

# What Is Risk Management?

by Capella Healthcare



## WHAT'S COVERED

In this lesson, you will define risk management in healthcare. Specifically, this lesson will cover:

1. Definition
2. Hazards
3. Scope

## 1. Definition

**Risk management** for healthcare organizations can be defined as an organized effort to identify, assess, and reduce, where appropriate, the risk to patients, visitors, staff, and organizational assets. A risk management program should be ninety percent proactive about patient safety and quality improvement, and only ten percent reactive to failures in our defenses. By using risk management, healthcare organizations proactively and systematically safeguard patient safety as well as the organization's assets, market share, accreditation, reimbursement levels, brand value, and community standing.



### TERM TO KNOW

#### Risk Management

An organized effort to identify, assess, and reduce, where appropriate, the risk to patients, visitors, staff, and organizational assets

## 2. Hazards

In healthcare, it is important to be aware of various hazards that exist in healthcare. **Adverse events** consist of unintended physical injuries that result in whole or in part from medical care (including the absence of indicated medical treatment), that requires additional monitoring, treatment, or hospitalization, or that results in death.

Near misses and errors are instances of hazards that do not result in harm but are still dangerous. **Near miss** is an event or process variation that could have resulted in injury but did not, either by chance or intervention. An **error** is an act of commission (doing something wrong) or omission (failing to do the right thing) that leads to an undesirable outcome or significant potential for such an outcome.



## TERMS TO KNOW

### Adverse Event

Unintended physical injury resulting from or contributed to by medical care (including the absence of indicated medical treatment), that requires additional monitoring, treatment, or hospitalization, or that results in death

### Near Miss

An event or process variation that could have resulted in injury but did not, either by chance or intervention

### Error

An act of commission (doing something wrong) or omission (failing to do the right thing) leading to an undesirable outcome or significant potential for such an outcome

## 3. Scope

The scope of a clinical risk management program usually includes all clinical services provided by the organization, including ambulatory clinics and services. Such a program should encompass patient care, medical staff, property and general liability, medical devices, hazardous materials and waste disposals, facility management, and workers' compensation issues, as well as risk financing and others. Each organization should include the risk manager's level of involvement in these areas as part of the risk management program plan.



## HINT

Please note that risk managers work closely with accreditation, compliance, and legal departments on many risk issues.

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## Support

If you are struggling with a concept or terminology in the course, you may contact [RiskManagementSupport@capella.edu](mailto:RiskManagementSupport@capella.edu) for assistance.

If you are having technical issues, please contact [learningcoach@sophia.org](mailto:learningcoach@sophia.org).



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**Near Miss**

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**Risk Management**

An organized effort to identify, assess, and reduce, where appropriate, the risk to patients, visitors, staff, and organizational assets