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Presenting the Business Case for Patient Safety: **Professional Liability Claim Analysis**



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Objectives

- To examine hospital claim trends related to frequency and severity through analysis of hospital professional liability closed claims.
- To identify patient care risks associated with select clinical services and allegations and discuss solutions that may mitigate these exposures.
- To discuss specific risk control recommendations aligned with claim allegations that may enhance organizational reliability.

Introduction

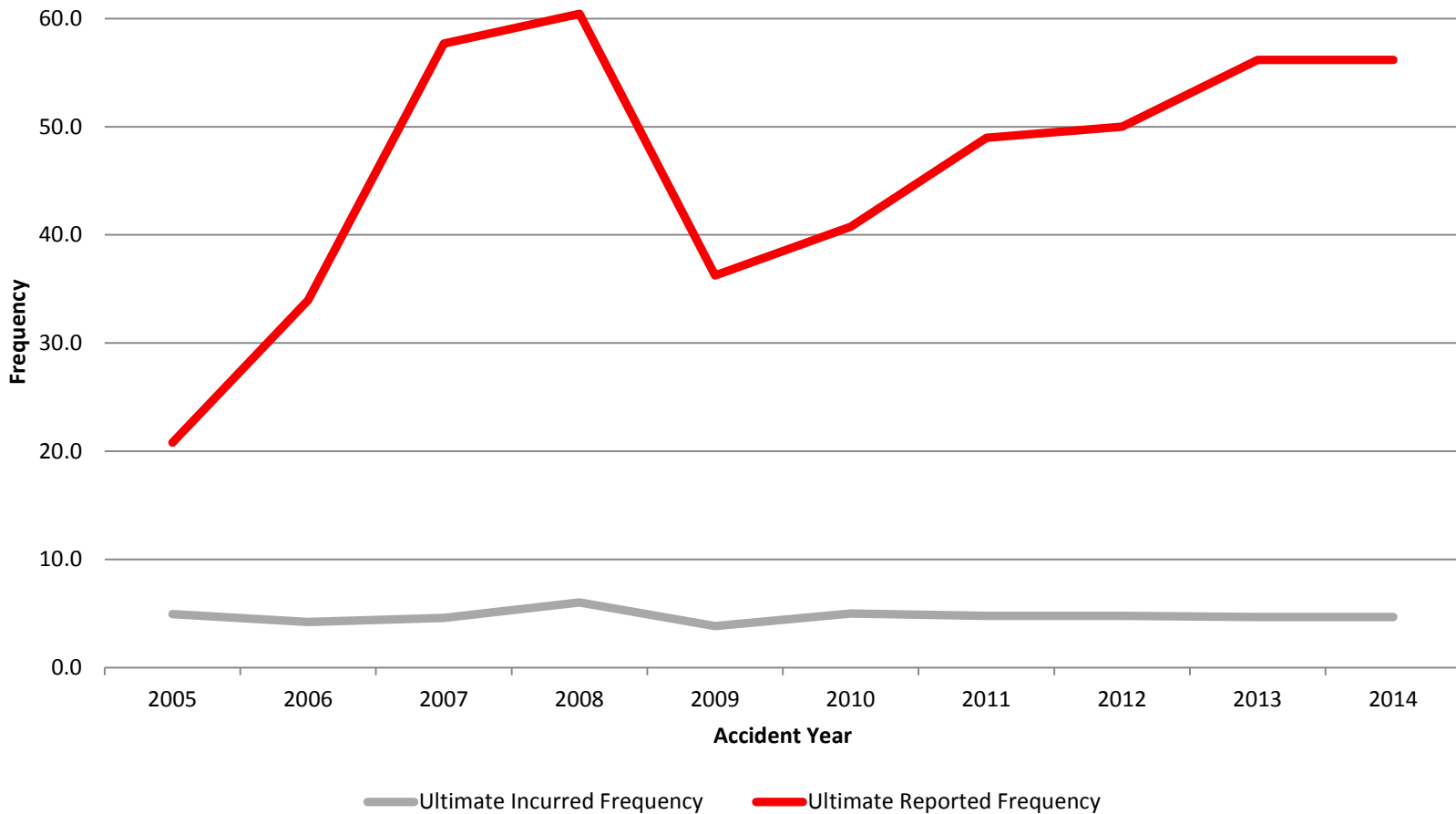
Dataset and **Methodology***

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- Dataset includes professional liability claims that met the following criteria:
 - Involved care that was provided in a hospital and/or its affiliated ambulatory care facilities.
 - Closed between January 1, 2005 and December 31, 2014.
 - Indemnity paid by CNA was between \$10,000 and \$1 million.
- Dataset includes 591 closed professional claims.
- Average total paid was \$250,970.
- Unless otherwise specified, the denominator in graphs and charts is 591.

Distribution of Claims per Thousand Beds by Accident Year*

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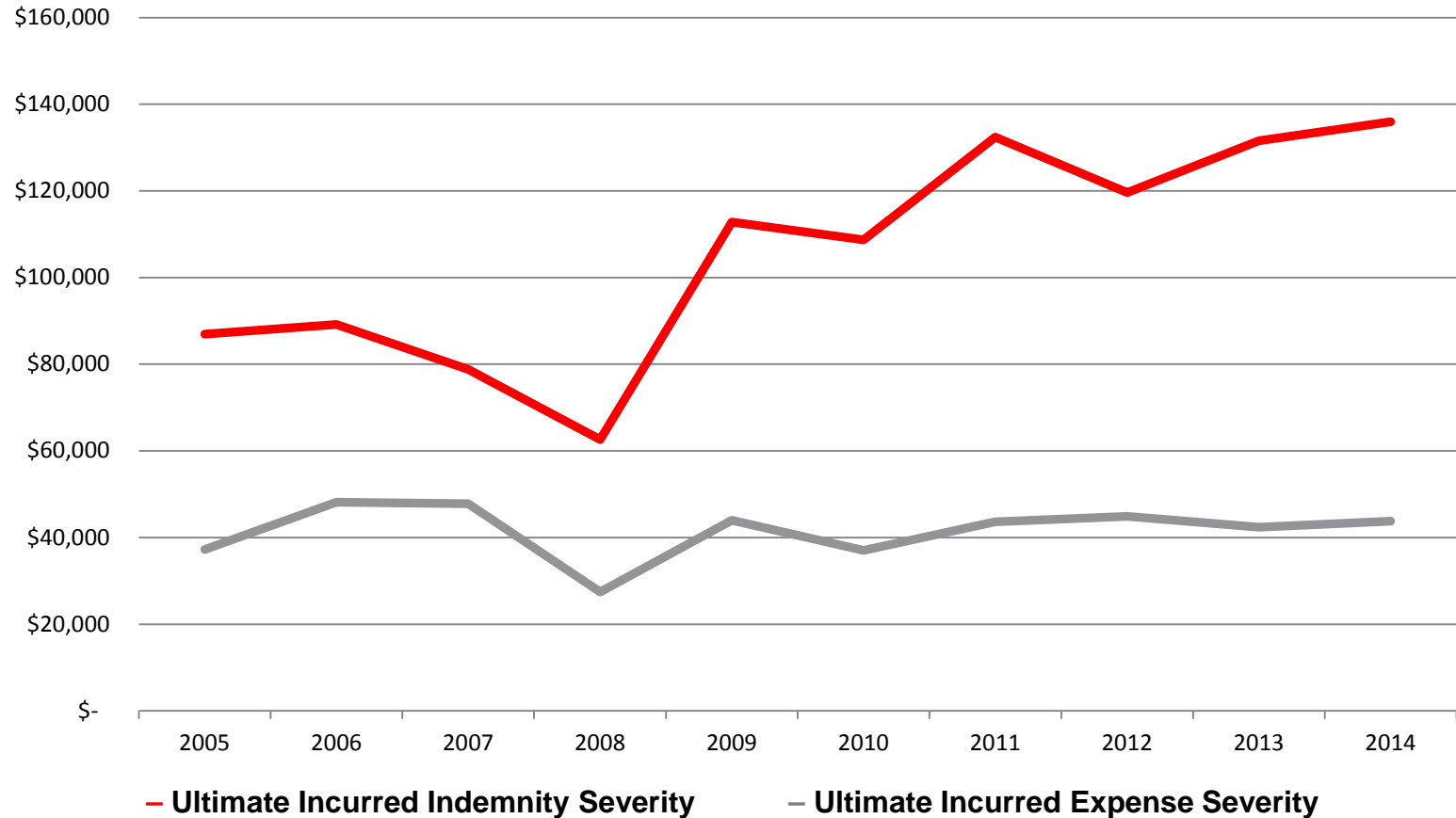


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Distribution of Claims Ultimate Average Severity by Accident Year*

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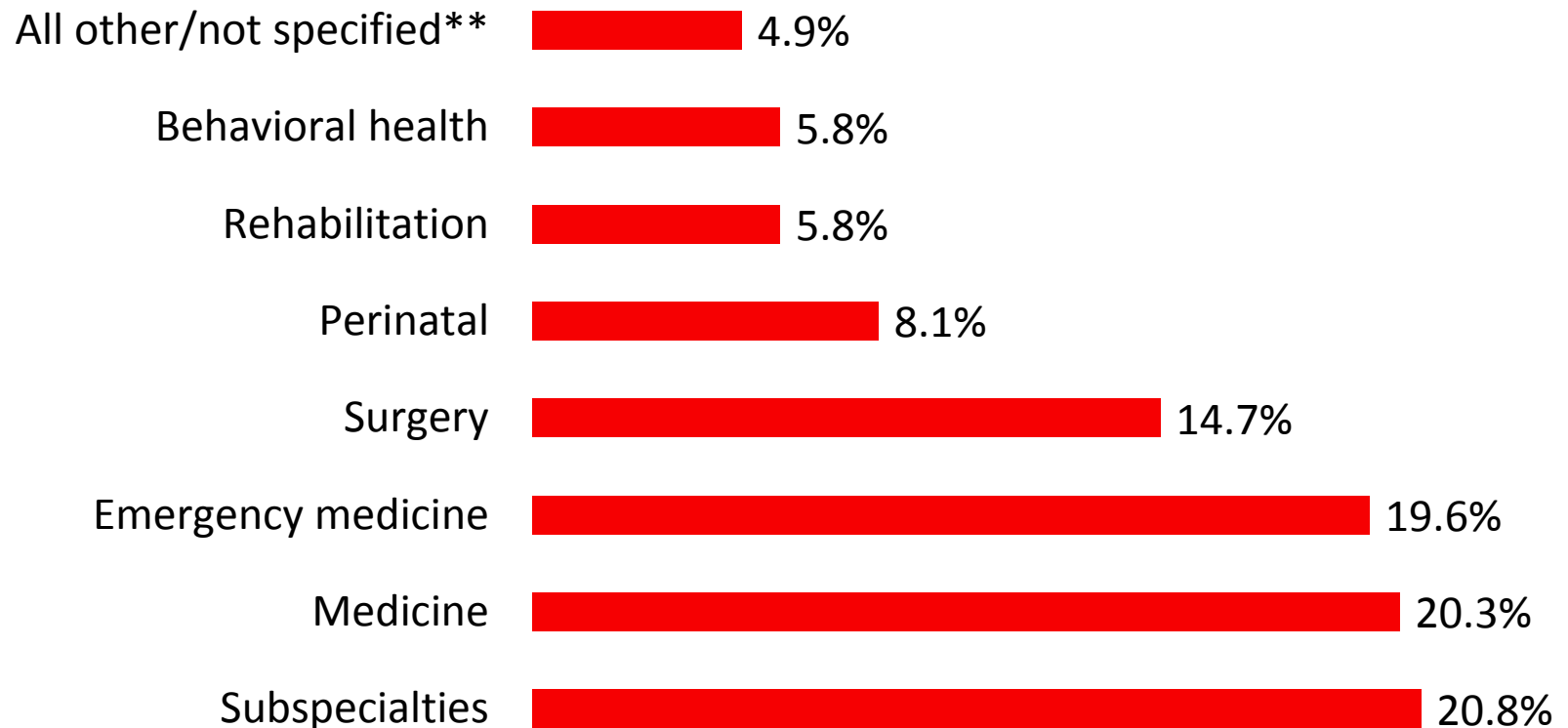
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Most Frequent and Significant Professional Liability Closed Claims

Frequency of Closed Claims by Clinical Service*

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** "All other/not specified" includes sleep study and critical care claims, as well as claims with no specified clinical service.



Average Total Paid for Closed Claims by Clinical Service*

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Clinical service	Average paid expense	Average paid indemnity	Average total paid
Perinatal	\$95,382	\$320,097	\$415,479
Behavioral health	\$67,636	\$232,520	\$300,156
Surgery	\$42,193	\$222,205	\$264,398
Medicine	\$51,297	\$212,160	\$263,457
Emergency medicine	\$69,816	\$190,238	\$260,054
Critical care	\$34,697	\$169,357	\$204,054
Subspecialties	\$39,118	\$158,397	\$197,515
Rehabilitation	\$28,066	\$125,694	\$153,760
All other/not specified**	\$11,515	\$99,438	\$110,953
Overall	\$52,563	\$198,407	\$250,970

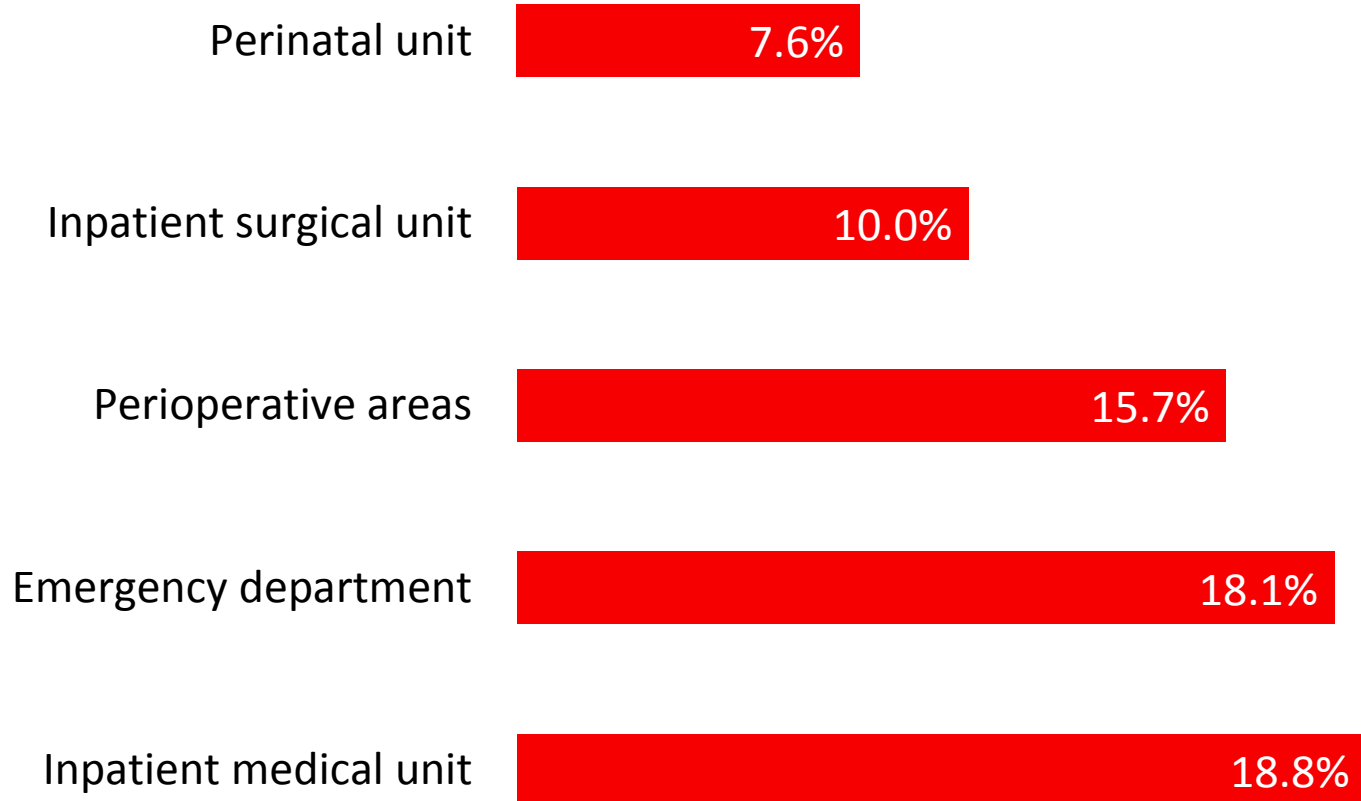
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** "All other/not specified" includes sleep study and claims with no specified clinical services.



Most Frequent Closed Claims by Location*

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Average Total Paid for Closed Claims by Location*

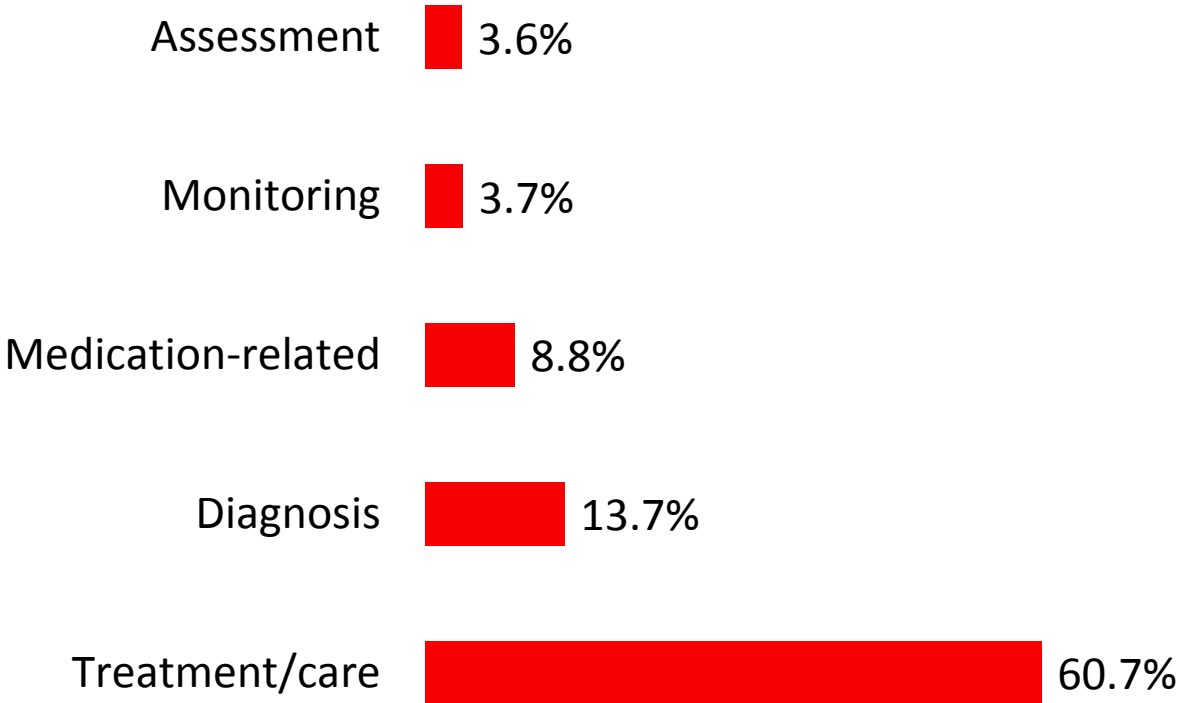
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Location	Average paid expense	Average paid indemnity	Average total paid
Perinatal unit	\$101,708	\$338,097	\$439,805
Critical care unit	\$59,818	\$290,222	\$350,039
Inpatient behavioral health hospital/unit	\$71,091	\$242,987	\$314,077
Inpatient surgical unit	\$49,851	\$233,959	\$283,810
Emergency department	\$75,310	\$201,569	\$276,879
Ambulatory care - nonsurgical	\$41,347	\$225,907	\$267,254
Inpatient medical unit	\$55,106	\$202,513	\$257,619
Perioperative areas	\$30,521	\$162,361	\$192,882

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Most Frequent Closed Claims by Allegation Class*



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Highest Average Total Paid for Closed Claims by Allegation Class*

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Allegation class	Average paid expense	Average paid indemnity	Average total paid
Assessment	\$165,387	\$365,087	\$530,474
Monitoring	\$60,710	\$374,774	\$435,485
Governance	\$58,545	\$282,955	\$341,499
Diagnosis	\$76,189	\$243,900	\$320,089
Communication	\$40,349	\$231,178	\$271,527

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Frequency of Closed Claims by Outcome of Injury*

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Average Total Paid for Closed Claims by Outcome of Injury*

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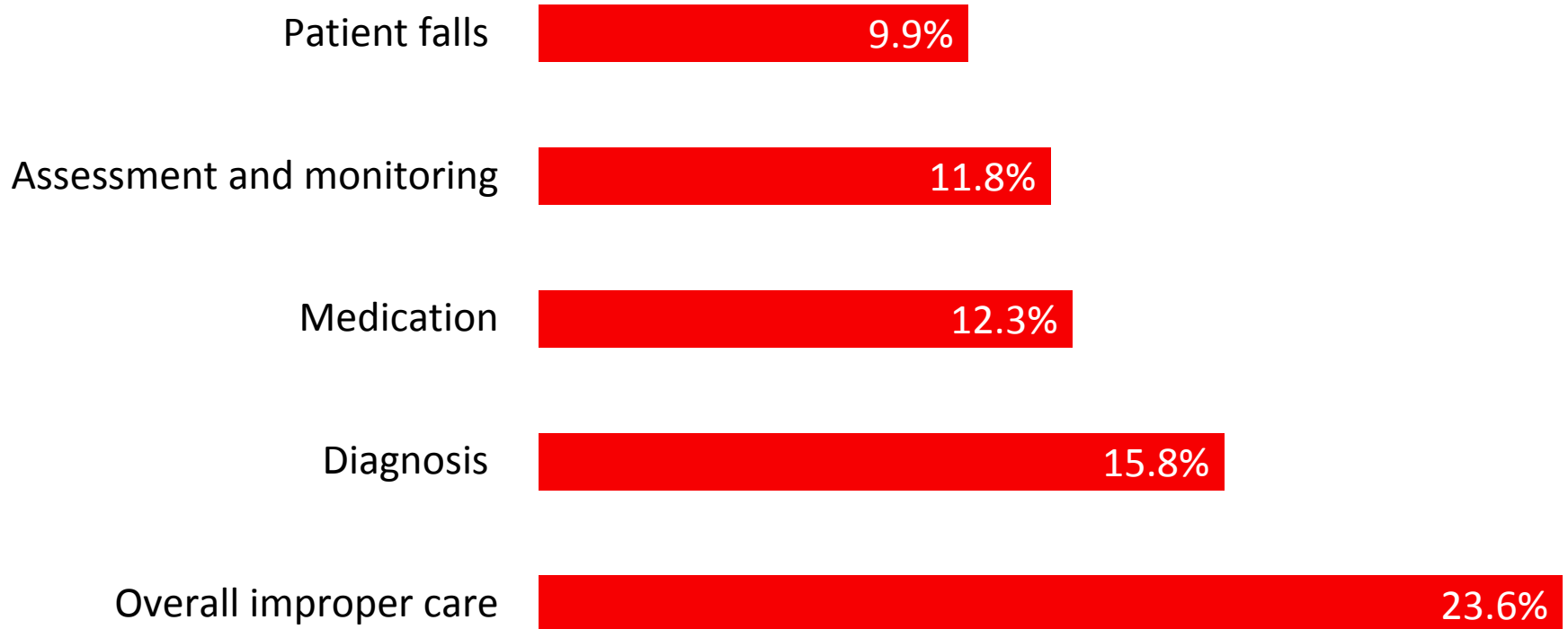
Outcome	Average paid expense	Average paid indemnity	Average total paid
Death	\$66,266	\$254,709	\$320,975
Permanent injury	\$59,867	\$211,534	\$271,401
Temporary injury	\$21,141	\$97,585	\$118,726
Overall	\$52,563	\$198,407	\$250,970

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Most Frequent Closed Claims by Allegations Related to Patient Death*

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Average Total Paid for Closed Claims by Allegations Related to Patient Death*

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Allegation	Average paid expense	Average paid indemnity	Average total paid
Credentialing and privileging	\$20,569	\$568,750	\$589,319
Assessment and monitoring	\$95,308	\$363,265	\$458,573
Nursing-related treatment/care	\$78,538	\$346,815	\$425,353
Perioperative event	\$63,563	\$293,211	\$356,774
Medication	\$68,601	\$267,455	\$336,056

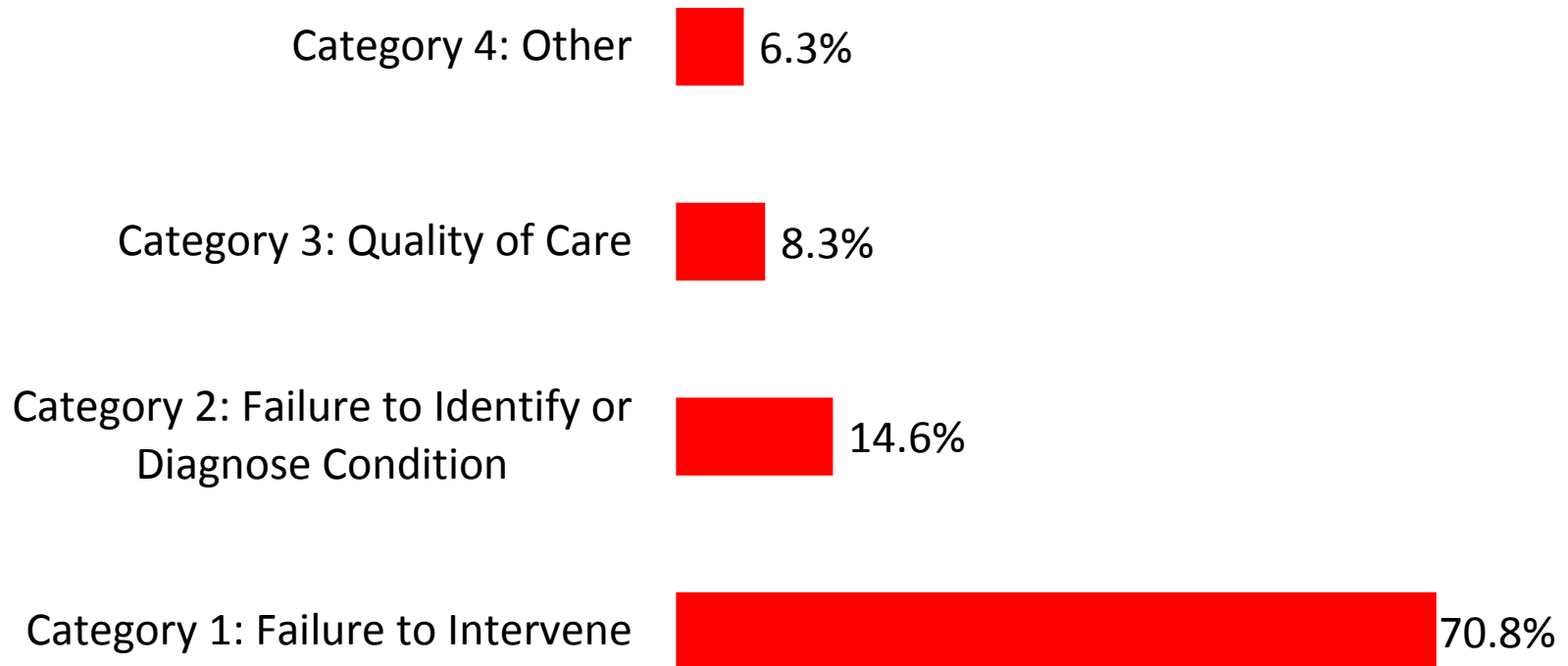
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Risks Associated with Selected Clinical Services and Options to Mitigate the Risks

Frequency of Closed Claims by **Category of Perinatal Allegations** (Percentage of 48 Closed Claims)*

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Average Total Paid for Closed Claims by **Category of Perinatal Allegations** (Percentage of 48 Closed Claims)*

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Allegation category	Average paid expense	Average paid indemnity	Average total paid
Category 2: Failure to Identify or Diagnose Condition	\$ 70,925	\$555,714	\$626,640
Category 1: Failure to Intervene	\$117,022	\$328,158	\$445,180
Category 3: Quality of Care	\$ 25,562	\$ 53,750	\$ 79,312
Category 4: Other	\$ 285	\$ 34,103	\$ 34,388
Overall	\$ 95,382	\$320,097	\$415,479

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Risk Control Recommendations for Perinatal Closed Claims

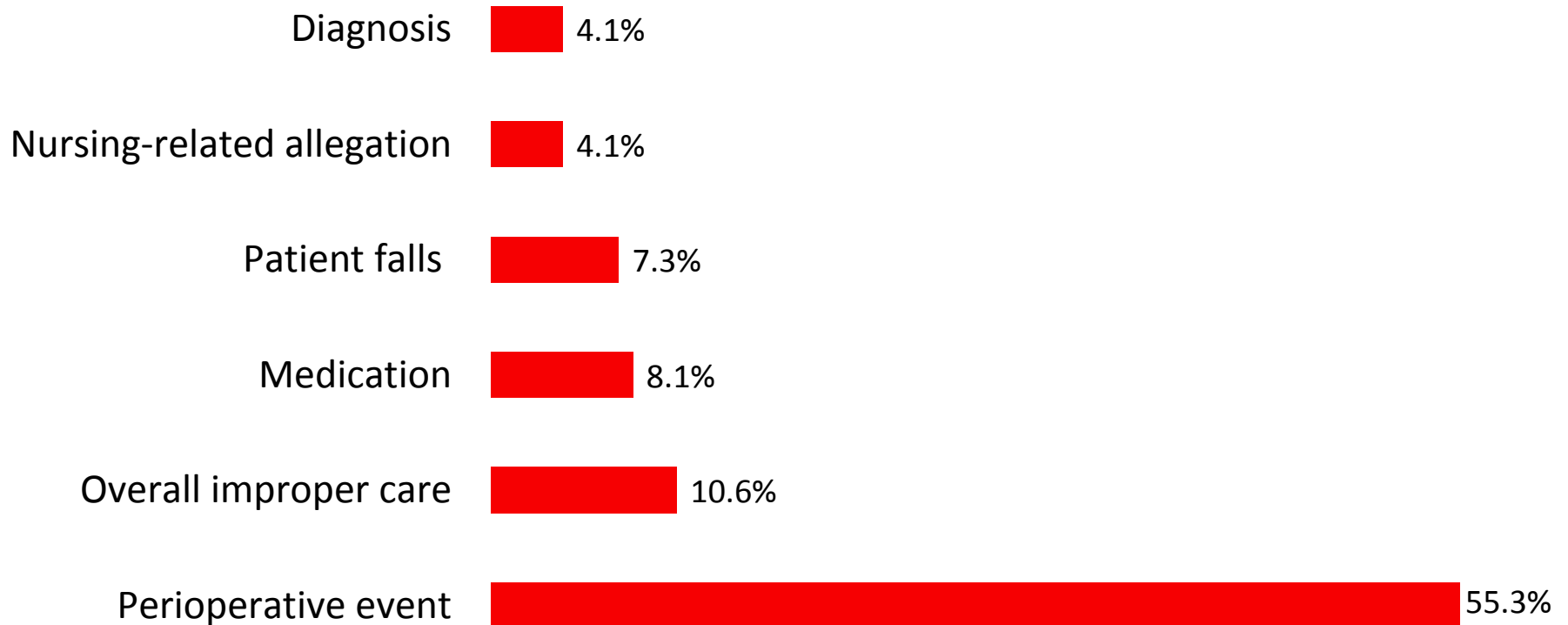
- Establish a Perinatal Committee.
- Review patient care protocols.
- Monitor emergent cesarean section for “decision-to-incision” timeliness.
- Conduct obstetrical emergency drills and simulations.
- Develop and implement a perinatal department chain of command.

Risk Control Recommendations for Perinatal Closed Claims

- Provide guidelines regarding operative vaginal deliveries.
- Implement an induction protocol.
- Designate a neonatal resuscitation response team.
- Assess skills and competencies of the perinatal team.

Most Frequent **Perioperative** Closed Claims by Allegation (Percentage of 123 Closed Claims)*

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Highest Average Total Paid for **Perioperative** Closed Claims by **Allegation** (Percentage of 123 Closed Claims)*

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Allegation	Average paid expense	Average paid indemnity	Average total paid
Assessment and monitoring	\$19,409	\$672,500	\$691,909
Credentialing	\$76,366	\$565,625	\$641,991
Medication	\$37,748	\$217,781	\$255,529
Overall improper care	\$44,779	\$199,385	\$244,163
Nursing-related allegation	\$23,701	\$210,500	\$234,201

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Risk Control Recommendations for Perioperative Closed Claims

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- Establish a multidisciplinary committee.
- Utilize a pre-operative checklist.
- Establish and enforce policies and procedures regarding correct-site/side surgery.
- Provide multidisciplinary simulation drills.

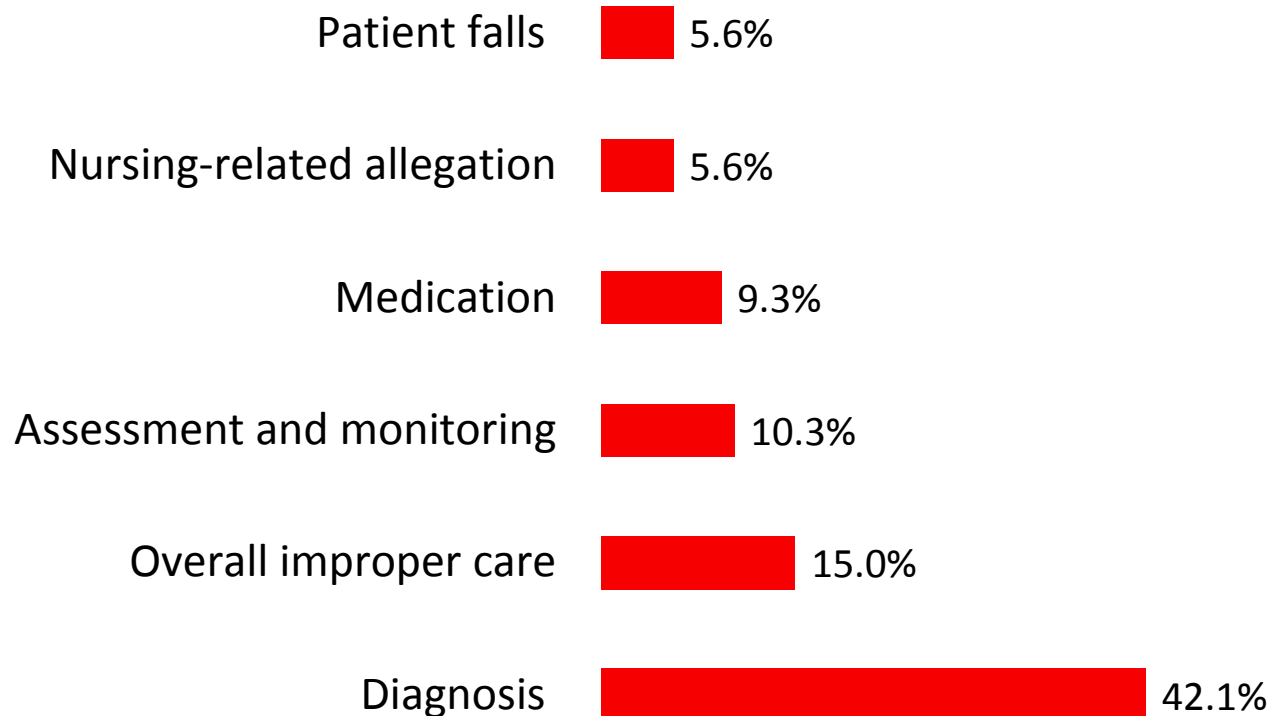
Risk Control Recommendations for Perioperative Closed Claims (continued)

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- Implement policies and procedures to prevent unintended retained foreign objects.
- Maintain a surgical fire prevention and response program.
- Consistently apply surgical safety practices throughout all areas of the hospital.

Most Frequent **Emergency Department Closed** Claims by **Allegation** (Percentage of 107 Closed Claims)*

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Highest Average Total Paid for **Emergency Department** Closed Claims by **Allegation** (Percentage of 107 Closed Claims)*

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Allegation	Average paid expense	Average paid indemnity	Average total paid
Assessment and monitoring	\$195,391	\$378,500	\$573,891
Perioperative event	\$33,841	\$537,500	\$571,341
Diagnosis	\$76,153	\$234,233	\$310,386
Governance**	\$16,271	\$200,000	\$216,271
Patient falls	\$70,493	\$145,337	\$215,830

**These claims involve failure to have a policy and procedure in place for governing midlevel providers.

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Risk Control Recommendations for Emergency Department Closed Claims

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- Develop and implement triage staffing based on historical patterns of patient flow.
- Reassess patients in the waiting room.
- Implement protocols to ensure a safe environment for behavioral health patients.

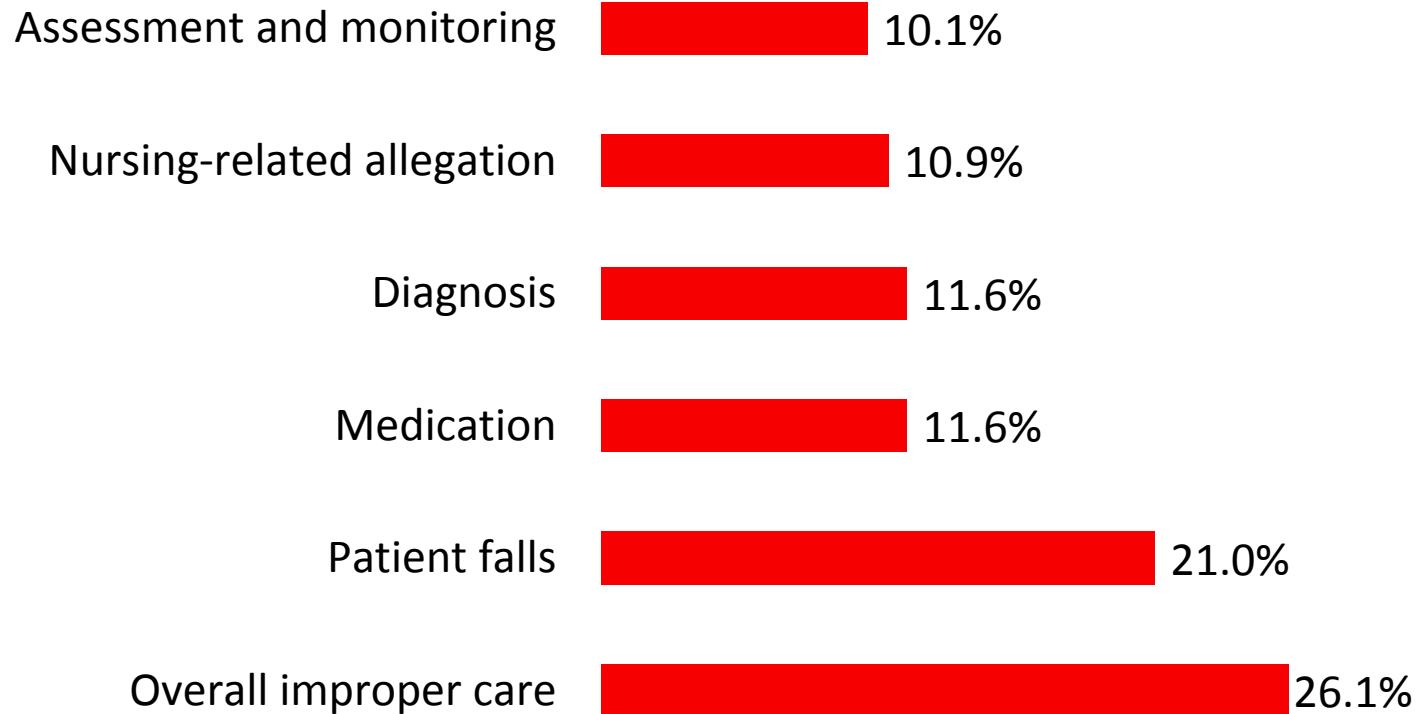
Risk Control Recommendations for Emergency Department Closed Claims (continued)

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- Comply with all Emergency Medical Treatment and Active Labor Act (EMTALA) requirements.
- Encourage providers to consult specialists.
- Establish a process for reporting test results post-discharge.
- Ensure consistency in the management of radiology over-reads.

Most Frequent **Medicine Inpatient and Ambulatory Care** Closed Claims by **Allegation** (Percentage of 138 Closed Claims)*

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Highest Average Total Paid for **Medicine Inpatient and Ambulatory Care** Closed Claims by **Allegation*** (Percentage of 107 Closed Claims)*

HEALTHCARE

Allegation	Average paid expense	Average paid indemnity	Average total paid
Diagnosis	\$105,838	\$341,442	\$447,280
Medication	\$68,901	\$254,724	\$323,625
Assessment and monitoring	\$102,328	\$200,538	\$302,867
Nursing-related allegation	\$24,029	\$240,699	\$264,728

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Risk Control Recommendations for Medicine Inpatient and Ambulatory Care Closed Claims

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- Conduct Patient Safety Leadership walk-rounds.
- Audit events in which there was a delay in transferring.
- Consider implementing rapid response teams.
- Train staff to comply with infection control and prevention requirements.

Risk Control Recommendations for **Medicine Inpatient and Ambulatory Care (continued)**

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- Instruct providers to reconcile patient information and address inconsistencies.
- Evaluate and document concerns expressed by the patient and/or family.
- Communicate changes in patient condition to the provider.

Analysis of Selected **Allegations**

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- Communication
- Credentialing and Privileging
- Medication Errors
- Patient Falls

Analysis of **Communication-related Allegations**

- Primary allegations related to communication include:
 - Test result tracking
 - Changes in condition
 - Post-operative complications
 - Handoff issues
 - Incorrect information recorded

Risk Control Recommendations for Communication-related Closed Claims

- Instill a culture of safety.
- Train staff to use structured formats for exchanging information.
- Utilize Agency for Healthcare Research & Quality (AHRQ) *Team Strategies and Tools to Enhance Performance and Patient Safety* (TeamSTEPPS®) or similar training resources.
- Encourage use of the chain of command.
- Develop an effective procedure to manage diagnostic test result reporting and follow-up.

Analysis of **Credentialing and Privileging Allegations**

- Primary allegations related to credentialing and privileging include:
 - Proper training and experience
 - Monitoring and administrative action for an impaired physician
 - Investigation of provider incidents
 - Performance of external peer review
 - Validity and representations of the procedure

Risk Control Recommendations for **Credentialing and Privileging Closed Claims**

- Establish and consistently utilize an effective credentialing and privileging process.
- Collect and systemically analyze performance data at established intervals.
- Provide staff with sufficient resources.
- Develop a list of common privileges and the resources required to support each one.

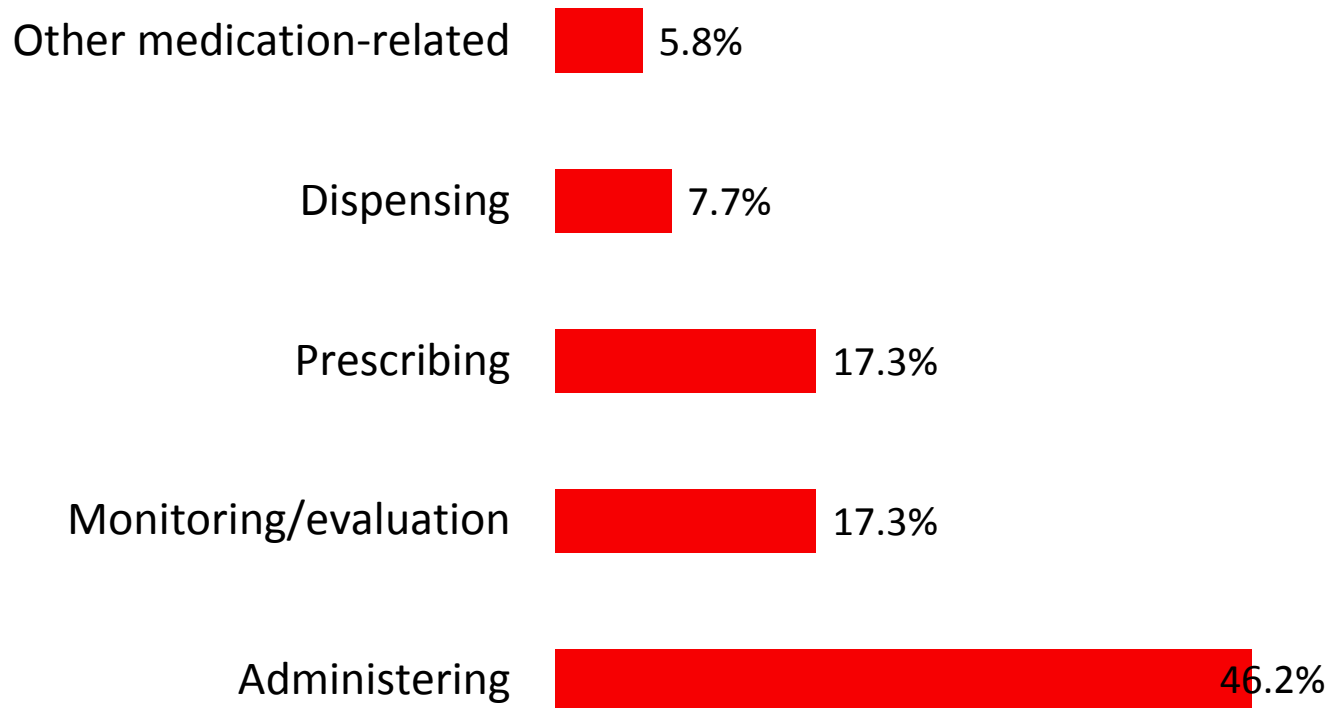
Risk Control Recommendations for Credentialing and Privileging Closed Claims (continued)

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- Ensure that hospital and medical staff bylaws define a formal framework for peer review.
- Implement external peer review whenever a potential conflict of interest arises.
- Exercise proper oversight of the credentialing process.

Most Frequent **Medication Error** Closed Claims by **Allegation** (Percentage of 52 Closed Claims)*

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Highest Average Total Paid for **Medication Error** Closed Claims by **Allegation** (Percentage of 52 Closed Claims)*

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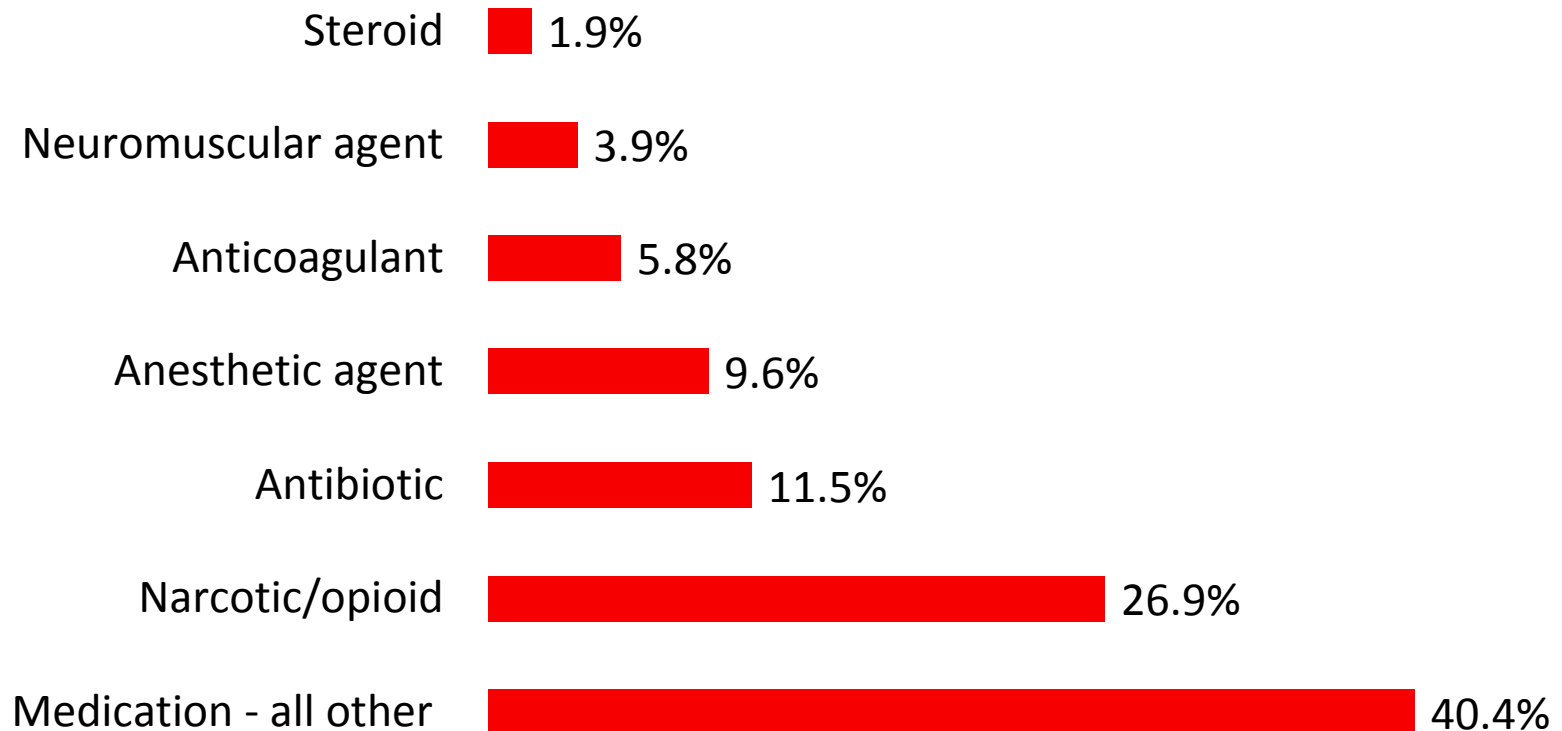
Allegation	Average paid expense	Average paid indemnity	Average total paid
Medication error- other	\$7,684	\$1,000,000	\$1,007,684
Omission	\$9,158	\$625,000	\$634,158
Other medication-related	\$71,275	\$329,333	\$400,609
Monitoring/evaluation	\$54,359	\$262,109	\$316,468
Administering	\$50,372	\$168,994	\$219,367

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Frequency of Medication Error Closed Claims by Drug Class* (Percentage of 52 Closed Claims)*

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Average Total Paid for Medication Error Closed Claims by Drug Class* (Percentage of 52 Closed Claims)*

HEALTHCARE

Drug class	Average paid expense	Average paid indemnity	Average total paid
Anticoagulant	\$24,003	\$515,000	\$539,003
Antibiotic	\$13,482	\$270,000	\$283,482
Narcotic/opioid	\$64,793	\$206,276	\$271,069
Medication – all other	\$56,870	\$177,127	\$233,997
Anesthetic agent	\$31,996	\$119,062	\$151,058
Neuromuscular agent	\$33,077	\$95,000	\$128,077
Steroid	\$1,294	\$10,000	\$11,294
Overall	\$47,725	\$203,228	\$250,953

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Risk Control Recommendations for Medication-related Closed Claims

- Utilize error-reduction strategies throughout the medication-use process.
- Ensure staff competency.
- Implement a collaborative, multidisciplinary approach to medication reconciliation.
- Encourage staff to report medication-related events.
- Maintain current drug reference materials.

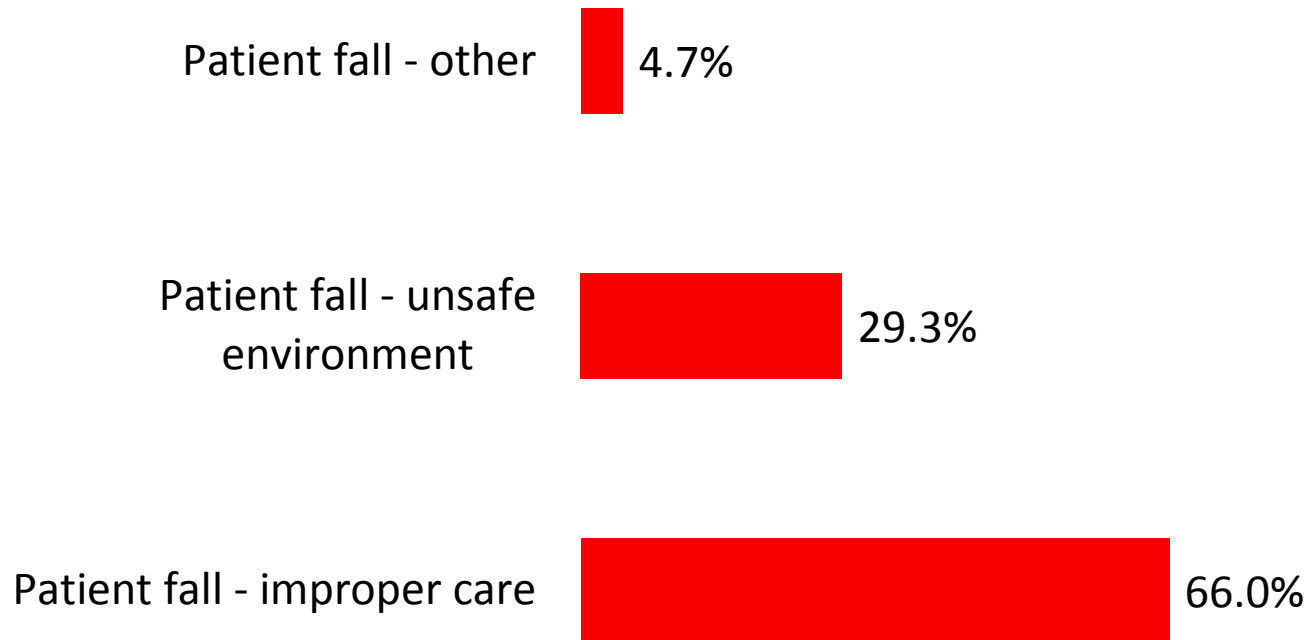
Risk Control Recommendations for Medication-related Closed Claims (continued)

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- Establish a process for noting and modifying patient allergies and reactions.
- Implement a “no interruption zone” during preparation, dispensing and administration.
- Establish a double-check procedure for high-risk medications.
- Conduct and document ongoing pain assessments.
- Clearly identify patients who are at risk for respiratory depression.

Frequency of **Patient Fall-Related** Closed Claims by **Allegation** (Percentage of 106 Closed Claims)*

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Average Total Paid for **Patient Fall-Related** Closed Claims by **Allegation** (Percentage of 106 Closed Claims)*

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Allegation	Average paid expense	Average paid indemnity	Average total paid
Patient fall – improper care	\$30,298	\$136,495	\$166,793
Patient fall – other	\$21,355	\$127,500	\$148,855
Patient fall – unsafe environment	\$7,609	\$47,720	\$55,329
Overall	\$23,241	\$110,108	\$133,349

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Risk Control Recommendations for Patient Falls Closed Claims

- Promote a multidisciplinary approach to fall assessment and prevention.
- Implement a comprehensive fall prevention program.
- Consider performing hourly rounding.
- Establish a process for tracking and documenting falls.
- Routinely check interior floor surfaces and exterior walkways.

Concluding Analysis and Industry Challenges

Concluding **Analysis**

- Foundational practices
- Culture of safety
- High reliability organization principles

Concluding Analysis (continued)

High reliability organization principles*

1. Sensitivity to operations
2. Reluctance to simplify
3. Preoccupation with anticipating and avoiding failure
4. Deference to expertise
5. Resilience

*Weick, K.E. and Sutcliffe, K.M. *Managing the Unexpected: Assuring High Performance in an Age of Complexity*. San Francisco: Jossey-Bass, 2001.

Risk Control Self-assessment Checklist for Hospitals

Risk Control Self-assessment Checklist for Hospitals

This checklist is designed to help hospital leadership and management evaluate liability exposures, enhance patient safety and minimize potential loss. While not all-inclusive, this self-assessment tool addresses many of the sources of risk noted in our new claim report. For additional risk control resources, please visit www.cna.com/riskcontrol.

Leadership/Governance	Not started	Beginning stages	Partially implemented	Fully implemented
We have an enterprise risk management plan, which is reviewed and revised annually.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We consistently communicate and model the organization's values, mission and vision, especially as they relate to patient safety.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We conduct Patient Safety Leadership walk-rounds on a regular basis and provide feedback to staff about the concerns presented during the walk-rounds.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We uphold the ideal of a fair and just culture and seek to propagate this concept throughout the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have a process in place to hold individuals accountable for their actions and performance, and to evaluate compliance with designated responsibilities, scope of practice and organizational values.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We perform daily safety briefings or huddles.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We embrace patient- and family-centered care practices, and commit adequate resources and effort to implement these practices.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Discussion

Thank you