



## A Collaborative Process: Proactive Risk Identification and Management

CHART Institute's goal is to establish an ongoing partnership with your hospital team by proactively identifying risk and supporting the implementation of sustained process improvements designed to minimize patient harm and reduce organizational professional liability exposures.

Through the Proactive Claims Analysis process, CHART Institute will annually review claims data and identify outliers to determine which cases require further analysis. Predetermined frequency, severity, frequency of severity, and loss-ratio thresholds will be used to proactively identify CHART Members with potential opportunities for improvement in claims management and risk mitigation strategies. When established thresholds are triggered, the member will be notified. CHART Institute will collaborate with the member to analyze available information and determine the appropriate method for conducting the detailed analysis. After completion of the detailed analysis, an Institute member will provide a summary report with recommendations for risk mitigation and process improvement strategies including resources and tools for successful implementation. Upon issuance of the report, an Institute team member will collaborate with the hospital team member to ensure the successful implementation and sustainability of the risk mitigation and improvement strategies, develop appropriate performance metrics and establish scheduled, ongoing review and oversight of performance metrics.

### Metrics and Thresholds

- **Case Frequency Threshold:** Measured as a rate of Hospital Professional Liability (HPL) Cases per 100 Occupied Bed Equivalents (OBEs). Calculated as 3 standard deviations above the CHART mean.
- **Case Severity Threshold:** Measured as the average loss per claim, including indemnity and expenses, during a set timeframe. Calculated as 3 standard deviations above the CHART mean.
- **Frequency of Severity Threshold:** Measured as any CHART Member with 4 or more cases before the CHART Claims Committee in a calendar year. Calculated annually.
- **Loss Ratio Threshold:** Measured as incurred losses per professional liability premium for hospitals and providers throughout a 7-year period. Calculated as greater than or equal to 0.80.