

Enterprise Risk Management (ERM) Program Helps Hospital Assess Risk

As a patient coming to the hospital, you may worry about things like making sure your surgery is on time, or not acquiring an infection during your stay. You're probably not even considering that an information system could shut down, impacting the ability of your nurses and doctors to order the tests needed for your treatment. This risk and dozens of others, are realities in all hospitals. But now, Sunnybrook Health Sciences Centre has implemented a program that does the worrying for you.

It's called the Enterprise Risk Management (ERM) Program, a big title for a simple idea: stopping trouble in its tracks. The program identifies what the risks are across the hospital, and then does something to either fix or prevent each one according to priority. For example, making sure all areas are connected to automated, and not manual, back up systems should a blackout occur is a *high* priority. Other issues, like reducing errors from manual processing of some payroll codes, are on the radar but not as urgent.

"A reality in life is that risk doesn't entirely go away," says Ru Taggar, Director of Quality and Patient Safety at Sunnybrook Health Sciences Centre. "You take a risk every time you drive your car. But you can do things to mitigate that risk, like not being sleepy while driving and wearing your seatbelt."

Historically, hospitals have focused on things like preventing hospital acquired infections and medication errors. Now, in addition to focusing on everyday patient safety, Sunnybrook is also documenting and managing the bigger picture risks that could negatively impact the efficient and effective operation of the hospital. Many hospital Board members now come from private sector backgrounds, like banking, industries that have long taken a big lens approach to figuring out what problems could paralyze their organizations. These hospital Board members are beginning to ask this same very important governance question of hospital management.

"Management teams are also asking the questions," says Michael Young, Executive Vice President at Sunnybrook Health Sciences Centre. "I'm responsible for a third of the hospital, and I know the risks in my portfolio. But as a part of the Senior Leadership Team, I should understand the risks in total to the organization. That helps enhance our ability to work as a team."

Knowing more means you can do better. Sunnybrook's ERM Program makes that happen, making clear the severity of each risk should it occur, the likelihood it will happen and how to play defense (known as "mitigation strategies"). While a number of Canadian hospitals have begun to implement ERM, what differentiates the Sunnybrook program is that it's been implemented without hiring new positions or using external consultants. Sunnybrook has leveraged existing resources and created a very cost effective solution.

"That's so important at a time when hospitals are trying to minimize their administrative expenses and maximize the amount of our limited resources going towards patient care," says Young.

The ERM reports are reviewed and updated several times a year, governed by the appropriate board committees for action, and presented to the Board annually.

"I sleep better at night knowing what the issues are," Young says. "I lose sleep over the issues I *don't* know about."

He says this is a key message for other hospitals and organizations. Young hopes Sunnybrook's ERM Program will serve as an efficient and cost-effective model, because you can't manage what you don't know.