

Medical Indemnity  
Industry Association of Australia

*forum*

**MIIAA**

MEDICAL INDEMNITY INDUSTRY ASSOCIATION OF AUSTRALIA

Novotel Melbourne  
on Collins  
270 Collins Street  
Melbourne

Thursday  
4 September  
2008

Medical Indemnity  
Industry Association of Australia

*forum*



# Clinical risk and clinical governance – a critical interrelationship

Dr Heather Wellington  
Consultant, DLA Phillips Fox

# Overview

- Risk and risk management – what are they?
- The systems nature of risk
- The role of governance
- The critical role of clinicians
- The consequences of good risk management
- Conclusion

# Risk – what is it?

- Risk is the likelihood and consequences of harm from a hazard under certain conditions
- A hazard is something which has the potential to cause or contribute to causing an adverse effect
- Risk always implies a negative outcome

# Risk management – what is it?

- Risk management is the systematic:
  - identification of hazards
  - assessment of associated risks
  - selection of control measures
  - implementation/application of control measures
  - monitoring of the effectiveness of control measures

# The systems nature of risk

*Unsafe acts are like mosquitoes. You can try to swat them one at a time, but there will always be others to take their place. The only effective remedy is to drain the swamps in which they breed. In the case of errors and violations, the "swamps" are equipment designs that promote operator error, bad communications, high workloads. . . the list is potentially long but all of these latent factors are, in theory, detectable and correctable before a mishap occurs.*

Reason, James T. Forward to *Human Error in Medicine*

# The systems nature of risk

*“ ... even apparently single events or errors are due most often to the convergence of multiple contributing factors. Blaming an individual does not change these factors and the same error is likely to recur. Preventing errors and improving safety for patients require a systems approach in order to modify the conditions that contribute to errors. People working in health care are among the most educated and dedicated workforce in any industry. The problem is not bad people; the problem is that the system needs to be made safer.”*

Institute of Medicine. *To err is human*

# The systems nature of risk

- Clinicians are critical contributors to risk management  
*but*  
individual clinicians acting alone or within their speciality group alone cannot detect all risks and design, implement and monitor the performance of all organisational systems
- Engagement of clinicians in systems design and performance is critical to effective risk management



# The role of governance

The governing body is responsible for ensuring effective risk management. It

- sets strategic direction
- liaises with stakeholders
- ensures compliance with statutory requirements
- **manages risk**
- monitors organisational performance

# The role of governance

“The company should address risks that could have a material impact on its business ... the board should regularly review and approve the risk management and oversight policies”

ASX corporate governance principles and recommendations

# The role of governance

- The culture of an organisation is a critical component of the risk management framework
- Risk management and risk to reputation are synonymous
- Risk management begins at the top management level
- Senior managers have a crucial role in risk management

Graeme Willis, Executive General Manager Risk, NAB

# The role of governance

*“After heading two health inquiries in NSW and South Australia, I have concluded that no one runs hospitals ... Hospitals in Australia have a life of their own with no clear lines of responsibility and accountability. Only the good sense of people in the system prevents it from descending into chaos. No one runs hospitals. Governance is fundamentally flawed .... A highly dysfunctional system in need of fundamental reform.”*

John Menadue

Senior bureaucrat, former CEO News Limited, former CEO Qantas

# The role of governance

Risks that could have a material impact on business are prevalent in healthcare:

*“The investigation identified numerous deficiencies, including protocol violations, ineffective drug error reporting, and oversight of quality assurance by hospital leaders”*

# The role of governance

“First, we learned that safety - if it was to be a core property of our system of care rather than an empty mantra - is the responsibility of clinical and administrative leaders and of our trustees [directors] ...”

“Second, we accepted the need for relentless vigilance for risk, error, and harm ...”

# The role of governance

“Third, we embraced the role of system design in the prevention of error and of information technology as a particularly powerful forcing function for delivering chemotherapy safely ...”

# The role of governance

“Fourth, we learned that we could not do this work alone ...”

“Fifth, we believed that we could restore the confidence of our patients and their families only if we made our decisions transparent and accessible and if we let patients in to the process of leading the organisation...”



# The role of governance

“Sixth, and most important, we learned that the work of creating safe care is never finished”

# The critical role of the clinician

The role of the clinician is to:

- ensure safe personal practice
- support and monitor the practice of their peers
- mentor and develop emerging leaders
- lead, support, comply with and participate in developing and implementing safe organisational systems



**Innovation Series 2007**

## Engaging Physicians in a Shared Quality Agenda

**Authors:**

**James L. Robinson, MD:** *President, The Retirees Group; IHI Senior Fellow*

**Alice G. Gogfield, JD:** *Principal, Alice G. Gogfield and Associates PC*

**William Rupp, MD:** *President and CEO, Immanuel St. Joseph's – Mayo Health System*

**John W. Worthington, MD:** *Patient Safety Officer and Medical Director of Knowledge Management, OSP Healthcare System; IHI Senior Faculty*

*“A belief in personal responsibility for quality is powerfully engrained in the physician professional culture—and is largely responsible for physicians’ fierce attachment to individual autonomy. This cultural element puts physicians in conflict with a core tenet of improvement theory: a systems view of safety and quality”*

# The critical role of the clinician

The system needs clinicians to:

- engage in safety and quality partnerships
- recognise individual and system influences on safety and quality
- contribute to a positive culture
- provide information about what constitutes safe care and how it can be assessed
- be courageous, and assist in addressing difficult issues (about service design or individual performance)
- advocate for change

# The critical role of the clinician

*“Historically the health system has not had effective ways of dealing with dangerous, reckless, or incompetent individuals and ensuring they do not harm patients ... current systems do not, as a whole, work reliably or promptly.”*

Institute of Medicine. *To err is human*

# The critical role of the clinician

What do clinicians need from the system?

- respect
- medico-legal protection
- time
- resources
- training
- patience (but can we wait)
- other?

# The consequences of good risk management

“After the tumultuous upheavals that followed the events of 1994 and 1995, the organization has prospered and grown. We have high levels of staff and patient satisfaction compared with peer organizations, with low staff turnover. We have adopted and promulgated model error disclosure practices and fair and just culture principles”

James Conway, Chief Operating Officer, Dana Faber Cancer Centre

# Conclusion

- Health care is inherently unsafe and risks are increasing as care becomes more complex
- Risk is a systems issue
- Individual clinicians have a responsibility to ensure their own safe practice
- Governing bodies have an organisational responsibility to ensure safe systems
- We will not achieve safe health care until clinicians and governing bodies work together to ensure risk is managed at both an individual and organisational level