

Industry Trends Impacting Future Losses

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Topics



- Enterprise Risk Management Approach
- Patient Safety Initiatives
- Technology
- Claims Management Strategies

Enterprise Risk Management Approach



- Hospitals look at TOTAL costs of adverse outcomes
 - Previous focus on liability and insurance costs
- Holistic view encompasses:
 - Lack of reimbursement for hospital acquired conditions
 - Increased costs of treating complications
 - Reputational risk, market share risk
- Increased efforts to improve patient safety and outcomes

Patient Safety Initiatives



- Institute for Healthcare Improvement (IHI)
- CMS
- Third party payers
- CDC
- Joint Commission
- Leapfrog

etc etc etc

- IHI OB Bundles – “Evidence-based interventions related to a disease process that, when executed together, result in better outcomes than when implemented individually”
- Areas of focus include:
 - Elective induction and augmentation
 - Simulation
 - Labor augmentation
 - Improved communication/fetal heart monitor interpretation

Selected Results - Obstetrics



- Ascension Health - initiated bundles and other processes at three sites.
 - Results: reduced birth trauma from a mean of .20% to .03%
"Eliminating Birth Trauma at Ascension Health" J on Qual Patient Safety 2007
- Catholic Health Partners – align hospital practices with best evidence and professional guidelines and improve patient safety
- Results - between 2003 and 2008
 - birth trauma rates decreased from 5.0 to 0.17 per 1,000 births
 - number of obstetrical occurrences (birth-related event or injury that may lead to a claim) decreased by 65%, from 7.2 to 2.5 per 1,000 births
 - average costs per OB claim decreased from \$1 million to < \$500,000.
 - number of new claims reported decreased by 48%.

Central Line Associated Blood Stream Infections (CLABSI)



- Promotion of bundles and other activities to reduce CLABSI
 - Hand washing
 - Use of sterile technique
 - Insertion checklist
 - Removing unnecessary catheters
- CLABSI results
 - Pittsburgh Regional Health Initiative – 68% decrease in CLABSI in 66 ICUs
 - Michigan Keystone Project – 66% reduction in 103 ICUs

Patient Safety Efforts – VAP – Keystone Initiative



- 112 hospitals – baseline data, implementation, 30 months post-implementation
- VAP bundle associated with:
 - decrease from a median of 5.5 (mean 6.9) per 1,000 ventilator-days to 0 cases (mean 3.4) at 16-18 months
 - decrease was sustained and improving 30 months after intervention

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Patient Safety Efforts - Technology



- Increased use of electronic prescribing
- Ability to access patient records remotely
- Ability to access real-time data remotely

Claims Management Disclosure and Early Offer



- Move from “defend at all costs” to early resolution of claims
- Disclosure of unanticipated outcomes
- “I’m Sorry”

Claims Management – University of Michigan

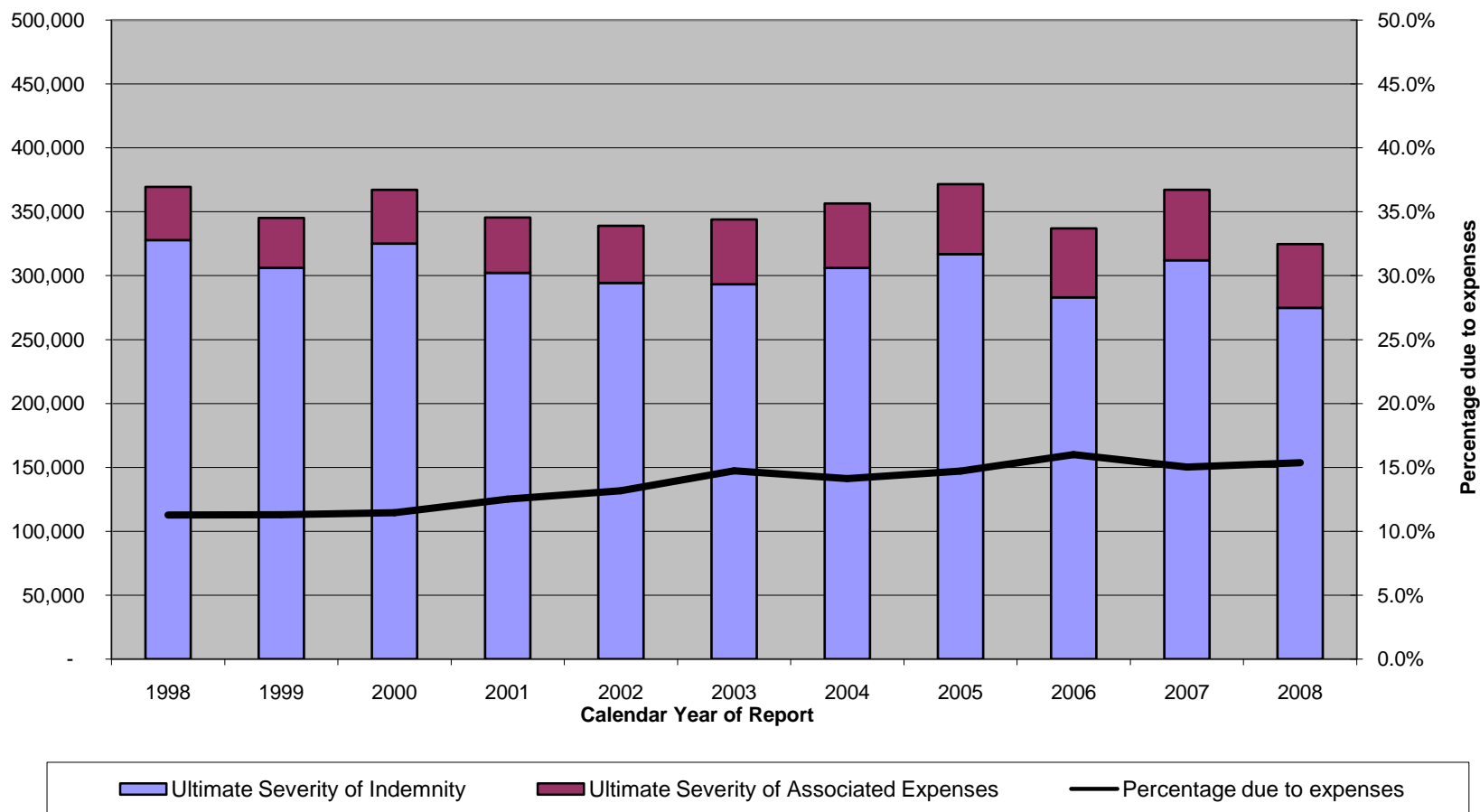


- Compensate quickly and fairly when unreasonable medical care causes injury.
- Defend medically reasonable care vigorously.
- Reduce patient injuries (and therefore claims) by learning from patients' experiences
- Results (not adjusted for increased clinical activity):
 - Decrease frequency: 136 claims in 1999, 61 claims in 2006
 - Open claims: 262 in 2001, 83 in 2007
 - Decreased expenses: \$48,000 per case to <\$20,000 per case

Claims Management Techniques



Claim Severity: only claims with an indemnity component



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