

Shepherds Recovery Counseling Services Inc.	Policy and Procedures
Policy Type: Aspire to Excellence	Policy Number: RMP - 151
Subject: Risk Management	Adopted: 06/10/2017
Section: (1.G)	Effective: 07/10/2018
Approved By: <i>Jemi Rotimi</i>	Revised: 08/12/2020

► **Policy:-**

(1.g.1) :- (SRCS agency):- implements a risk management plan that include promote and further enhance the provision of quality services while efficiently and effectively minimizing the potential for accidental losses, which may have a detrimental impact on the organization. This risk include

- (1.g.1(a)(1):- Identification of loss exposures
- (1.g.1(a)(2):- Analysis of loss exposures
- (1.g.1(a)(3):- Identification of how to rectify identified exposures
- (1.g.1(a)(4):- Implementation of action to reduces risk
- (1.g.1(a)(5):- Monitoring of actions to reduces risk
- (1.g.1(a)(6):- Reporting results of action taken to reduces risks
- (1.g.1(a)(7):- Inclusion of risk reduction in performance improvement activities

B. Is

- (1.g.1(b)(1):- Reviewed at least annually for relevance.
- (1.g.1(b)(2):- Updated as needed

(1.G.2) :- (SRCS Agency) believes that every employee must be actively engaged in reducing the risk of **accidental loss** or **injury** by adhering to the policies designed to protect the agency from such occurrences. Further, risk management includes measures taken prior to, as well as in response to, an incident or loss. The intent is to reduce risks and the frequency and/or severity of losses at all times.

I. Procedures - An assessment of risks resulted in those that can be categorized into the following areas:

1. Managed Care Contracts
2. Personnel
3. Consumer Choice
4. Insurance Coverage
5. Information Technology
6. Physical Facilities
7. Finance
8. Loss of Reputation / Grievances
9. Critical Incidents

II. Philosophy

1. The purpose of risk management is to improve the future, not to overanalyze the past.
2. Risk management should be viewed as a proactive positive means to gain control over events that could have a negative impact upon the organization, individuals served or employees.
3. Defense against operational risk and losses flows from the highest level of the agency which reside with the agency's leadership to all types of staff which include full and part time employees to graduate students and volunteers.

►(1.G.3):-Managed Care Contracts

→ Exposure

Managed care contracts are based on the cost reimbursement model of service delivery. These contracts require various methods of oversight such as prior authorizations and limits on outpatient visits. These service deliveries impact realistic financial limitation of the payer while requiring our agency to balance continuous quality improvement, outcome management and delivery system reconfiguration in the context of capitation financing. The risk is the delivery of a defined set of services to a designated population over a specified time period with the payment calculated on a per person basis. Through capitation, the entire cost for all services is contained to an established amount. While cost control and predictability are achieved, the shift from a fee-for-service system places the majority of risk on the organization as the provider of services. The responsibility for services, both programmatic and financial, rests fully with the organization. Other risks include discharge from the practice and/or demand for more intense service thus resulting in loss of previously captured income while the consumer maintained an active status.

Control Mechanism	Responsibility	Schedule/Report	Review Date
Careful negotiation of capitation rates, including clearly defined service parameters such as initial evaluations and specialized therapeutic services in the context of harm reduction	Executive Director and Clinical Director	Annually via contract initiation or renewal process and annual budget process	► 7/12/2019 ► 8/12/2020
Prior Authorization approved before the intake process is initiated. This results in maximizing financial expediency and reduces claim denials or having to initiate the appeals process.	Clinical Director and all Clinical Staff	Annually and per consumer at time of intake	► 7/12/2019 ► 8/12/2020
Completion of necessary paperwork as required by the managed care entity. The organization has developed template paperwork required for ALL consumers no matter the insurance type so that information will not be missed and various insurance criteria are all met.	Executive Director and Clinical Director and all Clinical Staff	Annually and ongoing as needs of person served change. Audits are also completed to ensure the integrity of the chart is complete.	► 7/12/2019 ► 8/12/2020

Update August-2020

Next Update August 2021

1. Personnel

→ Exposure

Given the evolution to managed care contracting for reimbursement in service delivery and the effects of capitation in other areas, providers are very limited in the wage structure they are able to establish for the employee listed as an outpatient Clinician. As a result, providers are challenged to create a wage structure within the contractual reimbursement model that is competitive in the open market, provides the opportunity for wage increases and provides a competitive benefit package for eligible employees.

The nature of outpatient therapy requires Clinicians to work autonomously with their Clients and to complete various functions of case management outside of the scope of therapy. As a result, it is imperative to ensure systems are in place to recruit, train, retain and discharge employees in a manner that supports the provision of quality services while reducing the organizations exposure to risk based on employee performance or supervisory response to employee performance issues.

Control Mechanism	Responsibility	Schedule/Report	Review Date
The establishment and maintenance of a competitive wage and benefit package for employees that includes a mechanism for the funding of wage increases and increased benefit cost	Executive Director and Clinical Director	Fiscally sound budget; medical and dental insurance coverage, Wage & Benefit Surveys to establish pay matrix	▶ 9/17/2019 ▶ 9/12/2020
The implementation of a well-developed screening process to include background and reference checks and interviews to select the most qualified work force best suited for the job	Executive Director and Clinical Director	Annual review of Human Resource procedures and practices	▶ 9/17/2019 ▶ 9/12/2020
Conducting appropriate and thorough new employee orientation and training, including in session shadowing and supervision to ensure all staff are given the information and support necessary to be successful in their position	Executive Director and Clinical Director	Annual review of Human Resource procedures, practices, and training plan according to agency review schedule.	▶ 9/17/2019 ▶ 9/12/2020
Assure the implementation of performance evaluation and employee discipline systems to ensure performance concerns are addressed effectively and timely	Executive Director and Clinical Director	Annual review of Human Resource procedures and practices according to agency review schedule	▶ 9/17/2019 ▶ 9/12/2020

Updates 9/9/2020

Next Review 09/09/2021

It is the policy of (**SRCS Agency**) to provide services to children, adolescent and adults while attempting to reduce exposure to loss and serious risks. In addition to insurance coverage it has developed the following policy and plan to reduce program risks:

► **Procedures:**

→ **Identify Loss Exposures:**

- A. The facilities at the **SRCS Agency** are continually being evaluated;
- B. Safety Inspections Internal & External;
- C. The financial resources are constantly evaluated;
- D. The relationship with the **OHCA** is reviewed on a continual basis;
- E. The relationship with additional claim sources, when utilized is constantly reviewed;
- F. The services provided to children and adolescents;
- G. The provision of transportation;
- H. Employee behavior and employer behavior;
- I. Client behavior
- J. Fraud, waste, and abuse of a service provider
- K. Business and program practices maintained consistently to the conformance of standards

► **(1.G.3):-Analyzes Loss Exposures:**

- A. The facilities are continually being evaluated and upgraded;
- B. Finances are evaluated and effort is made to increase revenues to enhance programs and services;
- C. The contract with the OHCA is vital to the ongoing operation of **SRCS Agency**;
- D. The development of a close relationship with **DHS/Child Welfare, School Districts**, and other referral sources on behalf of the children enrolled is vital to the development and overcoming of behavioral issues of each child.
- E. Process includes information measurement, management & performance improvement activities reviewed as per plan.

► **(1G.4):-Techniques Taken to Reduce Risk**

- A. **SRCS Agency** utilizes an annual analysis of its service provision to help alleviate any architectural issues that may produce risks to the adults and children enrolled;
- B. The finances are critical and **SRCS Agency** will maintain and continue preparation to become re- accredited, which will enable it to continue to bill Medicaid for certain services in the future.
- C. **SRCS Agency** will pursue preparation to become certified with **ODMHSAS**, which will enable services to address substance abuse in the future.

- D. The increase of licensed staff will enable **SRCS Agency** to expand services and seek additional dollars from the **OHCA**, School Districts, and **ODMHSAS**.
- E. To review the insurance coverage on an annual basis and inform staff and Advisors of coverage's and liabilities.
- F. Insurance against: professional liability, general liability, Employee and Employer behavior, Workers compensation, Unemployment Compensation, Directors and Officers liability.
- G. Billing record reviews, input, and verification of services can and will identify fraud, waste, and abuse of service provision;
- H. A culture of compliance in business and program practices will insure conformance to standards.