

# Managing your risk with CARF standards

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*by Darren M. Lehrfeld, Chief Accreditation Officer and General Counsel, CARF*

**Organizational success is essential to enable an organization to provide needed services to persons served. Although many factors contribute to an organization's success, risk management is a key component. Effective risk management controls threats to an organization's people, property, goodwill, income, and ability to accomplish its mission and goals.**

To help ensure organizational success, CARF standards specifically address practices designed to manage organizational risk. The standards provide a proven system for controlling threats and promote a "safe harbor" for organizations in the event certain threats cannot be completely controlled.

Two components comprise the system in the CARF standards: a risk management plan and insurance protection.

The standards' risk management process includes the following seven sequential steps that, once performed, become the structure of an organization's risk management plan and prepares it to prevent loss.

1. identifying loss exposures;
2. evaluating and analyzing loss exposures;
3. identifying how to rectify identified exposures;
4. implementing actions to reduce risk;
5. monitoring actions to reduce risk;
6. reporting results of actions taken to reduce risks; and
7. including risk reduction in performance improvement activities.

Continuous performance improvement in risk management requires periodically repeating these seven steps.

The risk management system in the CARF standards also includes the purchase of a comprehensive insurance package—the safe harbor—to protect against loss from actualized threats to an organization.

Conformance to CARF standards, including implementation of the risk management system, has enabled a number of CARF-accredited organizations to obtain reduced

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# *Reduce your organization's risk*

by Jeffrey M. Collins, ARM

Assistant Vice President and Director of Loss Control Department, Philadelphia Insurance Companies

**Risk management is the sound practice of identifying risk and making informed, calculated decisions to avoid or control these risks, thus enabling your organization to minimize or eliminate events that contribute to losses.**

A risk management program should be the framework used for all risk management decisions made by your organization. Establishing a risk management program in your organization requires:

- understanding the numerous exposures to possible loss present within your organization;
- selecting a proper risk control technique or combination of techniques that fits each circumstance;
- monitoring and analyzing the decisions made; and
- making changes when needed.

Your insurance company will ask to review your organization's risk management practices during the underwriting process. Understanding the concepts of risk management will help you anticipate what an insurer looks for when it evaluates your risk management program.

The following tips are for reviewing and managing specific risk exposures that will affect your insurance. For each exposure, an example is provided to help guide you to design a program to reduce your organization's risk. For purposes of this article, *persons served* is used to describe individuals receiving services in your organization. Depending on the nature of your organization's programs and services, persons served might be called *clients*, *participants*, *patients*, or *residents*.

## **GENERAL LIABILITY: ABUSE AND MOLESTATION**

To significantly reduce the potential of abuse and molestation of your organization's vulnerable population, your organization must adhere to clearly documented and communicated procedures. All employees and volunteers who have direct contact with persons with vulnerabilities must be screened and have thorough criminal background checks.

To simplify and manage many variables, identify your personnel by the following three general categories:

**Paid workers** are employees, including interns, of the organization. In many organizations, "other duties as assigned" is a common element in job descriptions. A paid worker is in a position of great trust. Paid workers in contact with children, youths, or vulnerable adults should be screened diligently.

**Primary volunteers** have regular contact with persons served. This category also includes volunteers active in higher risk activities, such as driving or largely unsupervised, off-site, and overnight activities. Primary volunteers should also be diligently screened.



**Secondary volunteers** have occasional contact with persons served but never in a one-to-one setting. This category also includes volunteers less than eighteen years old working with persons served. Your organization may review the risks and decide if less diligent screening is appropriate.

**Example: Recommended screening requirements for paid workers and primary and secondary volunteers**

	PAID	PRIMARY	SECONDARY
Employee/volunteer application form	Yes	Yes	Yes
Employee/volunteer release and consent waiver form	Yes	Yes	Yes
Interview	In depth	In depth	Brief
References	3	3	2 or more
Employment history	Yes (last 5 years)	Yes (last 5 years)	Optional
Criminal/court records check (fingerprint—federal and state levels)	Yes	Yes	Optional
Child abuse registry records	Yes	Yes	Optional
Driving record (unless no driving duties)	Yes	Yes	Yes
Drug screen test (see note below)	Yes	Yes	Optional

**Note:** *The screening requirements in this example are suggestions only. Job descriptions vary from organization to organization. Each organization is responsible for developing appropriate screening and safety policies that reflect the responsibilities and situations of workers in your organization. Consult legal counsel before implementation.*

**GENERAL LIABILITY: CRISIS MANAGEMENT/EMERGENCY RESPONSE**

When an emergency, crisis, or catastrophe arises, it is too late to plan and implement an adequate response in the wake of confusion, emotional distraction, and muddled coordination. The safety of workers and persons served may depend on the effectiveness of a sound, preplanned emergency evacuation plan.

**Example: Five basic steps to developing an emergency evacuation plan**

1. Obtain management’s input, and state the policy in writing.
2. Establish responsibilities and authority of designated personnel.
3. Organize the plan to handle emergencies and inform employees.

(CONTINUED ON NEXT PAGE)



4. Educate and train personnel.
5. Audit and update the plan periodically.

In step 5, audit the emergency evacuation program by taking a 360-degree approach—that is, conduct a complete hazard vulnerability analysis (HVA) when planning for emergencies. An HVA can help you determine:

- probability that any event may occur in the future;
- human impact estimates to the severity of impact on persons served, visitors, and staff members during an adverse event;
- property impact estimates to the potential physical damage to the organization’s infrastructure; and
- operational impact estimates to the services required and expected to ensure normalcy.

**Note:** *Tailor your emergency evacuation plan to your organization’s unique structure, programs or services provided, and populations served.*

## **PROFESSIONAL LIABILITY: DOCUMENTATION**

One of the keys to successfully defending any claim made against a service professional is good documentation.

### **Example: Important rules for maintaining good documentation**

- Never alter your records. Any corrections to records should be initialed and dated.
- Record all clinical findings and observations. This includes all consultations; assessments; treatment plans; nature of other health problems if any; and the clinical reasoning process, treatments, and responses to treatments.
- Document all instructions and procedures with the person served. In addition, document that any risks were discussed with the person served or someone authorized to make a decision on behalf of the person served.
- Document all missed appointments, nonadherence to directed treatment, and treatment refusals by the person served.
- Keep a written record of all telephone conversations regarding the person served, especially information about symptoms.
- Print or clearly write all instructions for the person served.
- Do not release records of the person served without first obtaining written permission of the person served. However, the records may have to be released pursuant to a court order or other legal requirements.
- Do not speak ill of your colleagues or the persons served.
- Keep your closed files secured and protected in storage or somewhere easily accessible for at least the length of time specified by legal requirements.
- Make sure your records reflect the high quality of care you provide to the persons served.

## **WORKERS’ COMPENSATION: TRANSFERRING PERSONS SERVED**

Occupational back injuries are a major loss exposure in the healthcare and residential industries. Serious back injuries can occur when employees assist, reposition, or move persons served. Organizations should develop a mobility assessment protocol for the person served and assign accountability for assessment procedures.



### Example: Person served transfer procedures

- Before you attempt to transfer the person served, evaluate the situation. The most important factor is safety—both the safety of the lifting team and that of the person served. Never take a transfer lightly; give it your full attention from beginning to end. Always team up with a designated lifting team member. Do not allow aides or others to substitute for a missing team member.
- Take the time to explain to the person served what you plan to do and how you expect the person served to help. A person served who is knowledgeable and calm about the transfer will make the difference in the ease with which you are able to move him or her efficiently and safely.
- Be a good listener. Give the person served an opportunity to express any concerns or fears. Discuss these with the person served and offer reassurance before beginning the transfer.
- Maintain good body mechanics.
- Lock the wheelchair, geri chair, bed, or stretcher before beginning any transfers.
- Following a transfer, praise the person served. Pride in accomplishment is valuable to the person served. If you believe the person served is capable of more involvement, gently suggest what might be expected on the next transfer.

**Note:** *The above example is a generalized transfer procedure. Detailed procedures for specific types of transfer should be developed, and team members should be trained and demonstrate competency and consistency in following them.*

### FINALLY, SEEK PROFESSIONAL ADVICE

If you regularly follow the steps of the risk management process, your organization will be well on its way to achieving the desired results needed to meet the specifications of your insurance carrier.

To ensure that you meet your insurer's guidelines, seek out the knowledge and expertise of a risk management professional or your insurance loss control representative to help you customize a formalized risk management program. These professionals can help you address the exposures and controls within your organization. ■■

*With more than 16 years of progressive loss control experience, Jeffrey M. Collins, ARM, oversees the Loss Control Departments for Philadelphia Insurance Companies (PIC) and ePIC Loss Control Services, a for-profit risk management subsidiary of PIC. His responsibilities include managing and monitoring all loss control activities, reviewing the evaluation and placement of facultative reinsurance, and managing the companywide boiler and machinery activities. He also supervises large account and risk improvement servicing; oversees the in-house and contracted engineering and risk management services; reviews all engineering recommendations; trends PIC losses; provides assistance to the claims department; and develops technical and procedural loss control safety programs, policyholder training modules, and advanced technical bulletins.*

*Mr. Collins has received his Associates in Risk Management (ARM) designation. He is also a member of the Society of Fire Protection Engineers and the Industrial Fire Protection Section of the National Fire Protection Agency.*



## Build your organization's risk worksheet

Below are areas of risk that might confront your organization. To build a risk worksheet, detail the specific risks in your organization for each area and then list steps your organization has taken or will take to mitigate the risks.

- **Medication**
- **Use of seclusion or restraint**
- **Incidents involving injury**
- **Communicable diseases**
- **Infection control**
- **Violence or aggression**
- **Sentinel events**
- **Use or possession of weapons**
- **Elopement or wandering**
- **Vehicular accidents**
- **Biohazardous accidents**
- **Use or possession of licit and illicit substances**
- **Abuse and neglect**
- **Suicide or attempted suicide**
- **Mental health**
- **Health and wellness**
- **Nutrition**
- **Personal safety**
- **Environment**
- **Other**

### MANAGING YOUR RISK WITH CARF STANDARDS (CONTINUED FROM PAGE 1)

insurance premiums. An article in this issue of the *CARF Connection* provides insight into an insurance company's perspective on managing risk. When an organization properly prepares for earning and maintaining accreditation, including creating and following the components of CARF's risk management system, it is well positioned to effectively manage its risk. For more information about conformance to CARF's risk management standards, please consult with a CARF resource specialist. ■■



*Darren M. Lebrfeld oversees CARF's accreditation operations, including surveyor management, technical assistance to providers, survey processing and logistics, and publications. He also oversees CARF's legal affairs and compliance matters.*

*Part of Mr. Lebrfeld's responsibilities include chairing CARF's Risk Management Committee, a council of CARF staff members representing the company's various departments. Committee members regularly review CARF's preparedness to manage its risks and implement programs to mitigate threats to its business interests.*

### CARF SURVEYORS CONTRIBUTE PHONE CARDS TO SERVICEMEN AND SERVICEWOMEN

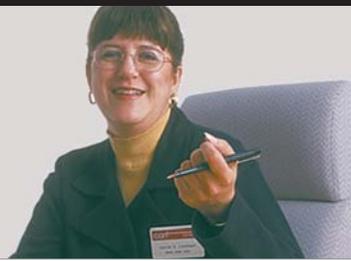
Demonstrating their support for our country's servicemen and servicewomen, CARF surveyors across the United States have begun voluntarily donating their unused phone cards to members of the armed services returning from Operation Enduring Freedom (in Afghanistan) or Operation Iraqi Freedom. CARF collects the cards, each good for 120 minutes of long-distance calling, and sends them to the Augusta VA Medical Center in Augusta, Georgia.

The donated phone cards are distributed to servicepersons being treated and rehabilitated in the U.S. Army Southeast Regional Medical Command and VA Southeast Network Active Duty Rehabilitation Unit treatment center. Their treatments and rehabilitation are often lengthy, at times lasting months or years.

CARF provides a prepaid phone card to each CARF surveyor before every survey, which totals more than 4,000 phone cards distributed each year. Because many surveyors prefer to use their own wireless phones, cards often go unused. Responding to surveyors' requests that a good use be found for the cards, CARF initiated the voluntary program to collect and donate unused cards.



# NEWS FROM CARF



## **CHARLES G. RAY NAMED CARF GOVERNMENT AND STAKEHOLDER RELATIONS EXECUTIVE**

Charles G. Ray, M.Ed., joined CARF as the accrediting body's government and stakeholder relations executive. In this position, Ray extends CARF's sphere of influence through education and information activities for federal and state authorities. He will also strengthen collaborative relationships with CARF's International Advisory Council members (formerly known as sponsoring and associate members) to advance common goals of improving quality in the health and human service field. He is based at the CARF–CCAC office in Washington, D.C.

No stranger to CARE, Ray has been a keynote speaker at CARF international conferences and participated in CARF advisory committees and forums.

Before joining CARE, Ray served for 15 years as president and CEO of the National Council for Community Behavioral Healthcare, an industry association representing more than 1,000 community behavioral health providers, state advocacy associations, county authorities, and provider networks. He most recently was president of CGR & Associates, a healthcare consulting firm in Virginia.

## **MARY TELLIS-NAYAK JOINS CARF'S AGING SERVICES CUSTOMER SERVICE UNIT**

Mary Tellis-Nayak, R.N., M.S.N., M.P.H., has accepted an appointment as business development executive with CARF's Aging Services customer service unit. She is based at the CARF–CCAC office in Washington, D.C.

Tellis-Nayak joins a team that develops and implements CARF's business strategies in the aging services field. She participates in developing standards for accreditation and cultivates relationships with CARF's varied stakeholders and decision makers. She also will be responsible for analyzing trends, public policy, and proposed legislation in the aging services industry.

In leading the Joint Commission on Accreditation of Healthcare Organizations' program for long-term care accreditation for ten years, Tellis-Nayak developed the first set of standards for dementia care units, subacute care, and long-term care pharmacies. Most recently, she was president/CEO of the American College of Health Care Administrators in Alexandria, Virginia.

Tellis-Nayak has also worked as a bedside caregiver in a hospital-based skilled nursing facility, manager of a home health agency, director of nursing in a freestanding nursing home, and chief clinician in a large multifacility organization. Her leadership programs for certified nursing assistants, directors of nursing, and nursing home administrators have made her a widely sought speaker and consultant in the United States and overseas.



SEPT./OCT. 2005

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**Al Whitehurst, EDITOR**

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Printed in the United States of America.



## CARF PUBLISHES NEW STANDARDS FOR ACCREDITING STROKE SPECIALTY PROGRAMS

Newly approved CARF standards for accrediting stroke specialty programs were published on CARF's web site during the last half of 2005. In early 2006, the stroke specialty programs standards will be published with other program standards in the 2006–2007 editions of the CARF Medical Rehabilitation, Adult Day Services, Assisted Living, and CARF–CCAC ASPIRE to Excellence standards manuals.

Widespread requests from fields CARF accredits and consumer demand for quality services for persons who have sustained a stroke prompted CARF to develop the stroke specialty programs standards. Throughout their development, the National Stroke Association contributed support and consultation and recommends using the standards. CARF has been represented on the National Stroke Association's Rehabilitation and Recovery Advisory Board for eight years.

The stroke specialty programs standards address stroke rehabilitation stages and emphasize recurrence prevention. The standards underscore positive functional outcomes and education for persons served and their active role in managing their healthcare. The standards' crosscutting nature allows providers to apply them in a variety of settings, including inpatient and outpatient programs, adult day services, assisted living residences, continuing care retirement communities, and home- or community-based rehabilitation programs.

*More news about CARF can be read in the CARF news room at [www.carf.org/news](http://www.carf.org/news)*

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