

LTC RISK MANAGEMENT POLICY and PLAN - FY 2020-2021

Risk is defined as an event that has a probability of occurring and could have either a positive or negative impact should the risk occur. A risk may have one or more causes and, if it occurs, one or more impacts. Risk Management is an ongoing process. Risk events may have significant or minimal impacts. LTCs risk management plan is the key component to aid in the reduction of loss and harm.

Purpose

LTC strives to manage workplace risks, each facility is analyzed for potential hazards. Risks and hazards may be present in the form of unsafe acts and/or unsafe conditions. Once hazards are recognized and evaluated, they are reduced through risk management responses, including but not limited to, acceptance, avoidance, mitigation, transfer, and contingency planning of risks. LTC's risk management plan (RMP) maintains the continuity of services and manages potential risks which may cause a loss in service capacity and resources. This plan documents the process components, procedures, and tools used to manage risks. LTC's risk management plan includes the following risk process components:

- Planning Efforts – Risk Assessment
- Identification - Recognition of potential or actual loss exposures & Responsibilities
- Risk Response/Analysis – Development of Risk strategies
- Risk Monitoring/Control – On-going risk management activities

Risk Planning – Risk Assessment

Risk assessment is the act of determining the probability that a risk will occur and the impact that event would have, should it occur. This is basically a “cause and effect” analysis. The “cause” is the event that might occur, while the “effect” is the potential impact to a project, should the event occur.

LTC focuses on pure risks. Pure risks are risks that are beyond the organization's control, such as accidents. These risks can include a loss, or no loss and they are insurable. Types of pure risks include:

- Facility / Contract Management risks
- Financial Risks
- Emergency Preparedness/Health and Safety Risk
- Privacy / Security risks

Risk Identification/Recognition

LTC identifies risks in various aspects, through inspections, audits, and job hazard analysis. LTC completes periodic inspections and audits, outlined in the Quality Management Plan. Once risks are identified the risks are LTC staff and consumers and all stakeholders participate in the risk identification of risks. Once risks are identified the risk is added to the repository for development of the risk response strategy, ownership identification, as well as to ensure continuous evaluation of each of the risks.

Risk Responsibilities

LTC ensures risk management is participated in throughout all levels of the organization. For each process listed below are the risks responsibilities:

- Risk Identification: All members of the organizations
- Risk Registry Maintenance: Quality Management Area
- Risk Assessment: LTC Leadership Team
- Risk Response Options Identification: All LTC stakeholders
- Risk Response Approval: Executive Director
- Risk Contingency Planning: LTC Leadership
- Risk Response Management; Risk Owners
- Risk Reporting: Quality Management Area

Throughout the organization includes various stakeholders who’s risk perspective is varied. Listed below is the breakdown of LTC stakeholders:

- Staff and volunteers – The primary concern of paid and volunteer staff may be to their workspace. These concerns fall under environmental risks, such a poor lighting, an uncomfortable chair, and/or a cold and drafty office
- Participants and customers – The primary concern of this group is the heart of LTC’s mission, the elements of the facilitates are these stakeholders’ primary concerns. For example, parking or access to public transportation may be a risk.

Risk Analysis

Each risk owner establishes realistic goals for accident reduction and prevention. A risk exposure rating (consequence/impact x probability) is established for each risk. A risk exposure is needed for each risk identified that relates to a process, procedure and handled material resulting in a level of potential severity if an accident were to occur. LTC stakeholders determine the risk exposure using the following risk matrix¹;

| | | Consequence of failure (COF) | | | | | |
|------------------------------|--------------------------------|--|-----------------|--------------|------------------|-----------------|----------------------|
| | | People (P) | Slight Injury | Minor Injury | Major | Single Fatality | Multiple Fatalities |
| | | Asset (A) | Slight Damage | Minor Damage | Local Damage | Major Damage | Extensive Damage |
| | | Environment (E) | Slight Effect | Minor Effect | Localized Effect | Major Effect | Massive Effect |
| | | Reputation (R) | Slight Impact | Local Impact | Industry Impact | National Impact | International Impact |
| | | Severity rating | 1 Negligible | 2 Minor | 3 Moderate | 4 Major | 5 Catastrophic |
| Probability of failure (POF) | E Very likely to happened | Happens several times per year at location | Moderate | High | High | Very High | Very High |
| | D Likely to happened | Happens several times per year in company | Low | Moderate | High | High | Very High |
| | C Possible to happened | Incident has occurred in company | Low | Low | Moderate | High | High |
| | B Unlikely to happened | Heard of incident in industry | Very Low | Low | Low | Moderate | High |
| | A Very unlikely to happened | Never heard of in industry | Very Low | Very Low | Low | Low | Moderate |

¹ High Watermark will be used for Overall Risk Rating (Highest Probability of failure and Consequence of Failure)

Using the risk matrix and its assigned definitions of each factor a exposure rating is determined. Once an exposure rating is agreed upon, LTC risk review board determines the risk response. The following are the potential risks responses:

- Accept – acceptance is the acknowledgement that the potential loss from a risk is not great enough to warrant spending money to avoid the risk. For LTC and an example of this strategy type is
- Avoid – avoidance is the elimination of any exposure to a risk that poses a potential loss. For LTC and an example of this strategy type includes the use of alarm systems, security measures, policy enforcement, and employee awareness, as well as financial and legal positioning
- Mitigate – limits exposure by taking an action. For LTC and an example of this strategy type is development of an evacuation/emergency action plan, fire prevention plan, supervisor training, employee training, anything that can limit the exposure of a risk. Other mitigation techniques include background checks on employees, first aid kits, post safety information, eliminate obvious biohazards, and only hire licensed professional services for maintenance and repairs.
- Transfer – transfer involves the contractual shifting of a pure risk from one party to another. LTC defines this type of strategy as insurance policies, judicial litigation and any other risks that are the responsibility of another party that LTC participates together in a contractual agreement.

Risk Monitoring/Control

Ensuring day-to-day operations go smoothly is a top-of-mind concern for LTC organizational risk management process and procedures. LTC completes quarterly periodic reviews of on-going risks. Risk identification occurs continually. Additionally, LTC ensures the commitment to the various federal, state, and local laws and regulations that apply to the organization to reduce risk exposure. Additionally, the use of communication plans and prevention strategies are used in conjunction to the risk management plan to provide a full solution in managing LTC's risks.

RISK MANAGEMENT PLAN

| RISK | SEVERAITY RATING | STRATEGY | TARGET DATE | STATUS | OWNER (s) |
|---|--|---|-------------------|--|--|
| <p>If continuous accidents occur and cause continuous damage to the Jefferson Jones (Patterson Park building) then the safety of the participants will be at risk as well as significant structural damage will occur.</p> <p>Context Statement: Several accidents have occurred due to cars continually speeding and running the red light on the corner. There have been several accidents. The city of Baltimore has put up boulders to date they have been insufficient.</p> | <p>(P) – E/1 (A) – E/5 (E) – E/2 (R) – B/1</p> <p>Overall: E/4 (Very likely to occur and major environmental damage)</p> | <ul style="list-style-type: none"> Continue to work w/ Baltimore City to ensure additional measures are put into place for prevention Ensure safety protocols are followed by LTC staff and Peers to ensure participants safety Add additional barriers to prevent additional structural damage to the building Inspection/Assessment of building structure | <p>Continuous</p> | <ul style="list-style-type: none"> Currently working with Baltimore City leadership to develop a long-term solution Working w/ LTC attorney to determine additional avenues to pursue if the city does not take corrective action Ensuring participants follow the designed safety features | <p>Executive Director & Operations Manager</p> |
| <p>If there is a loss of Peer Housing Specialists or Peer Support Specialist coverage, then LTC will be unable to provide services for all participants.</p> <p>Context Statement: Based upon the level of housing, there are various levels of peer supervision needed. The supervision ranges from 8 to 24-hour coverage. Therefore, it's extremely necessary to ensure a continuous pool of peer support is available.</p> | <p>(P) – C/2 (A) – A/1 (E) – A/1 (R) – C/2</p> <p>Overall Rating: C/2</p> | <ul style="list-style-type: none"> Provide continuous training opportunities to increase Peer Housing Specialists pool Work with partners to identify individuals who are in need of service opportunities Identify woman in the houses that have completed various levels and demonstrate sound recovery to become peers | <p>3/2020</p> | <ul style="list-style-type: none"> Specialized training program is in place since August 2017 Continuous identification of growth opportunities within the participants | <p>Program Administrator</p> |

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|--|---|--|--|--|---|
| <p>If lack of funding or further reductions in state funding limits, then LTC will be unable to maintain its current level of service.</p> <p>Context Statement: Funding has diminished over time from these agencies, which causes LTC to have to acquire alternative funding sources to continue the same level of service.</p> | <p>(P) – C/3 (A) – C/3 (E) – B/2 (R) – B/3</p> <p>Overall Rating: C/3</p> | <ul style="list-style-type: none"> • Increase service generated fee revenues by adding financial management as a standing item on the board meeting agendas • Revise clinical programs to match Medicaid definition and enroll participants eligible for billing | <p>Initial Target Date: 7/2017</p> <p>Ongoing</p> | <ul style="list-style-type: none"> • Board members review financial status in every board meeting and offer suggestions for alternate streams of funding • Clinical staff has implemented improvement strategies to ensure proper billing occurs, such as an analysis of ICA Notes • Additional streams of income have been created, for example the new Testing Center | <p>Executive Director & Board Members</p> |
| <p>If LTC does not ensure the organization is compliant w/ Federal standards, then the organization is at risk for non-payment from the government.</p> <p>Context Statement: Federal Government standards have been modified which LTC must comply w/ and add to existing operations to ensure payment.</p> | <p>(P) – B/3 (A) – B/2 (E) – B/1 (R) – B/3</p> <p>Overall Rating: B/3</p> | <p>Fully implement the Corporate Compliance Plan</p> | <p>Initial Target Date: 6/2017</p> <p>On-going reviews</p> | <ul style="list-style-type: none"> • Plan has been implemented. • Accreditation Now subscription has been purchased and provides online anonymous corporate compliance reporting and training for staff | <p>Executive Director / Program Administer</p> |
| <p>If LTC does not complete a full analysis of clinical processes, then they will be unable to complete all the requirements in ICA Notes</p> <p>Context Statement: Previously the clinical staff was not using ICA Notes to effectively manage clinical operations.</p> | <p>(P) – C/3 (A) – B/3 (E) – B/1 (R) – C/3</p> <p>Overall Rating: C/3</p> | <ul style="list-style-type: none"> • Schedule additional trainings to fully utilize ICA Notes and secure electronic signature for Clinical Supervisor • Require all clinical staff to complete the training to stay current | <p>Initial Target Date: 11/17</p> <p>On-going</p> | <ul style="list-style-type: none"> • Additional trainings have been scheduled a electronic signature has been secured • Participant portal was created as well | <p>Clinical Supervisor / Clinical support staff</p> |

| | | | | | |
|--|---|--|---|--|--|
| | | with the system and any changes. | | <ul style="list-style-type: none"> ICA Notes training is continuous and required by the Clinical Staff | |
| <p>If overall lack of coordinated efforts between the clinical staff and the non-clinical staff, then LTC will be unable to provide aggregate data clearly.</p> <p>Context Statement: Clinical & Non-clinical staff was not completing coordinated efforts to ensure the necessary data was provided.</p> | <p>(P) – C/3 (A) – C/3 (E) – B/2 (R) – C/3</p> <p>Overall Rating: C/3</p> | <ul style="list-style-type: none"> Agreed to obtain, implement and utilize ICA Notes Utilize ICA Notes data to generate participants and organizational reports Develop a new clinical team | <p>Initial Target: 8/2017</p> <p>On-going</p> | <ul style="list-style-type: none"> Input consumer clinical and non-clinical data as well as demographic information Generate clinical and organizational reports Full implementation of One Step Software0. | <p>Clinical Supervisor / Program Administrator</p> |