

HEALTH CARE PROTECTION PROGRAM

Program Overview and Risk Based Decision Making

BC Association of Health Care Auxiliaries

GET YOUR HOUSE IN ORDER

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Ministry of
Finance



Introductions

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Agenda

Part 1: Health Care Protection Program (HCPP)

- History
- The HCPP Team
- Core Services
- Coverage Summary
- Frequently Asked Questions (FAQ's)



Agenda - *Continued*

Part 2: Risk Based Decision Making

- What is a risk-based approach?
- Risk Management Process
- Example



HCPP Background

- 1986: Liability insurance crisis for BC hospitals
- Self-insurance program created –first called the Hospital Protection Program
- 1998: Coverage expanded to include broader group of health care agencies – name changed to Health Care Protection Program (HCPP)
- 2012: Independently incorporated health care auxiliaries become eligible for HCPP



Risk Management Branch

- Housed within Ministry of Finance, BC Government
- Manage risk financing programs - similar to insurance companies in providing coverage, advisory and claims services.
- Creation of insurance programs such as:
 - Health Care Protection Program
 - Midwives Protection Program
 - Schools Protection Program
 - University, College and Institute Protection Program
- Ministry of Health funds HCPP



The HCPP Team

- Directors (HCPP and Claims)
- Risk Management Consultants
- Senior Claims Examiners/Legal Counsel
- Claims Examiners
- Central Services Administrative Support



HCPP Core Services

- **Administration of HCPP**
 - Coverage agreements
 - Claims and litigation management
- **Insurance Consulting Services**
- **Risk Management Advisory Services**
- **Education**



COVERAGE PROVIDED

A brief overview of:

- Who is covered?
- What is covered?



Auxiliaries – Who Is Covered?

- As of July 1, 2012 independently incorporated auxiliary organizations became eligible for HCPP coverage
- List of covered auxiliaries is posted on the BCAHCA member facing website (or contact the BCAHCA Representative)
- Coverage is also extended to other parties related to the auxiliary (more on this later)
- Auxiliaries that don't support an organization covered by HCPP are NOT ELIGIBLE



What coverage is provided?

The Health Care Protection Program Provides three types of coverage:

- **Liability**
- **Crime**
- **Directors' and Officers' Liability**





HCPP Liability Coverage

Who is covered?

- The auxiliary itself, as well as its employees, volunteers (whether members or not), directors' and officers' while performing their duties for the auxiliary.

What types of claims are covered?

- Cost to defend and settle **third party** claims for **Personal Injury or Property Damage** which arise from an auxiliary's operations.
- Includes activities occurring away from site (e.g. events, space rental, etc.)



HCPP Liability- *Continued*

Extensions include:

- **Employees, volunteers, directors and officers included as additional interests**
- **Voluntary Compensation for Volunteer Workers**
 - Limited compensation for volunteers injured while performing their volunteer duties
- **Excess/ Non-Owned Automobile Liability**
 - Additional liability coverage for vehicles not owned by the auxiliary but being used to do auxiliary business.

What about the deductible?

- Claims for bodily injury - no deductible
- Claims for damage to property owned by others - \$1,000



HCPP Crime Coverage

Who is covered?

- Auxiliaries on HCPP "Schedule A"

What is covered?

- Employee Dishonesty
- Money and Securities
 - Loss Inside/ Outside the Premise
- Other fraud related coverages

What is the deductible?

- \$500



HCPP Directors' and Officers' Liability

Who is covered?

- Directors and Officers of an auxiliary enrolled with HCPP

What is covered?

- Losses arising from a Wrongful Act (a breach of duty while acting in good faith in their role)
- Defense costs

What is the deductible?

- No deductible



Is Property Covered?

- No – Only the 3 types of coverage discussed are provided.
- Coverage for loss or damage to an auxiliary's inventory, equipment, fixtures or other property needs to be **obtained through a commercial insurance broker.**
- A commercial insurance broker may also recommend other coverages.



Auxiliary Obligations

- Timely reporting of all claims
- Cooperation with Claims staff
- Reporting forms are found on HCPP website



When to report a Claim

As soon as you have information that may result in a claim, report to HCPP Claims

Examples:

- Any incident involving an injury and/or 3rd party property damage – report as soon as possible or as soon as known;
- A phone call, letter, or other form of communication from another party threatening legal action or requesting compensation;
- Legal documents such as a Notice of Claim (small claims court), Notice of Civil Claim (BC Supreme Court), or a Human Rights complaint;
- Loss of money or securities by theft, burglary, forgery, destruction etc.



Frequently Asked Questions

Who is the main point of contact for auxiliaries?

- BC Association of Health Care Auxiliaries

How do I know if I'm covered under HCPP?

- Check the HCPP "Schedule A" on BCAHCA website



Frequently Asked Questions

What information is required for an auxiliary to enrol in the HCPP Program?

- Full legal name and independent incorporation number of the auxiliary under the BC Societies Act;
- Not required to be a member of BCAHCA but must be recognized by and support a Health Care Agency covered by HCPP



Questions?



Risk Based Decision Making

What is a Risk-Based Approach to Decisions?

- **Thoughtful consideration of risks involved**
- **Eyes wide open**
- **Risks vs Reward**
 - Pros and cons are weighed
- **Decisions are better when they are:**
 - Informed, transparent, and supported.
- **Document the process**

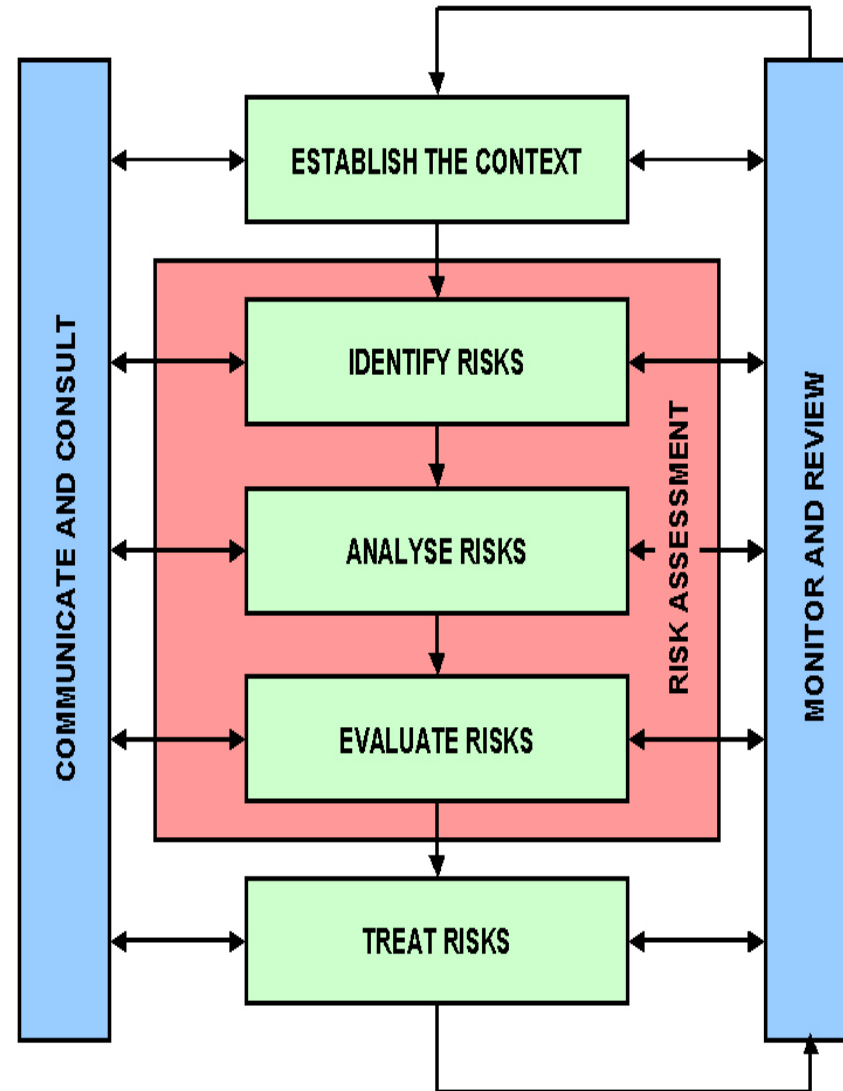


Sample Risk Register

#	Risk Category	Description of Risk	Causes - What might cause this risk to happen?	Impact - If this risk happens, what will the impact be on objectives?	Existing Controls - Are you doing anything now to mitigate the risk?	L 1-5	C 1-5	Inherent Risk Rating	Risk Tolerance monitor only; treat; avoid	Mitigation Strategy - Is there anything more you could be doing?	L 1-5	C 1-5	Residual Risk Rating	Who - Individual or group to manage	When - Milestone / reporting
1		staffing shortage	budget doesn't allow enough funding to hire staff quit or retire shifting demographics - more individuals needing care but less incoming workers to provide care	suboptimal care delivery staff burnout reduced # of beds available - insufficient capacity to meet demands potential media attention	lobbying Province for more funding recruitment / retention plan underway	4	4	HIGH	Treat	implement recruitment/retention plan, including: participate in hiring fairs affiliate with Colleges to collaborate on training programs for new staff work with staff to create better workplace environment	3	3	MEDIUM	Strategic HR	Plan complete by end of quarter
2								LOW					LOW		
3								LOW					LOW		
4								LOW					LOW		
5								LOW					LOW		
6								LOW					LOW		
7			SAMPLE ONLY - this document is intended for discussion purposes only and is not indicative of actual risk					LOW					LOW		
8								LOW					LOW		
9								LOW					LOW		
10															
11															



The Risk Management Process



The Risk Management Process

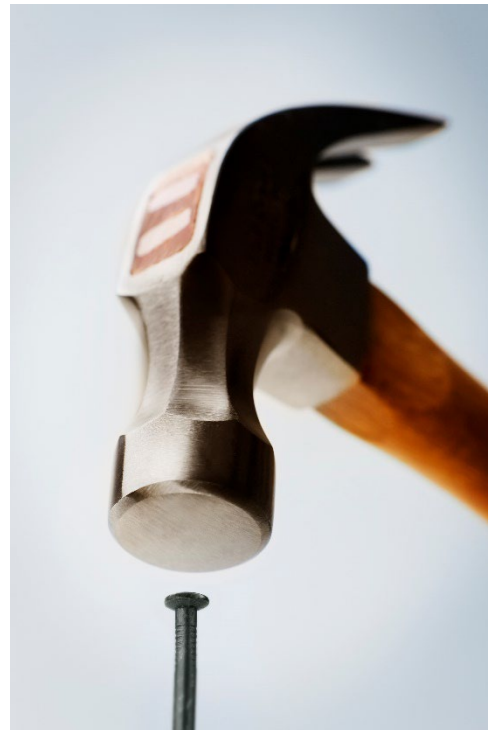
- 1. Context**
- 2. Identify Risks**
- 3. Analyze Risks**
- 4. Evaluate Risks**
- 5. Treat Risks**
- 6. Monitor & Revise**



Using the Risk Assessment Process

Scenario:

Skilled work performed by a Volunteer



Skilled Work Performed by Volunteer

- An auxiliary discovers a water leak in the ceiling of their local thrift shop. It is determined that water is coming in through the roof and repairs are required.
- An auxiliary Volunteer offers to repair the roof.
- Volunteer is a former roofer, now retired.
- Volunteer has offered to do the work free of charge.
- The auxiliary will provide the materials and equipment.



Example: Skilled work performed by a Volunteer

**Is it okay to accept the
Volunteer's offer to do the
roof repair?**



CONTEXT

- **What are you trying to achieve? Why?**
- **Is it something that must or should happen?**
(e.g. mandate, legal requirement, safety issue, good idea). What happens if it is not done?
- **Does it align with organizational objectives?**
(e.g. operational efficiency, legal or regulatory compliance, manageable uncertainty)



CONTEXT

Example: Skilled work performed by a Volunteer

What?

- Repairs to the roof

Why?

- Roof damaged allowing the ingress of water, building interior and contents are becoming wet
- Volunteer will reduce costs

Alignment?

- Mandate/Mission; Operational efficiency; safety; legal compliance, etc.



IDENTIFY RISKS

- **What could go wrong?**
- **Why?**
- **So What?**
- **Are you doing anything about it?**



IDENTIFY RISKS

Example: Skilled work performed by a Volunteer

RISK EVENT What could go wrong?	RISK CAUSE Why would the risk event happen?	RISK IMPACT What is the impact if the risk event happens?	EXISTING MITIGATIONS Are you doing anything to reduce the likelihood/impact?
Roof repairs fail	<ul style="list-style-type: none">• wrong materials for the repair• Volunteer did not completely seal the roof or forgot a step in the repair process	<ul style="list-style-type: none">• water continues to enter causing damage to roof, building & contents• Ceiling could collapse (damage or injury to people)• \$\$\$	<ul style="list-style-type: none">• Experienced with good reputation• insurance (HCPP for liability if injury; commercial property policy purchased from broker)
Volunteer is injured	<ul style="list-style-type: none">• Fall off the roof or ladder• Injury using tools/equipment• Exposure to severe heat or cold	<ul style="list-style-type: none">• Severe injury or death• Could take legal action against auxiliary• \$\$\$	<ul style="list-style-type: none">• Safety equipment is on hand• Experienced roofer• Plan to cease work for extreme weather• HCPP Liability (Voluntary Compensation; CGL)

ANALYZE RISKS

Considering the Existing Mitigations:

- How **likely** is the risk to occur?
- How **severe** is the **impact** if it does?



ANALYZE RISKS

Example: Skilled work performed by a Volunteer

RISK EVENT What could go wrong?	EXISTING MITIGATIONS Are you doing anything to reduce the likelihood or impact?	LIKELIHOOD What is the chance of this happening?	IMPACT How bad would it be if this happens?
Roof repairs fail	<ul style="list-style-type: none">• Experienced roofer with good reputation• Insurance Coverage (HCPP Liability or separate Property)	LOW <ul style="list-style-type: none">• Volunteer experienced professional roofer & held a good reputation	MINOR <ul style="list-style-type: none">• HCPP coverage for any injury to third parties• Separate property coverage for auxiliary
Volunteer is injured	<ul style="list-style-type: none">• Safety Equipment• Experience with tools/equipment• Cease work for extreme weather• HCPP Liability	PROBABLE <ul style="list-style-type: none">• Potential unfamiliarity with safety equipment and no formal plan to use it	MAJOR <ul style="list-style-type: none">• Costs could be substantial• Media attention• Impact to reputation

EVALUATE RISKS

Considering the combined effect of likelihood and impact of identified risks:

- Does it make sense to proceed?
- Is there more you could or should be doing to reduce the likelihood or impact?



EVALUATE RISKS

Example: Skilled work performed by a Volunteer

LIKELIHOOD What is the chance of this happening?	IMPACT How bad would it be if this happens?	EVALUATION/ DECISION
<i>Repair Fails</i> LOW <ul style="list-style-type: none">• Volunteer is experienced, former professional roofer with a good reputation	MINOR <ul style="list-style-type: none">• HCPP coverage for any injuries to third parties• Separate property coverage for auxiliary's building & contents	TREAT LIKELIHOOD Although assessed low/minor risk, but would like to avoid using insurance. FURTHER MITIGATION: Plan to have roof inspected & walls moisture tested after repairs
<i>Volunteer Injury</i> PROBABLE <ul style="list-style-type: none">• Potential unfamiliarity with safety equipment and no formal plan to use it	MAJOR <ul style="list-style-type: none">• Costs could be substantial (No WorkSafe)• Media attention• Reputation damaged	TREAT LIKELIHOOD Assessed as Probable/Major FURTHER MITIGATION: Develop safety plan with Volunteer and mandatory use of safety equipment. (Refer to WorkSafe for safety standards)

Consider Further RISK CONTROLS

- Could or should you be doing more to control the risks?
- How much will the controls cost to put in place?
- How much time will it take to implement?
- How much will the controls reduce the likelihood or the impact of the risk?
- Does it make sense to implement these risk controls?



RISK CONTROLS

Example: Skilled work performed by a Volunteer

Risk Control: Have the roof repair inspected and moisture testing done in the ceiling

- Delay in coordinating the inspection and testing
- When to order the inspection and testing.
- Expense – fees for the inspection and testing



RISK CONTROLS

Example: Skilled work performed by a Volunteer

RISK CONTROL OPTION –inspection of the roof and moisture testing for the building interior

DECISION –proceed in absence of an inspection or moisture test

RATIONALE –Additional cost could create operational inefficiency and results are dependent on many variables.



RE-EVALUATE RISKS

If additional Risk Controls are implemented (or if they are rejected):

- Are you now comfortable accepting the risks?
- Does it now make sense to proceed?
- Must or should you proceed even if it's risky?
- Should someone else make that decision?
- More fulsome consultation & formal risk assessment workshop?



RE-EVALUATE RISKS

Example: Skilled work performed by a Volunteer

- Further risk control option rejected
- Impact minor (insurance in place)
- Does not make sense to abandon plan for the Volunteer to repair the roof

DECISION: PROCEED WITH PLAN

(Accept residual risk following re-evaluation)



MONITOR & REVISE

- Was the intended outcome achieved?
- Are the existing mitigations and risk controls working?
- Is revision needed?



DOCUMENT THE RISKS

Capture the risk assessment that informed the final decision:

- Matrix / Chart
- Formal Risk Register
- Narrative



DOCUMENTATION –RISK MATRIX (Register)

Example: Skilled work performed by a Volunteer

RISK EVENT What could go wrong?	RISK CAUSE Why would the risk event happen?	RISK IMPACT What is the impact on objectives if the risk event happens?	EXISTING MITIGATIONS Are you doing anything to reduce the likelihood or impact?	LIKELIHOOD How likely is the risk event to happen?	IMPACT How bad would the impact be?	EVALUATION What is your tolerance for this risk event? Are existing mitigations adequate?	DECISION Proceed "as is" or... What more could you do to reduce likelihood or impact?
Roof repairs fail	<ul style="list-style-type: none"> wrong materials for the repair Roof not completely sealed; forgot a step in the repair process 	<ul style="list-style-type: none"> water continues to enter causing damage to roof & building Ceiling collapse (damage or injury to people) \$\$\$ 	<ul style="list-style-type: none"> Insurance Coverage (HCPP for Liability; Separate property policy for building & contents) 	Low	Minor	Accept	Proceed
Volunteer is injured	<ul style="list-style-type: none"> Fall from the roof or ladder Injured using tools/ equipment Exposure to severe heat or cold 	<ul style="list-style-type: none"> Severe injury or death loss of use of hand, foot, etc. Heat stroke or frost bite/ hypothermia \$\$\$ 	<ul style="list-style-type: none"> safety equipment Experienced with tools & type of work Cease work for extreme weather HCPP Liability 	Probable	Minor – Major	Treat & Accept	Proceed but implement safety plan & mandate use of safety equipment

DOCUMENTATION – Q & A FORMAT

Example: Skilled work performed by Volunteer

What could go wrong?

- Roof repair fails & potential for 3rd party injury
- Volunteer is injured

Why?

- Incorrect materials or improper execution of repairs
- Failure to follow safety plan/ use safety equipment

What is the impact if this happens?

- Further damage to property
- Injury to Volunteer or 3rd party (legal action)
- Potential media attention & damage to reputation



DOCUMENTATION -NARRATIVE FORMAT

Example: Skilled work performed by a volunteer

Risks with having skilled work performed by a volunteer are:

Roof repairs are incorrect or fail due to improper building materials or failure to properly seal the roof resulting in continued water egress, damage to building and contents, injury to volunteer workforce and/or third parties, and media attention. We thought about what was being done already to reduce the risks including.....



Questions?



Thank you



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