

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

## The Haven - Risk Management Plan (2025)

The Haven and its Board of Directors are committed to making every reasonable effort to protect the health and safety of members, employees, and visitors from hazards incidental to its operations. The Haven’s Risk Management Plan is the sum of all efforts and activities that are directed toward the provision of quality services, the promotion of a safe environment, and the prevention of financial losses.

The Haven attempts to quantify potential risks (i.e., financial, property, reputation) presented by operations by identifying its total assets and resources at risk, identifying potential exposure to loss and probability of occurrence, assigning weight to risk thresholds, and calculating potential values of assets and resources based on the weight at risk. Current risk can be calculated and future and/or potential losses can be projected.

Specifically, the Haven will implement a Risk Management Plan that includes the following:

- Identification of loss exposures
- Analysis of loss exposures
- Identification of how to rectify identified exposures
- Implementation of actions to reduce risk
- Monitoring of actions to reduce risk
- Reporting results of actions taken to reduce risk
- Inclusion of risk reduction in performance improvement activities

The Haven has established quality standards of practice and service delivery to reduce risk and provide timely response to incidents defined as critical to the well-being and safety of members and employees. The Haven ensures events that pose a risk are fully evaluated and that steps are taken to reduce the likelihood of occurrence and maintains appropriate levels of liability insurance coverage to protect against financial loss. This plan is reviewed at least annually for relevance and updated as needed.

## RISK MANAGEMENT PROGRAM STRUCTURE

### 1. Board Involvement

The Board of Directors plays an important role in risk management. Because the Board is ultimately responsible for the health and well-being of The Haven’s assets, the risk management plan is reviewed annually by the Board. The Haven uses a combination of risk transference and risk retention strategies that are reviewed periodically by the Board of Directors and Executive Committee.

### 2. Risk Management Committee

The Risk Management Committee has primary responsibility for implementing and coordinating the risk management plan. This committee is chaired by the Sr. Vice President of Finance and Administration and includes at least the Vice-President of Clinical Services; the Vice President of Quality, Compliance, and Risk; the Outpatient Program Manager, the Residential Program Manager, and the Nurse Manager. Other persons that may be invited to specific meetings include

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

the Facilities Manager, IT Manager, Residential Technician Supervisor(s), an employee representative, a member representative, the Chief Executive Officer. The Risk Management Committee has authority and responsibility to do what is necessary to carry out the functions and activities of the internal risk management program.

The members of the Risk Management Committee are responsible for the following functions within the risk management program:

- The Risk Committee analyzes potential risks as reported to it, principally by the Vice President of Quality, Compliance, and Risk, for the probability of occurrence and severity of effect and makes recommendations. Hazards are identified, what or who may be harmed is identified, risk tolerance is estimated, the item is assigned a tracking number and recommendations to reduce risk are made when appropriate, follow-up and monitoring for success continues until the risk is considered mitigated.
- Coordinate risk mitigation with Quality/Compliance/Risk and ensure that data from all activities is used to lower risk for members, employees, and the agency.
- Communicate with insurance carriers by notifying the carrier of serious incidents, potential claims, litigated claims, and property acquisition. Perform follow-up on incidents and potential claims as requested by the carrier.
- Conduct analysis of potential risk/loss exposure at least annually.
- Function as a resource to employees on risk management issues and questions.
- Provide reports to the Quality Management, Performance Improvement and Compliance Committee (QM/PI & Compliance) at designated times, but at least quarterly, for the purpose of reviewing and evaluating the activities of the Risk Management Plan.
- Coordinate, plan, and implement educational programs to minimize the risk of harm to members, employees, and facilities.
- Implement written procedures regarding communications that address both media relations and social media.

The chair of this committee, as well as several other members, serves on the QM/PI Committee.

### 3. Risk Mitigation

The QM/PI & Compliance Committee includes the Chief Executive Officer; Vice President of Clinical Services; the Vice President of Quality, Compliance, and Risk; Nurse Manager, Sr. Vice President of Finance and Administration; Vice President of Human Resources; Outpatient Program Manager; Residential Program Manager. The Risk Management Committee Chair (or designee) is responsible for reporting the findings and recommendations of the sub-committee to the QM/PI & Compliance Committee for development of performance improvement plans and monitoring processes.

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

## RISK/LOSS EXPOSURE ANALYSIS

The Haven attempts to avoid loss and/or reduce exposure to threats of various kinds (financial/property/reputation). The Haven assesses the probability of an identified risk's occurrence, the potential impact, and attempts to mitigate these factors to level of acceptable tolerance:

### 1. Concentration of Payor and Referral sources

**RISK ->** The Haven's primary payors are all concentrated with Arizona Medicaid (AHCCCS) Arizona Complete Care insurers – Arizona Complete Health, Banner, and United. Federal funding is subject to high political volatility. The Haven is not a Health Home and has no Detox facility, it is therefore reliant on this type of organization and the judiciary for referrals. There are other payor sources (judicial for example), but they do not cover the organization's costs.

**PROBABILITY OF DISRUPTION ->** Possible - Drug Treatment Alternatives to Prison are popular sentencing diversions and The Haven has long been one of Pima County's go-to treatment providers for women, female identifying persons, pregnant people, and women with children. This referral source seems unlikely to collapse. Medicaid funding, on the other hand, appears to have potential for decline, particularly for intensive outpatient services.

**IMPACT OF DISRUPTION ->** Intolerable - the impact of severe cuts from Medicaid could be catastrophic for The Haven. Coping with these impacts would require programming modification (less expensive provider mix) and securing alternative funding.

**MITIGATIONS ->** The Haven closely monitors the Medicaid funding system for potential disruption and maintains close working relationships with referral sources. The addition of a Vice President of Development and Communications allows for identification of and application for grants from other Federal sources such as SAMHSA, State grants from Opioid litigation settlements, and private sources.

### 2. Going Concern Risk – minus Covid (Cares Programs and PPP Loans - \$709,000) funding The Haven has sustained consistent operating losses since FY 2019, totaling (\$947,661)

**RISK ->** The Haven has not yet consistently implemented and sustained a working business/program model that does not lose money. Budgeted funds are necessarily spent despite revenue goals not having been met.

Management and the Board are not reacting to financial stimuli in a timely manner and have added unsustainable future commitments. (i.e., brought The Haven's salaries and wages in line with market rate analysis; upgraded administrative position descriptions to attract qualified

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

and experienced professionals able to support programmatic needs and regulatory expectations)

**PROBABILITY OF DISRUPTION ->** Possible - The Haven Board's tolerance level for financial losses is 6 months of liquid investments and Accounts Receivable (currently there are 8 months), but poor financial performance may eventually give constituents and employees pause. Continuous losses become financially unsustainable in the long-term. An economic recession brought on by an event such as a U.S. Debt default or a pandemic would hasten the probability.

**IMPACT OF DISRUPTION ->** Intolerable - in 2023, The Haven was denied credit by credit card underwriters (NBAZ) because they deemed us to be at risk of not being able to pay our debts. If The Haven cannot bring its financial performance to a surplus by year end and continues its losses into fiscal 2025, there may be a going concern note in the Financial Audit. SUBG may not fund Providers with a going concern note. As losses accumulate grantors will become reluctant. Continued financial losses are unacceptable.

**MITIGATIONS ->** The Haven's reasons for poor financial performance have for some time been tied to the inability to support both salary market rates for all service levels of providers and a robust administrative team. The Haven can consider a less therapy intensive service model, improve efficiency, and reduce redundancy. It could diversify its services in line with mission and/or diversity its funding portfolio. It must learn to either attain its revenue goals or cut its expenses accordingly. Sustainability should be a consideration in all long-term decisions. A final mitigation would be for The Haven's Board to sell off programmatic operations to a competitor or merge with a provider organization that enjoys a robust back office/administrative capability.

### 3. Strengthen Security Stance

**RISK ->** Per JNR there is a 95% chance of being hacked without improved software security measures. And an 80% chance of the next event being worse than the one experienced in November of 2023.

**PROBABILITY OF DISRUPTION ->** Probable - 95% in the next 5 years

**IMPACT OF DISRUPTION ->** Ranges from tolerable, if a similar incident as the last one with virtually no actual impact but a financial and time burden to process, to intolerable, with all systems being unusable and public notices plus cost.

**MITIGATIONS ->** Software Bring Your Own Device solutions range in cost from \$55k per year to drop the risk to 40% and \$110k per year to get to 10% risk. JNR suggests also increase training

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

of Haven employees for a cost of \$500 - \$2000 for 3 – 6 months and/or using JNR's security training toolset for a cost of \$3,600 per year.

#### 4. Succession Management

**RISK ->** The Haven does not have standardized expectations for key positions or standardized process documentation. Employees who resign are allowed to leave without documenting processes.

**PROBABILITY OF DISRUPTION ->** Probable - 100% because there is no task continuity or understanding of expectations in context for new hires, operations are disrupted for months to years.

**IMPACT OF DISRUPTION ->** Undesirable – the impact of lack of ability to maintain systems and move forward is profound. New hires spend their initial efforts trying to make sense of the situation and put out fires. It often takes years to recover performance to levels of the prior position occupant. There is reputational, accreditation, licensure, sentinel event, financial, and legal risk.

**MITIGATIONS ->** The Haven must hold managers responsible for maintaining continuity during employee vacancies and for training new employee to expectations. The Haven could embark on a time-intensive succession planning initiative to document standard operating procedures by key position. There is currently a plan in place to identify and implement a supervisor/manager training program, part of which will incorporate performance metrics by position across the entire organization. The Haven is already in the process of updating its new employee orientation and onboarding practices.

#### 5. The Haven's facilities or grounds – Environmental Risks

**RISK ->** The Haven's properties have suffered decades of deferred maintenance. Inability to use a part or all the facilities is a financial risk. There is also a risk of someone being injured by a property failure or complaints to licensing agencies. Not performing routine maintenance may cause more costly maintenance in the future.

**PROBABILITY OF DISRUPTION ->** Possible – effects of severe disruption due to lack of routine maintenance are improbable because a last-minute correction would be likely. Would this be more expensive, maybe? Would it create an unplanned minimal disruption to operations, certainly.

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

**IMPACT OF DISRUPTION** -> Undesirable - The Duplex fire of 2021 and the Riser failure of 2024 taught us that even a seemingly small part of the facilities going out of commission has a big impact for a long time. It is unacceptable that The Haven would create facility disruption due to deferring maintenance or lack of safety equipment inspection.

**MITIGATIONS** -> The Haven must evaluate its facility maintenance needs annually and plan to perform costly repairs and maintenance as needed, regardless of the ability to secure grant funding and/or implementing a capital campaign.

## 6. Volatility of Public Health – Existential Threat

**RISK** -> The Haven is subject to regulation by the State of Arizona. The State may make regulations that exceed The Haven’s capacity with which to comply. As an example, the State is currently re-defining the criteria for BHP’s, BHT’s, and BHPP’s. The Haven may not be able to afford Peer, Recovery coach, and Residential Technician employees under the proposed new regulations.

**PROBABILITY OF DISRUPTION** -> Probable – the State of Arizona has published the new definitions and requested public comment. It is likely that the State will put the new definitions into effect in the coming fiscal year, October 2024.

**IMPACT OF DISRUPTION** -> Undesirable – There will be a smaller pool of talented potential employees that will meet the new definitions. The Haven will have to lay off some staff who won’t qualify in the future. The Haven will have to pay more to attract qualified staff. The Haven will, most likely, be understaffed more often than currently due to this and the healthcare industry’s workforce shortage.

**MITIGATIONS** -> The Haven has prepared an action plan for this situation.

### RISK MANAGEMENT PROCESSES

The Haven utilizes standard risk management processes to monitor and evaluate potential risks. The following are some general areas of importance that are monitored on an ongoing basis:

#### 1. Incident Reporting

- Incident reporting reduces the liability of the agency by identifying, preventing, and controlling potential adverse outcomes through the gathering, tracking, and trending of statistical and narrative information. Incident reporting is the affirmative duty of any employee associated with the Agency in providing direct member or support services.

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

- All incidents will be reported to the Vice President of Quality, Compliance, and Risk and the Vice President of Clinical Services, as well as the external entities per The Haven’s Incident Reporting Policy ([QR-002](#)) including ADHS, CARF, and Arizona Complete Care Plans.
- Risk Reporting – [Incident Reports](#), member and employee feedback, and Facilities Work Orders are the primary sources for Risk identification. Potential risks are monitored for mitigation by the Risk Management Committee.

## 2. Quality Management

The Haven, through its QM/PI process, collects and analyzes data as outlined per the Quality Management Plan and Corporate Compliance Plan and the Annual QM/PI Report. The following variables will be monitored by the QM/PI Committee on a regular basis to reduce the risk to the Agency:

- QM issues that are brought before the QM/PI Committee
- Any other information pertaining to the issue of quality of care or safety associated with the treatment of a member or family.
- Persistent pattern of member complaints.

## 3. Compliance

- Failure of an employee to participate in a recommended training or educational activity or other activity recommended by the QM/PI Committee, Vice President of Clinical Services, HR or required by any Federal, State, or accreditation authority, third party payor, or health care organization can result in disciplinary actions up to but not limited to termination.
- Any change in an employee’s standing under Federal or State authority, third party payor, or health care organization can result in disciplinary actions up to but not limited to termination.
- Failure to comply with national accreditation standards. (See section on accreditation) can result in disciplinary actions up to but not limited to termination.
- The Nurse Manager, evaluates the risk of diversion or stockpiling of medication by members through medication observation and storing.
- Annually, there is a review of the Nursing Department by an independent Medical practitioner to ensure The Haven in continuing to remain in compliance with all Federal, State and accreditation requirements.

## 4. Accreditation Recommendations

The Agency minimizes risk by striving to maintain best practice standards and having external, objective reviews and audits of the provision of services. Due to the importance of this process in reducing risk, the Agency has received a three-year award of accreditation under the Behavioral Health Standards of the Commission on Accreditation of Rehabilitation Facilities (CARF).

## 5. Openness

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

The Haven regularly communicates with the following entities around operational issues to ensure the best quality of care and decrease risk:

- Arizona Board of Behavioral Health Examiners
- Arizona Complete Care Plans and contracted providers
- Commission on Accreditation of Rehabilitative Facilities

## 7. Member/Customer Feedback/Satisfaction

A customer feedback reporting process has been developed within The Haven’s Quality, Compliance and Risk Management for visitors, employees, stakeholders, members, and their families to formally or informally communicate concerns.

A mechanism is included to provide feedback to visitors, stakeholders, members, and their families in a timely fashion. In addition, member feedback outcomes data are reviewed and monitored through the QM/PI Committee.

## 8. Member Records

Member record procedures have been developed and are included in The Haven’s Policies and Procedures. The member records are owned by The Haven and will be kept in accordance with state, federal, and accrediting body requirements. To reduce risk, the following will occur:

- Access to the records will be limited to appropriate employees and external monitors.
- Release of Information procedures will meet all state and federal requirements and will be monitored through the Record Review process.
- Employees will be trained in documentation standards and requirements.
- Records will be regularly reviewed for compliance with regular reports to supervisors and administration as part of the quality improvement process.

## 9. Member Rights

Through the policies and procedure/protocols, The Haven has developed a system to:

- Inform each member and/or family, guardian or custodian of the rights and responsibilities of the member in a written form. ([RI-001](#))
- Allow for the filing of grievances and the objective review of grievances in a timely manner.
- This includes development of a grievance process and procedures and the establishment of a grievance review committee. ([RI-008](#))
- Respect and maintain the confidentiality of clinical information ([IM-001](#))
- Orient new employees on member rights and confidentiality.
- Annual training provided to employees on member rights and confidentiality.
- Monitor and evaluate the Agency’s system for protecting and supporting member rights through inclusion of questions on member’s rights in satisfaction questionnaires used and monitoring of employees’ attitude and actions concerning members and their families in performance evaluation reviews.

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

## 10. Workforce Practices

Human resource practices are essential for a comprehensive risk management program. These are included in the Policies and Procedures Manual. These include but are not limited to:

- Job Descriptions
- New Employee Orientation
- Code of Conduct-Policies & Procedures Manual
- Code of Ethics
- Worker’s Compensation Insurance
- Americans with Disability Act
- Family and Medical Leave Act
- Sexual Harassment
- Safety Guidelines
- Business Continuity Disaster Recovery Plan
- Succession Planning for key employee positions
- Workforce Development
- Relias trainings

## 11. Workplace Safety

The Haven is obligated to provide employees with a safe work environment. The Haven ensures risk is reduced through the following:

- Monitoring of workplace accidents and injuries.
- Awareness of the trends in workplace violence and opportunities to minimize this risk.
- Use of universal precautions to prevent the risk of spread of communicable disease.
- Annual training of employees on workplace safety issues.
- Emergency and disaster drills performed per the Agency procedures.
- Periodic external and internal safety inspection of the Agency’s location.

The Haven recognizes domestic violence as a workplace issue that affects the safety, health and productivity of its members and employees. The effects of domestic violence on the workplace can most easily be identified by increased absenteeism, reduced productivity, increase healthcare costs and turnover. The Haven attempts to heighten awareness of domestic violence, provides guidance for employees to address the occurrence of domestic violence and its effects in the workplace and helps victims of domestic violence understand and access services, information and protections available to domestic violence victims.

## 12. Internal Procedures

- Annual review of all policies/procedures and contractual relationships allows for an assessment of loss exposures.

	Policy Name: Risk Management Plan	Policy Number: QR003
	Issue Date: 8/27/2019	Last Review Date: 6/25/2024

- Rectification of an identified exposure can be via: consultation with experts, adhering to accepted standard practices, or via analysis of related literature.
- Policies and Procedures to reduce risks are implemented by management. Activity is monitored to see if actions are working to attain the goal of risk reduction. If they are not or if circumstances change, procedures are changed accordingly.
- The Vice President of Quality, Compliance, and Risk, Vice President of Clinical Services, or Chief Executive Officer is advised of whether or not procedures are working effectively – e.g. by auditors and by the results of actions in the workplace.
- The Risk Management Committee looks at risks, the actions taken, the results, and builds the results into Performance Improvements protocols.

### **CONCLUSION**

The Haven is committed to ensuring that quality member care is the cornerstone of its success by promoting a safe environment along with preventing and minimizing financial losses. By implementing the above plan, the Agency’s monitoring of these areas of risk will be minimized and the mission of the organization will continue to be obtained.