

# **Recovery Technology Risk Management Plan**

**2021**

**Introduction:** As a part of its ongoing Strategic Plan, Recovery Technology Leadership develops a Risk Management Plan designed to manage risk and reduce the severity of a loss if one were to occur. Good risk management strategies protect the assets of the organization, including financial assets, physical assets, the investment of stakeholders, as well as Recovery Technology's good reputation in the community. Good risk management also prepares Recovery Technology for the possibility of a crisis situation, and ensures the agency has the coverage needed to mitigate the impact of exposure. Potential risks covered under this plan include: changes in funding streams; gaps in insurance coverage; Worker's Compensation; shifts in trends of the populations Recovery Technology serves (identification of new populations, growing populations and/or shrinking populations); fraud, waste, and abuse; improper billing; problems with the organization's facility or grounds, the management of human resources; newly identified security issues; and internal procedures.

Risk management is a critical tool to Recovery Technology's commitment to quality. In keeping with Recovery Technology's quality management philosophy that quality is everybody's job, it is the goal of this Risk Management Plan to assure that Risk Management is an effective and integral part of Recovery Technology's normal day to day operations and each employee's daily functions.

**Assessment of Current Status:** During 2020 Recovery Technology completed several action steps to address identified areas of risk:

1. Re-assessed cash flow issues to evaluate expenditures and strengthen reserve fund position.
2. Continued implementation of billing cycle monitoring mechanisms to mitigate inaccurate billing issues.
  - a. The electronic medical record does not allow for billing to occur without a document that matches the billing code and correct times. Another addition to the EMR requires a signed treatment plan in order to bill any services.
  - b. All Physician's billing is audited prior to submission to assure that the correct billing code was used and the time in the EMR matches the time on the billing sheet.
3. Continued implementation of culture changes to improve clinical performance issues that may have affected the agency's ability to maintain service contracts.
4. Continued to seek avenues to diversify funding, including providing services to populations outside the traditional Behavioral Health arena such as Anger Management, Batterer's Intervention groups and a Spravato Clinic.
5. Applied and received a PPP loan to mitigate and additional expenses resulting from the Covid-19 Pandemic, cover employee sick time and time spent in quarantine.

As 2021 begins, several areas present the greatest risk to Recovery Technology and are the focus of this Risk Management plan:

- a. Recovery Technology will continue to score in full compliance with Record Reviews and Billing audits performed by Mid-State Health Network (MSHN), LifeWays and other third party payers.
- b. Continue to explore diversification in funding sources to mitigate the effect of shrinking Medicaid dollars and State budget cuts.
- c. Recovery Technology needs to complete an internal, annual review of insurance coverage to ensure it is adequate to the expanding needs of the agency.
- d. Maintain our 3-year CARF accreditation (earned 3-year accreditation in May 2018).
- e. New identified risks related to Texting and other electronic communications with clients.
- f. Issues stemming from the Covid-19 Pandemic such as increased need for services in our community and possible shortage of available workers and additional expenses related to safety during the pandemic.

Method: During 2021, this Risk Management Plan will be implemented within the established structure of the Quality Management Plan. The Leadership of Recovery Technology completes the steps identified within this plan and routinely reports to the Quality Improvement Team.

**Analysis:** The Leadership team gathers information generated internally and externally to assist in analyzing the true risk of exposure. This information includes:

1. Performance Improvement Reports, which display areas of performance below expectation, including utilization review data, critical incident data, record review data and DLA-20 data.
2. Audit reports from external reviews (LifeWays, CARF, MSHN, Third party payers) which display areas of performance below standards.
3. Human resource information which displays employment trends information and employee injury information.
4. Financial statements and audits, which display the financial stability of the company.
5. Accessibility reports which provide information regarding the risk of exposure related to the Recovery Technology facility and persons served/unserved.
6. Quality Improvement reports.

**Scope:** The Leadership Team will complete the following functions under this plan:

1. Conduct an annual assessment of risk that will identify exposures to risk that may cause loss.
2. Identify the degree to which each area of risk poses actual or potential for exposure.
3. Identify the degree to which the agency's current insurance coverage is adequate to address the potential need.
4. Anticipate insurance coverage needs associated with a significant change in the persons served and services offered.
5. Develop an action plan to address the areas of greatest risk.
6. Identify national and state level benchmark data to be used to assess the degree to which Recovery Technology bears more risk than is generally acceptable among like agencies. Areas of risk to be benchmarked include:
  - a. The number of Recipient Rights substantiations, trended over time
  - b. Worker's compensation costs, trended over time
  - c. The number of personal injury claims by type, trended over time
  - d. Population trends in the community

**Recovery Technology has identified the following risk areas:**

1. Loss of a major contract
2. Cash flow problems: collections and receivables
3. Embezzlement
4. Loss of accreditation
5. Competition for business
6. Breach of confidentiality (major HIPAA violation)
7. Decrease in funding from major contract
8. Loss of key administrator
9. Ethical issues related to staff that could result in loss of licensure.
10. Issue related to the Covid-19 Pandemic.

**Recovery Technology Leadership will address these identified risks in the following ways:**

1. Loss of a major contract: Maintain open communication with Contract Managers with early identification of issues that may have a negative impact upon contract status.
2. Cash flow problems: collections and receivables: Build reserve funds that can be used during 3 pay period months; plan for 3 pay period months in advance, including use of line of credit. Leadership will review financials monthly.
3. Embezzlement: Continue to use "checks and balances" in our accounting procedure and have annual outside audits in which we follow recommendations from.

4. Loss of Accreditation: Maintain training of staff and internal audits; assure that reports and required work for accreditation is being completed in a timely manner through QI system.
5. Competition for business: Maintain quality throughout our system of care so that we remain “Simply the Best” in Mental Health. Maintain an environment of trust with staff. Maintain a rapid response to crisis situations.
6. Breach of Confidentiality: Continue to train staff on the importance of HIPAA and create an environment that staff can remind each other of confidentiality in the workplace.
7. Decrease in funding from major contract: Continue to diversify funding streams and look for opportunities to serve the community.
8. Loss of Key Administrator: Cross train administration and make information and communication an important part of Leadership meetings. Assure that there is more than one person who would have all of the information related to Recovery Technology and how it is operated.
9. Ethical issues related to staff that could result in licensure: Continue supervision with all staff and address issues as they arise, monitor documentation. Continue monthly and annual checks with OIG and LARA.
10. Issue related to Covid-19 Pandemic: Continue to maintain or expand current staffing levels to meet the need of our community, continued staff education regarding Covid-19 and current scientific safety protocols, keeping enough personal protective equipment in stock for staff and clients, keeping our offices clean and sanitized.