HEALTHWEST

Risk Management Policy and Procedure

No. 09-004

Prepared by: Helen Dobb, Compliance Manager

Effective: April 28, 2025

Approved by:

Subject: Risk Management Plan

DocuSigned by:
Rich Francisco
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Rich Francisco, Executive Director

I. POLICY:
   a. It is the policy of HealthWest to ensure a Risk Management Plan identifies specific areas of risk, the likelihood of said risk, those responsible for mitigating and reporting the risk, and how HealthWest board and staff can support the prevention, monitoring, and possible mitigation of these events in the future if they were to occur.

II. PURPOSE:
   a. The purpose of this plan is to uphold standards of excellence through identifying areas of potential risk that would impact HealthWest's ability to uphold its mission, vision and value system, along with core functions for day-to-day operations.

III. APPLICATION:
   a. This policy applies to all employees of HealthWest including full-time, part-time, contractual providers, student interns, and volunteers.

IV. IDENTIFICATION AND ANALYSIS:
   a. All HealthWest staff are required to report any indication of risk or observance of any unusual incidents involving persons in service, staff, or any individual on HealthWest property that might pose concern to operational functions.
      i. Staff should follow all policies and procedures related to the incident according to said policy to protect the person in service, colleagues, or persons on the property.
      ii. Immediately address any medical concerns or potentially harmful situations to appropriate channels.

iii. During work hours, report incidents to appropriate leadership immediately after addressing any acute crisis care.
iv. Document the issue in the appropriate platform immediately following the acute risk issue:
    1. Lat43 Incident Reporting Module
    2. Recipient Rights Complaint form
    3. Compliance Complaint form
    4. Customer Services

b. Incident reports and complaint forms are reviewed by department heads to determine action based on the level of risk to the agency, persons served, staff, and the community. If there are patterns of risk, these concerns are brought to the Compliance Committee. An investigation will occur as these areas of risk are reported by bringing together those who have firsthand knowledge of the event being reported. A Root Cause Analysis (RCA) might accompany this investigation to determine if new policies and procedures must occur to further mitigate future events. The Compliance Committee manages the risk management plan quarterly by collecting data and information from these reporting sources to determine any changes to risk monitoring annually.
    i. The Compliance Committee is comprised of the following individuals; however, based on any area of risk identification members to this committee:

        1. Compliance Manager
        2. Executive Director
        3. Chief Clinical Officer
        4. Chief Information Officer
        5. Chief Financial Officer
        6. Environment of Care Officer
        7. Director of Substance Use Disorder Prevention and Treatment
        8. Director of Health Information Services-Corporate Compliance Officer
        9. Director of Quality Assurance
        10. Recipient Rights Officer
        11. Manager of Procurement and Provider Network
        12. Client Information Manager

c. Areas of risk identified in the Risk Management Plan:
    i. Finance
    ii. Human Resources
    iii. Information Systems
    iv. Data Integrity
    v. Facilities and Physical Assets
    vi. Health and Safety
    vii. Service Delivery

viii. Quality Improvement
ix. Community Relations
x. Recipient Rights
xi. Legal
xii. Governance

V. DEFINITIONS:

a. Incident: Significant and/or unusual events that place an individual at risk of harm.
   i. Reported for all open consumers, regardless of funding or any other characteristic.
   ii. Incidents are required to be reported utilizing an incident report, recipient rights complaint, compliance complaint, or customer services concern.
b. Risk: Refers to any incident that can impact operations of HealthWest, persons in service, staff, or the community.
c. Compliance: The state of being in accordance with established guidelines or specifications, or the process of becoming so.
d. Root Cause Analysis: A process that involves all persons with first-hand knowledge of the events as well as the Recipient Rights Officer/Designee Quality Assurance staff, and others as determined appropriate. Persons involved in the review of Significant Events must have the appropriate credentials to review the scope of care. If it is determined that a peer review is also needed, the selection process will exclude those responsible for the primary care of the recipient involved and those involved in the systemic review of the Significant Event. Root Cause Analysis are due within 45 days following the start of the Root Cause Analysis.
   i. The Compliance Committee will accept or revise the recommendations made by the Root Cause Analysis Team and assign responsibility for piloting/implementing the system and process improvements; this includes modifying the risk management plan. The Director of Quality Assurance will forward the completed report to the Compliance Committee chairperson, the Lakeshore Regional Entity (LRE), and the Executive Director.
   ii. The Compliance Committee and Quality Assurance Department will ensure an appropriate approach for evaluating the effectiveness of the improvements that have been designed and applied.
e. Mitigation: The action of reducing the severity, seriousness, or painfulness of something.

VI. ATTACHMENTS

a. Risk Management Plan

HD/hb

Risk Management Plan
Effective Fiscal Year 2025

The Risk Management Plan

Risk is the possibility of a foreseeable event that can occur within operations, potentially impeding HealthWest's ability to uphold its mission, vision, and value system, along with core functions for day-to-day operations. This risk can be mitigated with a plan essential for optimal performance. It ensures the value system, worth, and dignity of all persons with vested interests are supported with the highest regard, while upholding public trust with integrity and accountability.

Risk management is the process of identifying, reporting, analyzing, evaluating, responding to, monitoring, and communicating risks. The HealthWest Risk Management Plan identifies specific areas of risk, the likelihood of said risk, those responsible for mitigating and reporting the risk, and how HealthWest board and staff can support the prevention, monitoring, and mitigation of these events in the future if they were to occur. Understanding areas of risk and utilizing a risk management plan can identify areas of vulnerability to ensure staff and persons served are protected from uncertainty with services and support.

Risk is a broad term that can encompass a variety of issues. HealthWest organizes risk into the following categories, while recognizing that risk can overlap, the plan is to address risk from a broader nature:

- Finance
- Human Resources
- Information Systems
- Data Integrity
- Facilities and Physical Assets
- Health and Safety
- Service Delivery
- Quality Improvement
- Community Relations
- Recipient Rights
- Legal
- Governance

Risk is an element of corporate compliance that is reviewed annually and supports the improvement of organizational performance as it relates to service delivery or business functions.

The Corporate Compliance Committee Membership

The Compliance committee manages and monitors the Risk Management plan relying on agency experts for knowledge and information as the plan activities occur across HealthWest and its service network.

Mitigating and managing risk incorporates a variety of knowledge across organizational functions. The compliance committee members encompass a wide variety of disciplines with the agency and the standing committee membership is as follows:

- Compliance Manager
- Executive Director
- Chief Clinical Officer
- Chief Information Officer
- Chief Financial Officer
- Environment of Care Officer
- Director of Substance Use Disorder Prevention and Treatment
- Director of Health Information Services-Corporate Compliance Officer
- Director of Quality Assurance
- Recipient Rights Officer
- Manager of Procurement and Provider Network
- Client Information Manager

Additional members will be added to the committee as needed when their expertise can aid in prevention, monitoring, or mitigating risk.

The Corporate Compliance Committee Purpose

The risk management plan falls within the responsibility of the compliance manager as this role extends across all aspects of operations within HealthWest; wherein, risk management oversight would fall within the compliance committee.

Utilizing the established committee to identify and evaluate issues and events that create risks to HealthWest's operational practices, the team has a responsibility to review and monitor the current risk management plan and ensure the strategies available are reliable to prevent, monitor and mitigate potential hazards to staff, individuals in service, and the community. When risk is identified at HealthWest, the team is responsible for determining who needs to be involved to create resolution.

The compliance committee meets monthly, and meeting minutes are kept of these occurrences to ensure future updates are made to the risk management plan. The Compliance Manager will be responsible for making a record of risk issues, tracking actions taken to mitigate the risk, and ensuring prevention and monitoring occurs to reduce risk areas. In emergency situations, Executive Leadership of HealthWest may function as the committee.

Reporting Risk

Any issue of perceived risk can be reported to anyone on the committee at any time. Additionally, risks can be reported anonymously through Recipient Rights, Corporate Compliance, or Customer Services. When new areas of risk are identified and require monitoring, the corporate compliance committee will update the risk management plan. The standard for updating the plan will be annually. During an annual update, new membership might be required to aid in the expertise to mitigate and manage these areas. Internal committees may be established to problem-solve and address areas of need, minimizing threats to people, property, resources, and HealthWest's ability to accomplish its goals.

Financial

Financial risk is the risk related to the continued operations of HealthWest's ability to meet financial obligations. The financial risk identified in this current plan focuses on eliminating any Fraud, Waste, or Abuse of HealthWest's financial assets. HealthWest is financially responsible for meeting obligations to the LRE and MDHHS.

Actions to evaluate, minimize, and report financial risk involve the following areas:

- The finance department presents the annual budgets to the HealthWest and County board for approval.
- Financial Statements are presented and reviewed by the HealthWest finance committee. All noteworthy discrepancies in the budget are discussed and a plan of correction occurs to offset issues.
- Accounting and Governance policies are in place to ensure compliance, these policies are reviewed annually to ensure they continue to align with HealthWest operations.
- Financial Power BI reports are utilized to manage and mitigate any risk. The following reports are used regularly:
    - Data Exchange Gateway Dashboard
    - General Funds Analysis
    - Cost Centers
    - CCBHC Monthly Counts and Costs
    - Medicaid Redetermination
    - Autism Benefit Tracking
    - Nonhome Program
    - Paid/Unpaid Claims
    - LRE SharePoint to denote CCBHC T1040s
- Purchase Card limitations, travel authorization forms, and Laserfiche forms are available to ensure appropriate use of agency funds; as well as minimizing allowable access to agency cash on site.
- Continual credentialing of staff and accreditation of provider networks with contracted agencies.
- Contracted providers utilize the electronic health record to eliminate risk to waste or abuse by the access to the utilization management team for the authorization of managed care.
- An external audit of HealthWest's finances is completed annually. This audit reviews accounting practices, exposure to fraud, and use of accepted accounting principles. Recommendations of this audit follow to help mitigate risk which is then presented to those with a personal stake in financial management.

Human Resources

Human Resources risks include risks related to the administration of employment, compensation, benefits, and employee/labor relations.

Actions to evaluate, minimize, and report risks related to Human Resources include:

- The mission, vision, and values of HealthWest are highlighted in multiple areas across the agency to ensure that there is a robust understanding of the governing principles throughout operations.
- Policies and procedures from both HealthWest and Muskegon County are utilized to ensure that appropriate governance of the employment relationship from hiring through post-employment are reviewed annually and on an as needed basis.

- Job descriptions are reviewed as needed to ensure that the roles and responsibilities are outlined for each staff position to ensure compliance with the Americans with Disability Act. All staff are expected to be credentialed to complete the necessary job requirements of their position.
- All staff, interns, and student observers are required to complete a thorough orientation process of their expectations and obligations as a HealthWest employee.
- Staff background checks are required prior to hire.
- Managing staff burnout and employee morale is supported by various staff support committees, in service opportunities and team building events, an open-door policy with agency leadership to ensure open communication, psychological first aid, paid time off, clinical supervision, and employee evaluations.
- Information sharing and teamwork are executed through regular team meetings, both departmentally and agency wide. Published board meeting minutes and opportunities to attend board meetings, along with the Compass and the HealthWest newsletter, serve as communication sources for up-to-date agency information. Additionally, social media platforms are used for broader communication. Management of any agency conflict of interest or negligence is managed through the code of ethics, general organizational employment of relatives, fair hiring practices, governance policies, board member code of ethics, and all policies and procedures are expected to be reviewed by all staff annually to mitigate conflict.

Information Systems

Information Systems risk identify all disruptions to access to technology or interference of information, equipment, or security. The possible or adverse risks related to information systems include:

- Loss of access to any critical information system
- Loss of computers
- Computer security breach
- Violation of client confidentiality
- Disruption to network access
- Loss of data files

Actions and strategies to evaluate, minimize, and report risks related to Information Systems include:

- Policies and procedures are in place to ensure the safety and compliance with health information for all persons served; this includes and is not limited to, corporate compliance training, HIPAA training, Security Risk Analysis is completed annually, KnowB4 trainings to reduce security breaches, RELIAS library of training to reinforce procedures, and the employment of staff to monitor and mitigate any health information violation.
- HealthWest utilizes IDs, passwords, duo mobile authentication, firewalls, and secure features to limit access internally and for incoming data.
- Tracking of information system equipment by IT at the user level by use of bar codes, equipment removal requests, and iPhone recovery programs.
- Plans are established for when any loss of information occurs-Incident Response Plan and Disaster Recovery Plan, as well as penetration tests to ensure minimal disruption to network access.

Data Integrity

Data Integrity risk involves all information that is used to make decisions about current and future operations of HealthWest. The data and information drives decisions that impact the staff, people served, and the community at large. The current risk management plan identifies concerns with incomplete data, invalid/insecure data, lack of data timeliness, and unsecure or compromised data.

Actions to evaluate, minimize, and report risks related to Data Integrity include:

- All staff are provided with agreements and training opportunities to ensure that all policies and procedures are understood and implemented, as well as all security measures utilized to support security health information.
- Power BI dashboards manage information across the agency that include various departments-clinical, finance, grants, corrections, leadership, performance improvement, and utilization management.
- Personal Health Information (PHI) quarterly walk throughs to ensure secure documents are confidential.
- Reports are utilized to spot check and confirm data integrity and compliance within credentialing and certifications.

Facilities and Physical Assets

Facility and Physical Assets risk involves ensuring that HealthWest is prepared with any life safety and/or fire and emergency preparedness. This area of risk also encompasses any concern with workspace issues that may be inadequate in space, unsecure, or unsafe. Theft or damage to the physical structures, as well as any theft or considerable damage to agency vehicles or staff personal property.

Actions to evaluate, minimize, and report risks related to Facilities and Physical Assets include:

- Emergency procedures and plans of action are in place for all buildings, and staff are trained in this emergency protocol. Emergency kits are stocked and available including severe weather emergency items. Staff are expected to practice regular drills to ensure safety and regular inspections of safety equipment occurs on an as needed basis based on the requirements.
- All personal items which are used onsite are to be inspected and labeled by site safety officers to ensure they meet agency regulations for safety. All large items that require assembly, staff are requested to have built by facilities to ensure safety.
- Staff have access to report all building and facilities related issues via a track-it system that prioritizes the needs of staff and people served.
- Security protocol is in place for entry into HealthWest buildings that help keep agency staff safe, as well as, protecting persons served while in any HealthWest building receiving services. External doors require staff key entry for access and security cameras on the outside of the buildings to manage the safety of the property and persons on the premises.

Health and Safety

Various departments are involved to maintain the Health and Safety of HealthWest to reduce injury and illness which work to ensure that MIOSHA (Michigan Occupational Safety and Health Administration) standards are implemented and enforced. Emergency action plans and procedures are in place to ensure staff competencies if there is an emergency scenario. The

Environment of Care committee designates emergency responsibilities to key staff in advance to alleviate stress and mitigate risk to the health and safety of staff and persons served.

The potential natural risks to HealthWest can include winter storms, windstorms, tornados, thunderstorms, flooding, and illness and infection. Possible loss or adverse results include:

- Pandemic
- Infection controls not followed
- Insufficient training on handling emergencies
- Inadequate emergency preparedness
- Staff certification lapse in prevention measures
- Injury to individuals served, employees, visitors, and stakeholders

Actions and strategies to evaluate, minimize and report risks related to Health and Safety include:

- Policies and procedures to enact in the event of pandemic or infection; including, but not limited to requirements for PPE and staff safety.
- Injury and incident reporting are required of all staff when health and safety is a concern.
- Policies and procedures to prevent the spread of infectious disease.
- Site Safety Officers assigned to all physical locations.
- A robust training department to help support and ensure staff are prepared in the event there is an emergency. Staff can be trained in CPR and First Aid and are required to be trained in MANDT (de-escalation and intervention techniques).
- The EOC committee is in place to track and attest to regular drills and inspections with a monitoring system in place in Microsoft teams for accountability.
- Smoke detectors are certified monthly, and EPS security inspects fire protection equipment annually.

Service Delivery

Clinical Operations and service delivery are managed through a variety of departments from provider networks and contracts to service delivery teams. The risk related to service delivery is to ensure persons served are protected from harm and abuse while receiving medically necessary care that aligns with individual's specific needs and desires. Service delivery risk monitors client records, adverse events, and the implementation of individual plans of service. All staff at HealthWest have an expectation to deliver services in the best interest of the community and those current, prior and future recipients of care at HealthWest.

Service Delivery risk includes:

- Persons served at risk of harm and abuse by staff and/or contracted staff
- Medical health crisis of persons served
- Improper implementation of behavior treatment plans
- Adverse events
- Inadequately maintained client records

Actions and strategies to evaluate, minimize and report risks related to service delivery include:

- HealthWest has numerous ways to report risk by way of the Recipient Rights department, Customer Services, or the Corporate Compliance department. Reporting can be done anonymously to maintain reporter confidentiality.
- Policies, procedures, and code of ethics are expectations for all staff to ensure the safety of all persons. Reporting mechanisms are in place for when incidents occur.
- Safety protocols are in place for food service; including but not limited to serve safe certifications, occupational health and safety programs, safety inspections, first aid training, and good hand washing techniques.
- Vaccinations are available to staff to limit the spread of illness.
- Monitoring of client care and individual plans of service is completed by way of home visits, audits, treatment plan reviews, in-service documentation, and data collection.
- The identification, prevention, and monitoring to support adverse events are done through education, psychological first aid, the suicide prevention coalition, intensive crisis stabilization services.

Quality Improvement

Quality Improvement is managed by all staff within the organization. Ensuring compliance with all stakeholders is a requirement for credentialing and funding. The quality department is responsible for managing areas of concern identified in audits completed by MDHHS, CCBHC, CARF, as well as continual and ongoing chart audits within all departments. The quality department strives for continuous improvement by identifying areas of risk by completing a thorough analysis to determine the best course of action for resolution.

Quality Improvement areas of risk include:

- Failure to uphold contractual obligations (of MCO, MDHHS, CCBHC, etc.)
- Contractual Performance requirements
- Loss of accreditation

Actions and strategies to evaluate, minimize and report risks related to Quality Improvement include:

- Participating and conducting audits of processes and client charts to ensure workflow adherence and expectations detailed by our governing bodies.
- Process Mapping helps to support training and workflow practice across agency departments, as well as informing system gaps in care to support persons in service.
- Medicaid verification helps to support persons in service ensure continual available insurance benefits and any gaps that have occurred can be addressed by staff.
- The Kata process is a systematic approach to problem-solving and continuous improvement that is used to help increase the efficacy of workflows and processes across the agency.
- Root Cause Analysis is a process by which an investigation occurs after a risk event that involves all parties with a personal stake to determine the root cause of the event to inform systematic and process changes.

Community Relations

The Community Relations department at HealthWest is responsible for establishing and maintaining a mutually beneficial relationship within the community. This area of risk is specific to the public perception of the agency and how HealthWest is represented by stakeholders.

Actions and strategies to evaluate, minimize and report risks related to Community Relations include:

- All personnel are screened by human resources prior to hire and is compliant with the mandates of HealthWest obligations
- The community relations team oversees the customer services department, which is responsible for education, training, and investigating complaints made through customer services.
- The community relations department oversees all required training at HealthWest.
- Attendance at events, participation with social media and media outlets, and satisfaction surveys contribute to the analysis of public perception.

Recipient Rights

Recipient Rights refers to ensuring and upholding excellent care for our persons in service with dignity and respect. The recipient rights department investigates all complaints that involve someone connected to the care of another person at HealthWest. The risk area identified at HealthWest relates to preventing any abuse or neglect by staff.

Actions and strategies to evaluate, minimize and report risks related to Recipient Rights include:

- Staff are expected to follow the Code of Ethics, policies, and procedures; additionally, staff must attest to the acknowledgement of all policies and procedures.
- Staff are expected to ensure all safety needs pertaining to their roles and responsibilities when working with people in service, and this includes informing people in service of their rights and responsibilities.
- Monitoring client complaint forms, client satisfaction surveys, client file reviews, and anecdotal reports helps communicate trends and patterns with how persons in service and staff perceive care. This may result in consultation with the compliance committee.
- Recipient Rights and customer services trainings help support staff with understanding incident reporting requirements.

Legal

HealthWest has identified lawsuits as the main area of legal risk. Adhering to all aspects of this risk management plan, including prevention, monitoring, and continuous review and updates, will enable the compliance department to mitigate legal issues. HealthWest receives oversight from Muskegon County to aid in compliance. Executive Leadership and the Board of Directors assume responsibility for all legal matters and will ensure any corrective actions are taken to support persons served, the community, and the staff

Governance

The governance bodies of HealthWest serve to provide continuum of care with decision making for persons served, the community, and staff that align with the mission, vision, and values of

HealthWest. Maintaining a working board of directors that meets the expectations of quorum for decision-making is imperative to the HealthWest model for oversight.

Areas of governance support that are identified:

- Conflict of Interest
- Board participation and ongoing membership.

Actions and strategies to evaluate, minimize and report risks related to Governance include:

- Succession planning of agency leaders to ensure that there are not gaps in leadership in the event executive leadership is unable to fulfil their duties.
- Supplemental employment requests are required to determine any conflict of interest to HealthWest operations, this includes maintaining and operating employee and employer relations with persons served, staff, and community partnerships.
- Investment in board collaboration to create, review, and discuss changes and additions to operations at HealthWest maintains quorum and consistency with the directors.