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BEST PRACTICES FOR MANAGING POLICIES AND PROCEDURES IN HEALTHCARE

INTRODUCTION

When asked about the critical components of an effective risk control process, most CEOs will cite a hospital's policies and procedures. Regulators and accrediting organizations such as the Joint Commission agree; and rely on a hospital's policies and procedures in their assessments. Most hospitals, therefore, dedicate significant resources to developing, updating and communicating policies and procedures to staff.

In many cases, the CEOs are, however, unaware of the extent of their hospital's resource investment in developing and updating policies and procedures. Why is this? Frequently responsibility for policies and procedures is absorbed by multiple resources having other unrelated responsibilities. The time dedicated to policies and procedures is usually not discretely tracked.

When staff is faced with multiple priorities, policies and procedures frequently become low priority activities. The hospital then lags in updating policies and procedures and becomes exposed to the risks of non-compliance with governing requirements. Joint Commission surveys become crises with staff scrambling to update policies and procedures and align practices with requirements.

This paper focuses on the practices best-in-class hospitals have adopted for effectively managing policies and procedures. These practices provide high value benefits to hospitals:

- Enable the hospital to be constantly ready for surveys and audit
- Reduce the risk of staff non-compliance with governing requirements leading to fines and potential reductions in revenue and loss of accreditation.
- Improve staff productivity

WHY HOSPITALS STRUGGLE WITH MANAGING POLICIES AND PROCEDURES

While there are a number of challenges most hospitals face in managing policies and procedures, the fragmented organizational structures found in many hospitals present the greatest challenge. Responsibility for managing hospital compliance tends to be distributed across several entities within the organization. The Compliance Officer generally focuses on OIG related requirements; another group handles compliance with Joint Commission standards and specific departments handle requirements, such as CMS, related to their functions (e.g. Medical Records).

These separate entities in many cases function as "silos" each with their own priorities and agendas. Integrating activities across a silo structure requires high levels of formal coordination and still results at best in numerous inefficiencies. In many hospitals, the silos tend to operate independently and coordination is informal.

With respect to policies and procedures, each silo may have its own standard documentation template; publishing and communication tools or practices and schedules for updates. In a silo structure, policies and procedures are also frequently redundant.

Opportunities derived from implementing web-based systems for managing policies and procedures are either missed or not fully exploited. The investment in a system makes most sense if the system is implemented across the hospital. This generally requires the buy-in of stakeholders across the silos which may be difficult to achieve given diverse agendas. If one of the silos adopts a system, in many cases it will not be utilized by other silos because of the limited nature of information sharing and/or independent operating styles. The CIO, with a good grasp on needs across the hospital, may have either developed or purchased a system and find that the IT Department has become the owner and primary user of the system.

BEST IN CLASS HOSPITAL CEOS ADOPT A STRATEGIC APPROACH TO MANAGING POLICIES AND PROCEDURES

The best in class hospitals understand the strategic criticality of managing policies and procedures. Compliance with regulations and Joint Commission standards is viewed as a business imperative by the CEO and other C level executives. Staff productivity is treated as a critical success factor.

Understanding the business criticality of compliance and the importance of efficiency, the best in class ask “How can we manage compliance efficiently?” The best in class drive the goal of managing compliance efficiently throughout the hospital by ensuring that departmental goals are aligned with the hospital’s goals. Managers’ plans incorporate compliance related goals, including goals for ensuring that policies and procedures are complete and current.

Managers are rewarded for improving and streamlining staff compliance with policies and procedures. Managers who expose the hospital to the risk of non-compliance are warned and ultimately dismissed. Measurement and reporting processes and systems support the goal of ensuring that compliance is streamlined and improved.

BEST IN CLASS ORGANIZATIONAL STRUCTURES SUPPORT STRATEGIES FOR FACILITATING STAFF COMPLIANCE WITH POLICIES AND PROCEDURES

While the best in class organizational structure may not be silo-free, these hospitals have designed structures and mechanisms to facilitate coordination across departments. Examples of structures include:

1. **Committees:** Committees can be effective if they have been empowered. Empowered committees have clear missions, resources, and report to the CEO. Their members are viewed as powerful and resourceful. An empowered Compliance or Policies and Procedures Committee can design processes and mechanisms and select systems for streamlining the management of policies and procedures across the hospital.
2. **Dual reporting structures:** Dual reporting structures or matrices are powerful structures for facilitating the management of competing priorities. The Head of Medical Records might report into the Chief Operating Officer (COO) administratively and to the Chief Compliance Officer (CCO) for compliance with Joint Commission standards. Key to the success of dual reporting structures is participation by both the COO and the CCO in performance assessment of the Head of Medical Records.
3. **Process Owners:** Another structure is a combination of the Committee and the dual reporting structure. Its success is also dependent on how it is resourced. A recognized subject matter expert is assigned as the “process owner” for managing policies and procedures but may also have other responsibilities. As the name implies the “process owner” is responsible for the process of facilitating the development, updating and communication of policies and procedures. The actual development and updating of the hospital’s policies and procedures is performed by the stakeholders within the line department. Similar to the Committee, this structure will be successful if it is resourced appropriately and reports into the CEO level.
4. **Staff Function:** A fourth possibility is to house the responsibility with a dedicated staff function. The group would work across the hospital to set documentation

standards; and design processes and manage systems for managing policies and procedures. The group might also support line departments with writing and updating policies and procedures. Of all the structures, this is the simplest and probably easiest to manage but does require dedicated expert resources.

BEST IN CLASS HOSPITALS ENSURE STAFF HAVE THE REQUISITE SKILLS TO EFFICIENTLY DEVELOP AND MANAGE POLICIES AND PROCEDURES

Whether the approach to managing policies and procedures relies on dedicated staff or staff tasked with diverse responsibilities, the best in class hospitals ensure that staff has the requisite capabilities to efficiently manage policies and procedures. Managing policies and procedures effectively requires a diverse set of capabilities beyond writing skills. Standardizing and organizing policies and procedures efficiently across a hospital require a process orientation; a design capability and good communications skills.

Staff will need the capabilities to:

1. Design a system of policies and procedures which:
 - o Is organized to minimize inefficiencies
 - o Standardizes the presentation of policies and procedures
 - o Is easy to maintain
2. Develop and implement a standardized process for developing and updating policies and procedures including completely and accurately sourcing the latest regulatory requirements.
3. Document policies and procedures including:
 - o Collecting data via research, interviews and/or observations
 - o Drafting policies and procedures which are easy to understand and unambiguous
 - o Verifying the completeness, accuracy and clarity of policies and procedures
4. Develop, implement and maintain communication processes and systems for policies and procedures:
 - o Set up and maintain processes and systems for the timely updating (change management) of policies and procedures

Depending on the availability of these capabilities within the hospital and timetables, the capabilities may be developed via training or staffing additions; or obtained via consulting services. If using consultants makes the most sense, it's best to verify that the consulting firm is recognized for its capability in developing policies and procedures manuals. If the firm does not have a methodology, time and resources will be wasted while they develop an approach. The firm should be able to provide an overview of their methodology; a plan based on the hospital's specific situation and a timetable

BEST IN CLASS HOSPITALS INVEST IN TECHNOLOGY TO FACILITATE COMMUNICATION AND UPDATING OF POLICIES AND PROCEDURES

Technology significantly streamlines the management of policies and procedures. Systems, generally web-based, facilitate access by staff to policies and procedures. While some hospitals have developed in-house systems, commercial systems simplify maintenance; and, if hosted, eliminate the need for support by internal IT resources.

Most systems provide controlled environments for updating and distributing policies and procedures. Other features include audit trails of changes and links to regulatory requirements and standards. If the system is user-friendly, the IT Department no longer needs to be involved in updates – non-technical staff can handle all updates. This favorably impacts both the speed of updates and staff productivity.

For hospital staff without dedicated workstations, best in class hospitals provide shared workstations in workspaces or communal areas such as lounges; meeting rooms; and/or cafeterias. In addition to facilitating staff access to the policy and/or procedure, the system may track staff affirmations of a policy/procedure. For new policies and procedures or updates, affirmations provide evidence that each staff member has been notified of a requirement.

Policies and procedures systems additionally facilitate audits and regulatory surveys/examinations. Auditing and regulatory staff can easily access policies and procedures and view changes made since their last visit.

CONCLUSION

Being in a state of constant readiness for surveys and audits is becoming a business imperative for many hospitals. Best in class hospitals appreciate the role which policies and procedures play in achieving this goal. While policies and procedures can be time consuming to develop and maintain, the best in class have adopted a strategic approach to minimize inefficiencies.

Best in class hospitals focus on aligning their Strategy for efficiently managing policies and procedures with supporting Structures, Skills and Systems:

- Incorporating the efficient management of policies and procedures into the hospital's compliance related goals and holding managers accountable for achieving goals
- Implementing structures for facilitating coordination across policy setting departments
- Acquiring the diverse skill sets required for implementing and maintaining policies and procedures efficiently
- Investing in systems to accelerate updates and facilitate staff compliance with policies and procedures

For questions and comments on this White Paper, please email Juliet Kontaxis at j_kontaxis@btiworld.com.