

Governance & Leadership

Insights Exchanged. Insights Applied. Insights Leveraged.

Thursday 29th November from 10.15am to 11.05am

James A. Rice, Ph.D.

Managing Director, Governance and Leadership

Gallagher Integrated, Minnesota USA

jim_rice@ajg.com | Mobile: +1-612-703-4687



Insurance | Risk Management | Consulting



Background



James A. Rice, PhD, FACHE is the Managing Director & Practice Leader of the Governance & Leadership practice in a division of Gallagher Benefit Services, Inc. He focuses his consulting work on strategic governance structures and systems for high performing, tax-exempt organizations; visioning for health sector, credit union, and not-for-profit organizations; and leadership development for boards and executive teams.



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Dr. Rice has worked in over 34 countries and was recently Global Technical Lead for Governance in a large USAID funded project serving countries in Asia, Africa, and Latin America. Dr. Rice holds faculty positions at The Strathmore School of Business, Nairobi, Kenya; The Advance Institute for Health Services Management in Prague, the Czech Republic; The Judge School of Business, Cambridge University, Cambridge, England; and the Program in Health Administration at the University of Minnesota's School of Public Health. He has lectured at the Nelson Mandela School of Medicine in Durban, South Africa; The Thunderbird International School of Management in Arizona; Cornell University; The School of Public Health, University of California Berkeley, and Harvard University.

Governance & Leadership

This session highlights Challenges facing today's Board's and Executives related to risk awareness and strategies for risk mitigation.

Opportunity for interactive discussion among attendees.

Total Cost of Risk (TCOR)

Board and Executive Leaders Understand that ...

The TCOR is the cost of managing all risks and incurring losses.

Total cost of risk (TCOR) is the sum of all aspects of an organization's operations that relate to risk, including retained (uninsured) losses and related loss adjustment expenses, risk control costs, transfer costs, and administrative costs.

It is a growing threat to health system vitality!

But how to put that understanding into action?

Governing for Risk Awareness & Mitigation

Session Agenda:

1. What are the Risks?
2. How can Boards Become More Risk Aware?
3. What are Risk Mitigation Strategies?
4. How Can Boards Create Risk Averse Cultures?

What are the Risks

James A. Rice, Ph.D., FACHE
jim_rice@ajg.com



What are the risks? 5 Of 22 Strategic Risks ...

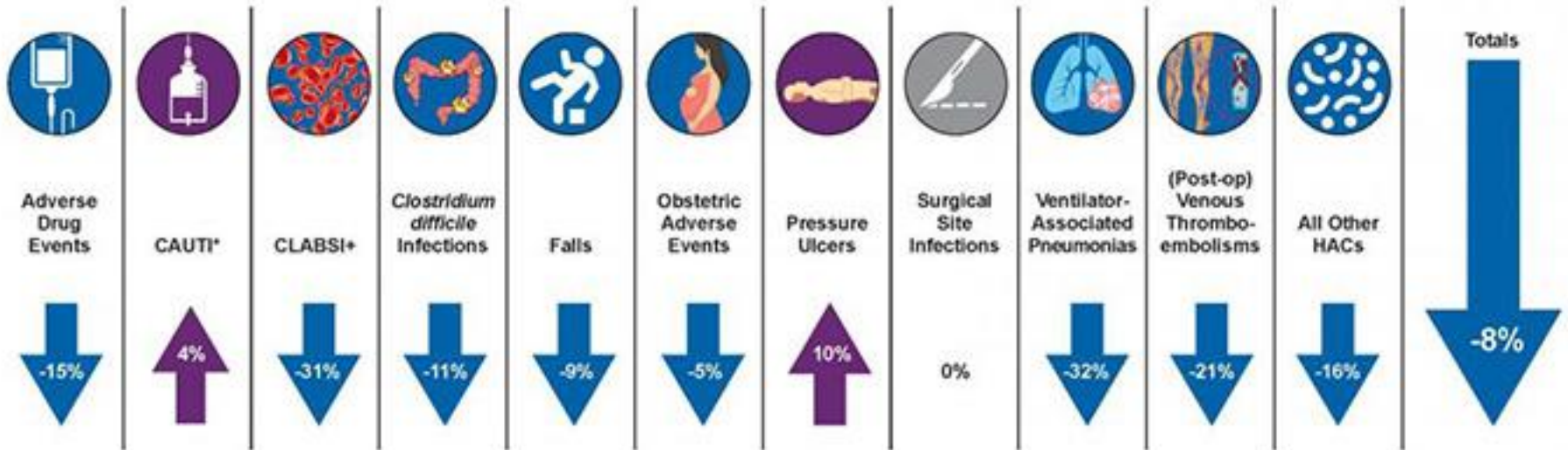
See worksheet of the 22

- 1. Cyber – privacy and security issues**
- 2. Reputational – beyond brand to volume, contracting, recruitment, philanthropy, political influence**
- 3. Employee engagement/satisfaction - happy employees less risk, more inoculation against risks**
- 4. Regulatory – RAC Audits. Corporate Integrity Agreements**
- 5. Crisis risk – Contingency Plans. Media Practice Scenarios**



Declines in Hospital-Acquired Conditions

National efforts to reduce hospital-acquired conditions such as adverse drug events and injuries from falls helped prevent 8,000 deaths and saved \$2.9 billion between 2014 and 2016.

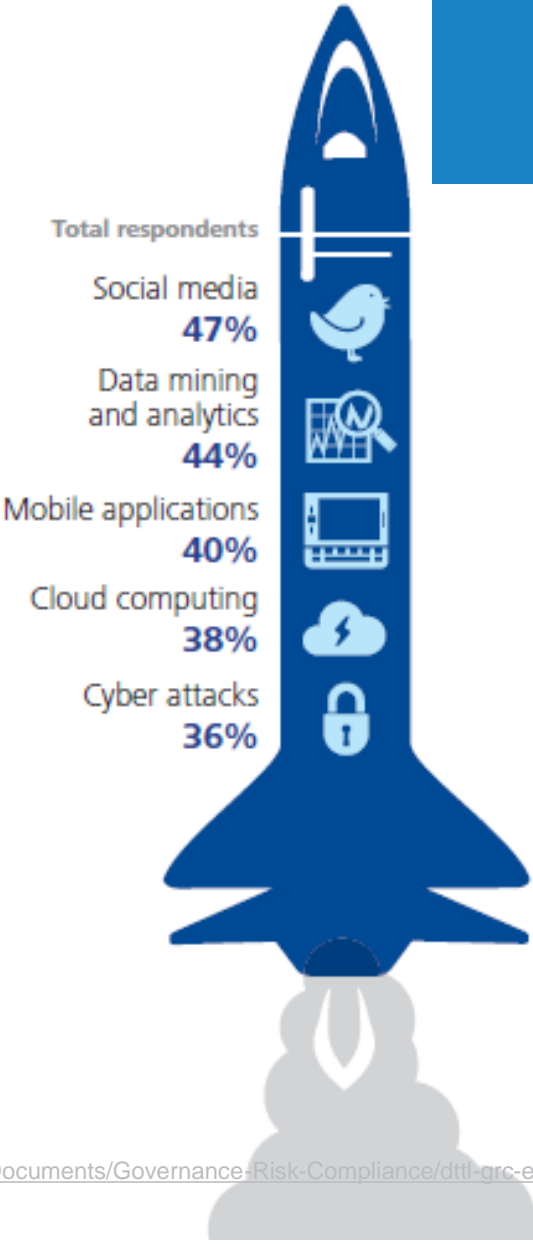


*CAUTI - Catheter-Associated Urinary Tract Infections
 +CLABSI - Central Line-Associated Bloodstream Infections



Growing Risks ...

- Our rush for...
MyCharts
- MyPhysicians
- MyEmployer
- MyHealth Plan



<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Governance-Risk-Compliance/dttl-grc-exploring-strategic-risk.pdf>

Global Concern: Strategic Risk Management

Americas



Good Enough?
What about Hospitals?



Europe/Middle East/Africa



49% | Not as well
51% | Well/Very well

Asia/Pacific



37% | Not as well
63% | Well/Very well

1-3 | Not as well 4-5 | Well/Very well

<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Governance-Risk-Compliance/dttl-grc-exploring-strategic-risk.pdf>

Boards Become More Risk Aware

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Boards Become More Risk Aware?

- 1. Strong networking with peers, This Forum and others.**
- 2. Internal Risk Managers: Hire smart, then engage and listen.**
- 3. External Advisors: Information helps the board stay on top of managing macro liability trends.**



Risk Mitigation Strategies

James A. Rice, Ph.D., FACHE
jim_rice@ajg.com



Risk Mitigation Strategies?

- 1. Understand TCOR. Discuss Annual Profile. Ask Questions**
- 2. Invest in Risk Avoidance Staff | Systems | Seminars**
- 3. Customize Risk Mitigation for Unavoidable Risks**

Boards and Risk Averse Cultures

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jim_rice@ajg.com



Boards and Risk Averse Cultures?

1. Culture Set at Top of Organization: Q Factor
2. Reinforced Daily: Briefings | Posters | Unit Plans
3. Risk Awareness Seminars | Webinars | CEO Notes
4. Risk Manager Reports | Infographics
5. Celebration of Progress to Plans

Thank you.

Questions-Comments?

Jim Rice

Managing Director Governance & Leadership

Jim_rice@ajg.com

Mobile 1-612-703-4687

