Risk Management 101

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by Patricia Collins

The decision to implement a computer-based patient record (CPR) system is a substantial commitment of time and resources. Making it a reality in your organization requires a number of steps, not the least of which is risk assessment. Assessing the risks associated with the CPR should be done even before the organization's stakeholders commit to it. The CPR could pose a risk to a number of areas in the organization. For instance, changing the mechanism for the delivery of clinical data to the primary caregivers involves risk to the delivery of quality patient care. Thus, identifying and managing risk is the logical first step. It permits the organization to minimize the negative impact of unplanned occurrences. While risk management usually falls to the project manager, the risks involved affect everyone, so everyone must take part in the process.

Risk: A Definition

Before jumping into an assessment, it is crucial that team members know what risk is. By definition, risk is an estimate of the probability of loss from a given event. Managing it begins with understanding the pool of probable events and establishing strategies to mitigate the effects of each of these events, should they occur. Also key to risk management is the ability to contain negative consequences.

Risk Identification

Let's begin with the CPR acronym applied to the process. While the name itself does not create risk, the lack of a definition and industry-wide standards surround the name with risk. What this means to a risk manager is that he or she needs to look beyond the title of the task to identify what is truly taking place.

Once this is accomplished, the next risk identified should be tied to the project scope and its deliverables. The project scope is the mission statement, containing clearly defined objectives of what will be accomplished during the project. Scope documents typically include the specific department, clinic, or nursing units that will be affected. In addition, the scope statement will define which data elements will be captured during the project's lifetime. If the departments selected are not fully supportive of the project, the chance of success could be compromised. The deliverables stated in the scope documents also should identify measurable, objective criteria that could be evaluated by an outside auditor. For example, an auditor would be able to measure the number of laboratory tests stored in the CPR against the number of laboratory tests completed by the lab department. Another risk factor is the stability of data source systems. If the laboratory changes its own computer system, testing may not show what will really happen once the new laboratory system is in place. All systems should be stable (not in the process of upgrading or changing) before evaluating whether they will work correctly.

Your team will need to determine what is being created and what level of impact the CPR will have on patient care. With the advancement of hospital-based systems, there have been multiple attempts to create standards for automating the paper process in patient care. US government-funded reports and studies have documented areas that should be included in the development of a CPR.[1] And the Computer-based Patient Record Institute, the organization that coined the term computer-based patient record, has published guidelines for CPR systems.[2]

Although the existing guidelines primarily focus on data integrity and security--two important components of risk assessment--they have not yet met with industry-wide acceptance. While industry members are moving toward greater acceptance of the guidelines, they still do not recognize them as official standards.

To define the standards for the project, the project team needs to develop a comprehensive list of possible risk areas, estimate the probability of occurrence, and develop mitigation plans to minimize negative impact. Potential areas of risk include:

- project contract

- project scope
- unrealistic goals
- other organizational goals and projects
- project budget
- stakeholder commitment
- change in top-level management
- personnel
- staff member skill sets
- communications
- inadequate testing
- inter-facility goals
- inter-department goals
- expectations of stakeholders
- expectations of users

The key to mitigating risk is tied to the original scope, or mission statement. Again, this should serve as the road map and directions for a clearly defined destination. Defining a clear scope and keeping the project in line with it is the best way to minimize unexpected risks. Remember, risk identification is not a one-time event, it must continue throughout the project.

Develop a Risk Assessment Methodology

Risk managers are asked to fulfill several functions, including:

- identifying the risks that might be encountered
- estimating the probability that each event might occur
- offering strategies to minimize any negative impact should such an event occur
- looking for opportunities within risk events

In analyzing the probability of an occurrence and the impact of an event, consider that one occurrence of an incorrect laboratory value could have serious effects on patient care. For example, reporting an erroneous laboratory value that results in the administration of an incorrect medication could cause irreparable damage to the patient. Analyzing the consequences of an event includes looking at the severity of the potential damage that could occur. Could this affect multiple patients or just one? And if the event occurs, could the damage be controlled or quickly corrected?

A comprehensive risk assessment methodology includes developing trouble-shooting strategies, what-if scenarios, and alternative plans. Each risk item should be ranked in priority and total level of risk impact. Once this is accomplished, the risk assessment team should communicate each risk event to the project stakeholders. This is a key step, as gaining commitment of the project stakeholders is essential before proceeding.

Develop the Right Tools

A risk assessment tool can be a simple spreadsheet or table that includes basic data, such as risk factors, probability of occurrence, any impact the event may have, as well as its severity, and a total risk factor score. Furthermore, the tool must have an accompanying document containing the mitigation plans for each event. Plans should include avoidance of the event, ability to diminish the impact of negative events, workarounds to keep the project moving, and containment to prevent a negative event from cascading and thus causing other problems.

Evaluate and Align Personnel Skills

CPR projects often identify risks associated with personnel skills. Proactive risk management will align vendor and customer personnel to ensure that all tasks are assigned to qualified personnel. For instance, budgeting for training and new position hires encounters risk in a market with a severe shortage of candidate availability. New job roles and responsibilities are often required in a CPR project and come with their own risk factors.

Preventing Risk with Your CPR Vendor

Success in a partnership centers on good communication. Work with your vendor to create a cohesive, mutually agreed upon project scope. When you are doing this, important steps to remember include:

- obtain consent and support of all parties
- have a single point of contact on each side
- understand who is responsible for which tasks
- clarify timelines
- agree upon measurable deliverables for each phase of the project
- create and use a project notebook that reflects all project communications and activities

Finally, conduct regular executive reviews, making sure to include key customer stakeholders and vendor executives. The executive review is a time to meet and focus on issues that could jeopardize the success of the project and celebrate achievements as the project progresses.

Other techniques to reduce risk when working with vendors include defining the critical path elements that will be used to evaluate the impact of change requests as they arise in a project. Written specification and functional design specifications should reinforce the critical path elements. Include verification of levels required for operating systems, DBMS, third-party software, and feeder systems. Coordinate training processes, tools, and support requirements during the contracting phase.

Summary

Managing risks in a CPR implementation requires that the stakeholders, project team, and vendors collaborate on the scope and deliverables of the project. The risk management should look at all areas of the project--whether it is personnel, vendor partnership, or new processes. Each risk element should be evaluated for the probability of occurrence, impact, and level of impact, then assigned a risk factor. Managing each of these on an individual basis is key to successful risk management.

Notes

1. Available online at www.nlm.nih.gov/pubs/reports.html.
2. Available online at www.cpri.org.

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