



Risk Management Annual Report

Fiscal Year Ending June 30, 2023

Legal Department
July 2023



EXECUTIVE SUMMARY

This report provides a summary of the Southern Nevada Health District's Risk Management activity for Fiscal Year 2023. As part of Risk Management's strategy of developing a risk management culture, this report will be presented to the Health District's Leadership team.

Risk Management continues to analyze current insurance market trends. Risk Management will continue working closely with our insurance broker to aggressively pursue reasonable insurance coverages to protect the Health District.

RISK MANAGEMENT STRUCTURE AND GOALS

RISK MANAGEMENT

Risk Management is the process of identifying risks, assessing the likelihood and impact of their occurrence, and determining the most effective means of managing them or reducing them to an acceptable level. The aim is to reduce the frequency of risk events occurring and minimize the severity of their consequences if they do occur. The goal is to reach an optimal balance of risk, benefit, and cost while achieving business objectives. The Health District's Risk Management Program seeks to achieve this goal by being a resource to Health District programs and divisions in the areas of risk and claims management concepts, consulting, and education. Good risk management also ensures the Health District is in a stronger position to minimize financial losses, service disruption, bad publicity, threats to public health, and compensation claims.

Risk Management manages the Health District commercial liability programs. As program administrator, the Risk Manager manages demands and lawsuits of professional and general liability claims against the Health District and its employees. Although there is no direct financial implication, the mitigation of risk is a key element of good financial stewardship.

While Risk Management purchases the Health District's Employment Practices insurance and gets involved in strategic and any settlement discussions, the Human Resources department oversees, those claims.

Primary Risk Management activities include:

- ✓ Investigation, management, and disposition of professional liability claims and lawsuits
- ✓ Investigation, management, and disposition of general liability claims and lawsuits
- ✓ Risk education
- ✓ Risk assessment and loss control
- ✓ Commercial insurance purchasing
- ✓ Risk monitoring and reporting

FISCAL YEAR 2023 RESULTS

INSURANCE POLICIES

The Health District maintains insurance coverage for exposure to a variety of potential claims. The primary coverages include:

- Professional Liability (Medical Malpractice)
- General Liability
- Employment Practices (EPL) (includes Directors & Officers)
- Automobile
- Property
- Cyber Risk & Privacy
- Workers' Compensation
- Environmental Liability

For the General Liability coverage period (7/1/2022-07/01/2023) and the Professional Liability Coverage period (8/1/2022-8/1/2023), the Health District's insurance policies are as follows:

Coverage	Policy Period	Limits	Retention
Professional Liability	08/01/2022 – 08/01/2023	\$1M/\$3M	\$50K
General Liability	07/01/2022 – 07/01/2023	\$10M	\$50K
Employment Practices	07/01/2022 – 07/01/2023	\$10,000	\$50K
Automobile	07/01/2022 – 07/01/2023	\$1M	\$50K
Property	07/01/2022 – 07/01/2023	\$300M	\$50K
Cyber Risk Privacy	07/01/2022 – 07/01/2023	\$3M	None
Workers' Compensation	07/01/2022– 07/01/2023	Statutory/\$2M	None
Environmental Liability	07/01/2022 – 07/01/2023	\$2M	\$25K

COST OF RISK

The Cost of Risk compares the Health District’s risk management program expenditures to the Health District’s fiscal year operating expenses. The Cost of Risk includes any paid claims (amounts paid in the fiscal year without regard to the year the claims arose), insurance premiums, and operational and administrative expenses. The Cost of Risk is outlined in the table below.

COST OF RISK DETAIL

	FY20	FY21	FY22	FY23
PREMIUMS & EXPENSES				
Professional Liability Insurance	\$75,735.00	\$96,000.00	\$81,021.22	\$75,847
General Liability Insurance	\$326,681.69	\$330,171.64	\$386,461.71	\$431,147.68
<i>Employment Practices</i>				
<i>Property Insurance</i>				
<i>Auto Insurance</i>				
<i>Cyber Risk/Privacy</i>				
Workers’ Compensation	\$279,895.00	\$816,812.00	\$410,863.00	\$493,366.00
Subtotal	\$682,311.69	\$1,242,983.64	\$878,345.93	\$1,000,360.68
CLAIMS ADMINISTRATION				
Expenses–Outside Counsel	\$56,073.00	\$252,828.73	\$120,870.58	\$20,007.86
Maintenance Deductible	\$76,068.37	\$22,665.50	\$36,870.20	0
Subtotal	\$132,141.37	\$275,494.23	\$157,740.78	\$20,007.86
Total	\$814,453.06	\$1,518,477.87	\$1,036,086.71	\$1,020,368.54
COST OF RISK				
Total Health District Operating Expenses	\$ 90,655,702	\$123,802,958	\$147,986,384	\$124,913,443
Cost of Risk (as % of Health District Operating Expenses)	.9%	1.2%	.7%	.8%

Cost of risk remains low to the Health District. While we saw an increase to general liability coverage due to several factors, including additional property coverage and increase in staff on payroll, some of the factors were outside of our control, such as overall increase to the PACT members. Additional FTEs also account for the higher cost in Workers’ Compensation costs. The Legal Department has continued to work to keep outside counsel costs low, which is demonstrated in the trend.

INCIDENT REPORTS

An important element of the Risk Management program is the identification, reporting, and analysis of incidents that occur on Health District property. A reportable incident includes any occurrence that is inconsistent with routine Health District operations. Reporting and reviewing these events is a critical part of quality assurance, quality improvement, and risk mitigation. Health District leadership encourages staff to report any incident or opportunity for improvement.

It should be noted that there was a 57% increase overall in incident reports; however, it is more likely due to better reporting systems and the increase in the use of security assistance in calling “Dr. Bluebird.” When a patient, client, or member of the public is in our buildings at Decatur or Fremont and they experience a medical event, staff utilize the intercom system to call “Dr. Bluebird.” This is a request for the designated medical response team and security personnel to respond to the stated location. The incident report from security does not have protected health information and is limited to their involvement in the response. Routinely, security personnel provide escort for emergency medical services in and out of the building. Additionally, they are present for the safety of our staff.

Clinical occurrences, including medical responses to “Dr. Bluebird,” are analyzed separately by Quality Management Coordinator to identify the basic or causal factors underlying the incident and potential improvement in processes or systems to reduce the likelihood of future incidents.

FACILITY INCIDENT SUMMARY

In Fiscal Year 2023 (7/1/2022-6/30/2023), 94 incident reports were filed.

FY23 Incident Report Summary

1-Bluebird	2-Security	3-Injury	4-Theft	5-Property Damage	6-MVA	7-Misc
39	15	3	11	17	4	5

In Fiscal Year 2022 (7/1/2021-6/30/2022), 54 incident reports were filed.

FY22 Incident Report Summary

1-Bluebird	2-Security	3-Injury	4-Theft	5-Property Damage	6-MVA	7-Misc	Multiple Types
4	17	2	2	13	4	12	5

In Fiscal Year 2021 (7/1/2020-6/30/2021), 20 incident reports were filed. We attribute this low rate to the COVID-19 response and the limited services that were offered in our buildings.

FY21 Incident Report Summary

1-Bluebird	2-Security	3-Injury	4-Theft	5-Property Damage	6-MVA	7-Misc	Multiple Types
1	7	0	0	8	3	1	0

In Fiscal Year 2020 (7/1/2019-6/30/2020), 50 incident reports were filed.

FY20 Incident Report Summary

1-Bluebird	2-Security	3-Injury	4-Theft	5-Property Damage	6-MVA	7-Misc	Multiple Types
15	7	1	8	3	8	8	9