

Advantages of Southeast AR, Inc.
Risk Management Plan
FY 2018

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The Risk Management Plan was reviewed by the Management team that included a Risk Analysis for revision to be implemented July, 2017.

Advantages, Inc. is committed to long-range risk management planning to ensure service continuity and, therefore, to a formal and periodic risk management process. Specifically, Advantages, Inc., is committed to Risk Management as a way to:

1. Identify any loss exposures;
2. Analyze and evaluate any loss exposures;
3. Identify a strategy (including techniques and/or actions) to be taken to counter any potential losses or identified exposures;
4. Implement the most effective strategy/plan to reduce risk for the Agency;
5. Provide ongoing monitoring of any actions taken to reduce risk;
6. Report results of actions taken to reduce risks;
7. Include the results of risk reduction activities in performance improvement activities.

Advantages, Inc., in order to minimize various risks associated with its daily operations, has incorporated policies and procedures to assist in managing the liability associated with delivery of services. This list is not intended to be all-inclusive, but represents areas where the Agency has taken a pro-active stance to help reduce risk in day-to-day operations.

Risk Management Plan: The Executive Director, or designee, is responsible for ensuring that an annual risk management assessment is conducted and reporting the findings of that assessment to the organization's leadership. The risk assessment will be conducted annually and no later than July 1st of each year with results (1) provided to the organization's leadership and (2) incorporated into and clearly documented as part of program planning efforts, performance improvement activities, strategic planning, community advocacy efforts and financial and resource planning efforts. Areas of risk will be identified and implementation and monitoring of actions to reduce risk will occur. Actions taken will be documented on the Advantages Risk Management Plan.

Current Assessment: This document and the organization's responses to the following questions provide documentation of the current risk management assessment conducted in accordance with CARF's accreditation standards pertaining to risk management. The intent of these items is to develop an open-ending and thought-provoking approach to understanding the level of both current and future risks in order to assist Advantages to identify, analyze and resolve known risks. Implementation and monitoring of actions to reduce risk is documented.

Risk Management Findings:

Item 1: List any significant changes anticipated regarding the types of persons currently served. For those listed, describe the impact of anticipated needs in terms of fiscal and human resources and the projected impact on service delivery.

- a) Consumers referred to our program have more significant and complex developmental disabilities that require specialized intervention. Additionally, we are seeing more individuals presenting with a dual diagnosis of a developmental disability and mental illness.

- b) The State's restructuring of the Medicaid Service and Payment system may cause the loss of DDTCS services, at worse, or a loss of approved service hours and reimbursement rates, at best. The loss of DDTCS services would mean approximately 80 direct-care jobs and 2/3 of our revenue base. A loss in service hours or reimbursement rates would affect operating budgets; however, the impact on jobs and employee pay would also be weighted against revisions in the standards regarding staff:consumer ratios, ACA mandates and DOL minimum wage regulations.
- c) If the State continues to move forward with a hybrid managed care approach to service delivery, it is quite possible that waiver services will be altered in such a way as to adversely affect the agency's budget and could reduce the number of employees, but most importantly could cause health and safety risks to the individuals served and cause added burdens to family's that will be required to offset the loss of service hours.
- d) Combining Aging and DD service models to produce a Long Term Care Service System model could impact the agency by needing additional training and staff to provide services traditionally covered under the Office of Long-Term Care. The agency would need to be prepared to incorporate a new service group with slightly different needs.

Solution:

- 1. Advantages will continue to seek specialized training in all aspects of meeting the needs of the DD population and also identify other DHS services we could identify with such as Mental Health, Elder Care, Personal Care and Supported Employment and seek introductory training in those service models.
 - 2. Advantages will seek to actively encourage the expansion of the START, (Systemic, Therapeutic, Assessment, Respite and Treatment), program into the Southeast area of Arkansas and remain a member of the SE Area Cooperative.
 - 3. The Executive Director and other management staff will remain actively engaged in hearings and discussions regarding the Legislative Task Force Committee's review of the Medicaid system, programs and payment methodology. The true impact upon funding/services is yet to be known.
 - 4. The new Republican majority in all levels of government has a goal of canceling the Private Option and replacing it with another method of covering the uninsured under requirements of the ACA. The Majority has a goal of bending the cost curve for Medicaid services. The agency will remain a member of DDPA and the ED and management staff will continue to monitor all areas of transformation.
- e) Changes occurring with the blending of DDTCS and CHMS children's service models mean that developmental centers may be serving a population of more medically fragile children. This merger remains on hold. The agency will continue to monitor any suggestions for systems changes in the preschool model.

Solution:

- 1. The Executive Director and other management staff will continue to attend stakeholder meetings, serve on active state committee's and educate legislative representatives of the need for our services and the impact of our agency on the local economy.
- 2. Management staff will become stronger in fundraising activities and will actively pursue more grant funding.
- 3. Management will explore offering other service options in order to diversify revenue.

Item 2. Discuss the organizational inventory and accountability system for office equipment, computers, and other high value items in terms of significant protection against loss, theft, or inappropriate use. *If the current system is no longer sufficient, identify a course of corrective action.*

- a) All capital assets are added to a fixed asset schedule and posted to the general ledger, which is updated as assets are acquired or disposed. The Assistant Director of Finance & Human Resources also maintains a capital asset schedule and reviews it annually. The organization maintains a comprehensive insurance package that includes property and liability coverage for the organization and its assets. The insurance package is reviewed annually. Lists of servers, workstations and related equipment are maintained by the Information Technology Specialist, and are updated as equipment is added to or removed from the system. All systems appear to sufficiently manage risks of capital assets.

Item 3. Discuss the security at each physical plant at all sites in regards to persons served and staff members. *If security is described as inadequate, identify improvements and/or changes needed to rectify the problem.*

- a) Reasonable security measures are provided at all locations. Staff is trained on appropriate security measures to ensure all facilities remain safe and secure. However, the management team has identified some weakness in building security as follows:

1. The administration building does not have security entrance modifications such as card-key access or other type of security entrance device.

Solution: The need for a security access system will be monitored on the risk management guide. An alternative plan will be put in place to lock the doors during early and late work shifts and to have individuals stop and check in at the front office before moving throughout the office.

2. The adult center does not have security-only access.

Solution: There is a door bell installed at that door to notify staff that someone needs entrance to the building. The door bell system is adequate enough, if used properly by the staff.

3. Discovery Children's Center- Monticello: The new construction included magnetic card access to programming areas and camera security of all common areas and outside areas. Although there is restricted access into the building, the lunchroom is exposed to the lobby by a row of windows. Access into the lunchroom is secure; however, there may be some risk with the windows. This area is identified, but considered a low risk. No new risks have been identified.

4. Discovery Children's Center- Star City: The Drew street location has unsecured doors and no camera system. This is/was scheduled to be a temporary location and there are no plans to add cameras. This building is a rental, so adding magnet locks or such is not an option. The Arkansas street location is permanent and the risks identified include the 2 doors that do not have windows that open directly to the outside.

Solution: The emergency exit side doors have been identified as a possible risk; therefore, staff has been advised to keep the doors locked and not to open the side doors, but to instruct any visitors to come to the main entrance.

5. Discovery Children's Center- Crossett- the building is leased by the Crossett School District and, therefore, Advantages is limited in what can be done to the existing building. There is a bell alarm at the front door that sounds whenever anyone comes through the door. All other outside doors

remain locked during the service day. Parents and visitors are required to stop at the office to check in. Cameras have been installed in all common areas.

Solution: Security needs at all sites will be included in Strategic and Performance Improvement planning and alternative plans will be put in place while waiting for funding or site issues to be resolved.

Advantages has a workplace violence policy and all employees receive training at hire and annually, thereafter. Additionally, each program site and the administration office will practice workplace violence drills according to the standards of regulatory agencies. Drills will be recorded and evaluated for improvement purposes.

Item 4. Has the organization conducted an accessibility evaluation at all program locations to identify barriers to accessibility and develop a plan for elimination of identified barriers?

- a) The accessibility plan is reviewed and updated yearly and an accessibility status report is prepared. An analysis of all potential barriers to services is conducted and goals prepared to include identified barriers. (See Accessibility Plan)

Item 5. Advantages' health and safety program should appear effective in identifying possible risks and hazards. Identify the effectiveness of the health and safety program and list all problem areas along with any corresponding plan of corrective action.

- a) The safety committee meets regularly and has members from all departments. Concerns/Issues are discussed and recommendations are made to the organization to address those issues. Advantages has a written Health and Safety Plan, (MESH), that is utilized as a training guide for staff and addresses the health and safety policies of the organization. Staff is trained at hire and annually, thereafter, on the Health and Safety policies and practices of the organization. Reduction and elimination of reportable accidents and incidents is a priority.
- b) All Workman's Comp claims and incident/accident reports are tracked on an agency log in order to identify trends. The management team reviews the report quarterly and implements and plan of correction needed.
- c) All staff are trained in suspected abuse and neglect mandated reporting procedures at hire and annually thereafter.
- d) Emergency plans are in place at all service locations and drills are conducted according to state licensing and CARF standards.
- e) All waiver staff will receive medication monitoring/management training by an RN.
- f) Medication errors will be reported to proper authorities and tracked under the incident log.
- g) The Agency maintains a supply of gloves, lifting belts and other first aid needs for use by agency staff in the prevention and spread of disease.
- h) Safety hazards are reported and appropriate action is taken in a timely manner.
- i) Hazardous chemicals will be properly marked and stored and MSDS sheets will be maintained at all locations.

- All areas for center-based services maintain an inventory of chemicals and cleaning solutions. Each site will maintain a MSDS binder and post warnings, as required. All staff will be trained in the proper use of chemicals and cleaning materials in their “*Chemical Right to Know*” and “*Health and Safety*” training. Prior to using any new chemical or cleaning solution that requires MSDS sheets, staff will be trained in its’ proper use.
- j) All employees providing transportation will receive required transportation training at hire and refresher course as mandated in licensing/certification standards. A Motor Vehicle Records check will be conducted annually on all agency staff required to transport consumers or conduct agency business that involves the use of a private or agency-owned vehicle.
 - k) All employees transporting consumers in agency-owned vehicles will submit to an annual drug test.
 - l) All agency-owned vehicles are equipped with emergency equipment and supplies
 - m) All agency-owned vehicles, transporting children, include a “child alarm” system
 - n) All employees maintain CPR and first aid certification

Item 6. List the steps in place to minimize the risk of misappropriation of funds. Identify any material exposures and include any plans to address these exposures.

- a) Advantages has a strong internal control system and comprehensive fiscal policies and procedures as outlined in the Operations manual. The organization has comprehensive accounting procedures that provide oversight and direction for consumer accounts that Advantages has responsibility for. Policies and procedures are reviewed annually to ensure each remain relevant to reduce the potential for fraud and abuse. An independent audit is conducted annually and the internal control practices of the organization are reviewed and accessed.
- b) The ADF&HR and/or center director will ensure that all new billing employees, contractors, van drivers and other staff will receive training in proper documentation of “in” and “out” times, meal counts, etc.
- c) The Board of Directors receives a regular financial and fund balance reports, as well as, a copy of the annual audit.
- d) The agency Corporate Compliance Officer conducts random quarterly reviews of each service for service-to-billing accuracy.

Item 7. Describe how the corporate compliance program strives to be effective in preventing fraud, waste, and abuse. Identify any known weakness and describe what changes need to be made.

- a) Advantages has a strong Corporate Compliance Program Plan, Professional Standards and Code of Ethical Conduct that addresses fraud, waste and abuse. The compliance committee meets regularly to discuss issues of concern. Reportable violations will appear on the quarterly CCO report. Staff of the organization is trained annually on the compliance policy, professional standards and code of ethical conduct and policies against waste, fraud, and abuse.
- b) The agency has a Conflict of Interest Policy in place to assist with protecting the reputation of the agency. All management-level staff and Board Members must sign the policy on an annual basis.

Item 8. If it appears that there will be increased business competition within the next eighteen months, provide an estimate as to how that competition could affect revenue generation efforts and consumer base.

- a) Arkansas is an open provider state and solicitation for services is strictly prohibited. However, there are several providers in our service area, and across the state, which provide the same services as Advantages. It is important that Advantages continues to meet the needs of our consumers and provide a strong program. New consumers approved for services must realize the strength of our program to encourage continued growth. The loss of consumers to other programs could directly affect the ability to generate the necessary revenue to keep and maintain our programs.

Solution: The organization will continually monitor all programs to ensure each are providing quality services. Staff will be trained annually on best practices and on all licensure and accreditation requirements.

- b) The State's proposal to have a "Single Source" payee to receive all service payments and then, "pass through" payments to other service providers could cause some consumers to be "coaxed" into going to one provider.

Solution: Same as above, as well as, providing information to our consumer's throughout the process so they are aware of any pending changes that may affect them.

- c) The State's reorganization of children's services may combine existing DDTCS and CHMS services in to one program. CHMS centers are "for profit" and currently operate under less restrictive standards than DDTCS centers and they are guided by "for profit" mentality. Understanding that the program will eventually be frozen under new expansion guidelines, many CHMS centers have "staked-out" areas currently served by a DDTCS center, but not a CHMS center and have submitted intent-to-open applications prior to implementing guidelines for expansion. This gives them an edge to expansion into our service area.

Solution: The ED will continue to monitor the progress of the children's service committee and track progress of the Task Force through membership in DDPA.

- d) The implementation of a managed care system may impact the revenue due to decisions by the MC provider to decline previously approved services, reduce the number of service hours and/or reduce the repayment schedule.

Solution: same as above.

- e) The Employment 1st initiative will impact the waiver individual's POC by inserting another payment source. The reduction of waiver direct-support hours may cause the reduction in work hours for individuals that are not certified job coaches.

Solution: The agency will continue asking direct care staff to complete the job coach training which can now be completed on-line. The agency will train direct care staff on the program so that they will understand the need for the job coach training.

Item 9. Does it appear that the organization has sufficient insurance coverage to protect the organization's assets and protect the organization's personnel in the event of a lawsuit?

- a) The agency meets annually with the insurance provider to review changes, additions, deletions of property and equipment to analyze and insure the proper level of protection.

Item 10. Describe the organization's most significant challenge in the next 18 months.

a) **Transformation of the Medicaid Service System through recommendations of the Legislative Task Force.**

The transformation has already been addressed in this document. Changes range from the loss of DDTCS services to a reduction in allowable service hours and rates, combination of children's services with mandates on length of services, more strict eligibility requirements, capitated daily billable service hours and wage reductions. Transformation may also include the combination of aging and DD services for a new Long Term Support Service model. The repeal of the current Private Option (ACA State Exchange), with a replacement plan may alter service and payment schedules. The changes may also include moving into a hybrid managed care service system.

b) **Department of Labor Changes.**

The final phase of the minimum wage law went into effect January, 2017. The agency will have to meet those mandates without the benefit of a rate increase. Additionally, since the use of the companion rate in waiver is abolished, the agency faces revenue shortfalls with the implementation of an hourly wage and payment for overtime that may not be fully offset by DDS plan of care revisions.

c) **ACA Mandates.**

The agency anticipates steady annual increases in the employer-sponsored insurance plan. However, management will have to weigh the differences in the cost for penalties with the cost of providing the insurance. Waiver plans allow for only a 32% reimbursement rate for fringe benefits on waiver plans. At current insurance rates, we have a few plans that are not reimbursed fully for fringe benefits. The alternative is to reduce other benefits such as holidays, vacation or sick leave benefits.

Solutions:

The agency will continue to monitor these issues at the state and federal level. The ED will continue to monitor and receive reports on statewide committees working on alternative methods for managed care and service and payment methodology changes. The management team will take proactive action in moving the agency towards the indicated service system model prior to the actual implementation.

Item 11. Are the organization's policies and procedures regarding confidentiality of consumer and employee information consistent with federal and state laws and HIPAA.

a) Yes.

- The agency will monitor changes in HIPAA regulations and make adjustments as needed.
- All employees, board members and contractors sign a confidentiality agreement at hire and annually thereafter.

Item 12. Does the organization have sufficient hardware, software, peripherals and other technology to accomplish its mission and provide quality care?

- a) The organization has a technology plan in place that is reviewed annually to determine the sufficiency of our current technology in meeting program and consumer goals.
- b) Some aspects of the new State improvement initiative means that providers must have Tele-medicine capabilities. However, there is no funding source to assist the providers with the

networking systems. DDPA has formed a technology committee to work with DHS/DDS and to develop proposals for funding the initiative. There are many areas in rural Arkansas that do not currently have access to broadband internet services and unless the State develops its own infrastructure Southeast Ar may be left with the only option of subcontracting to provide services through another provider.

Item 13. Do any of the organization's policies and procedures have the potential to put the organization at risk and/or subject the organization to legal liability?

- a) Policies and procedures are reviewed annually and no unreasonable risks have been identified. Insurance coverage is in place to cover the staff and Board of Directors.
- b) ADF&HR will conduct on-going training to management staff in Federal/State employment laws and regulations, proper documentation of disciplinary actions and terminations.

Item 14. Describe any immediate action(s) that needs to be taken to ensure the long-term viability of the organization.

- a) It is imperative that the ED, the board, and other members of management stay at the forefront of trainings and legislative decisions. To be able to govern the changes in programming Advantages must have a capable team of individuals that can navigate change and know where to seek out assistance if needed.