention of patient / service user injury in healthcare has internationally been recognised as an important public health problem. This is due to the complex and constantly changing environment in which clinical and social care is delivered and the inherent vulnerabilities of patients and service users to have incidents cause harm. In most instances incidents do not result in injury to patients /service users but can result in extended treatment episodes and increased costs associated with additional care and treatment required. It is essential that services are organised and delivered in a manner that prevents harm occurring and in the event that it does that the system responds to support patients / service users and improve services to prevent recurrence.

Although most focus tends to be on risks associated with direct service user treatment or care and the consequences therein other important issues include but are not confined to:

- Appropriate transfer of service users between departments and to other facilities.
- Appropriate triage of service users in both Hospital and PCCC settings e.g. in the Emergency Department and the management of waiting lists.
- Confidentiality and the appropriate release of service user information.
- Service user consent issues.
- Discharge arrangements – either from facilities or services.
- Service user participation in research studies.
- Protection of service users from abuse, neglect or assault.
- Medications management.

(b) Staff:
The safety, health and welfare of staff that work in the HSE is of critical importance. It is essential that the HSE seeks to promote staff wellbeing and that every effort is made to ensure that the work environment contributes to the health, safety and welfare of the staff member. A positive work environment leads to less staff injury (physical and psychosocial), reduced absence, increased motivation and increased quality of services provided to patients/service users.

Important issues include but are not confined to ensuring:

- The safety of the work environment.
- The safety of systems of work.
- That occupational health problems are prevented or addressed.
- The safety of equipment and other technologies.
- The appropriate training of staff.
- That a system of risk assessment is in place to identify and manage key risks relating to staff and the public.
- That staff are supported in issues that affect their ability to function effectively in the workplace.

***(c) General Population*:**
Population Health is responsible for promoting and protecting the health of the entire population and target groups, with particular emphasis on health inequalities. It achieves this by positively influencing health service delivery and outcomes through strategy and policy. Keeping the public safe is also an issue in relation to the environmental safety of the HSE's services.

(d) Risks to the Service User Experience:
Factors which threaten the delivery of service provision to service users are e.g. obtaining quality treatment in a comfortable, caring and safe environment; treatment delivered in a calm and reassuring way; having information to make choices, to feel confident and to feel in control; being talked to and listened to as an equal; being treated with honesty, respect and dignity.

In order to enhance the quality of the service user experience of the services, we must consider the degree to which services are service user centered which means focusing less on managing institutions and more on the process of care.

Enhancing the service user experience will give service users the chance to get timely appropriate care and it will give staff the chance to use their professional potential to the full.

(e) Risks of non compliance with Standards (statutory, clinical, professional & management):
This category includes all factors which threaten the achievement of compliance with requirements established to ensure the safety and quality of services.

Analysis of processes/services against a prescribed standard will identify compliance with that standard or a gap where performance can be improved. This "gap" represents to degree to which processes/services need to be improved in order to reach an acceptable standard (statutory, clinical, professional and management). Given the context of the area under analysis and the extent of this "gap" it will be possible to assess the degree of risk to which the service/HSE is exposed.

(f) Risks to Objectives and Projects:
Factors relating to the procedures/technologies etc employed to achieve particular objectives and projects.

Given that risk management by definition is focused on managing those things that threaten the achievement of objectives, it is essential that the risk management process is integral to managing achievement of objectives or the outcomes of projects.

A robust system of risk assessment as part of the project management cycle is essential if projects are to be successfully delivered on time and in budget. This process should include the ongoing identification of risks arising due to unintended or unanticipated consequences.

(g) Risks to Business Continuity:
Factors which threaten the Organisations ability to deliver its services and serve the community.

The HSE has significant property assets which must be protected from loss against fire, floods and other risks. In addition information management systems such as ICT and manual records, including clinical, financial and business – which are essential for the ongoing operations of the HSE must be protected from damage and destruction and loss. Services should have in place contingency plans for the most common business continuity risks that they are likely to experience.

The most common definition of risk is "anything that could threaten your ability to meet your objectives," these may be personal, departmental, project or organisational objectives.

(h) Risks to Reputation:
(Involving risks to public confidence, the public reputation of the organisation and their effects).

The reputation of individual services and the HSE is essential in managing risks in terms of the service user, professional and organisation. The management of reputation leads to increased confidence and trust in services and has consequent effects on the consumer satisfaction, recruitment and retention of staff and increased public confidence.

(i) Financial Risks:
Factors relating to the procedures/systems/accounting records in place to ensure that the organisation is not exposed to avoidable financial (loss) risks, including risks to assets.

The CEO is the Accounting Officer of the HSE and must also supply the Board with information (including financial information) relating to the performance of his functions as the Board may require. The Board and the CEO have responsibility for the System of Financial Internal Control in the HSE.

The System of Internal Financial Control is designed to reduce rather than eliminate risk. Such a system can provide only a reasonable and not an absolute assurance that the assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would
be detected in a timely manner.

Financial risks are managed through the availability of robust internal financial procedures with compliance monitored by management and must be understood and acted on by management. Where no other treatment options are available or appropriate opportunities to transfer unacceptable risks through policies for insurance and other methods must be understood and acted upon. Such action is necessary to adequately protect the assets of the HSE.

The risk management process provides a method for making financial decisions with uncertain outcomes, for seeking financial benefits and for minimising financial losses.

For example, it is important to invest wisely to take opportunities of new technology but it is also important to manage the consequent risks of that funding perhaps not being then available for other services or the future costs of the ongoing operation and maintenance of that technology.

It is important to note that though finance is identified as a separate category of risk it is also important to note that most risk if realised will have a financial impact on the HSE.

(j) Environment Risks:
Factors which threaten the prevention, limitation, elimination, abatement or reduction of environmental pollution and the preservation of a quality environment.

The management of environmental risk is essential in terms of those that access the services of those that work within the HSE. It is also essential in terms of public accountability that the HSE contributes to protection of the environment by ensuring that the systems and processes are in place to ensure that the HSE complies with any relevant regulatory duties.