

pharmacists mutual companies **risk management**

New name, new look, same focus

Mike Warren, Risk Manager, Pharmacists Mutual Insurance Company

Risk Management in Pharmacy has a new name: *Pharmacists Mutual Companies Risk Management*. Why the change? Over the years, we've grown from a company insuring community pharmacies in the Midwest to a national leader providing insurance products for pharmacies, home health care, home medical equipment, gift and card stores and other related organizations.

In addition to providing a history of Pharmacists Mutual, our first issue of *Risk Management in Pharmacy*, which debuted in the summer of 1992, included articles on the need for risk management in pharmacy, the importance of documentation, and a piece on slips and falls. Some things never change. It's as important as ever to apply risk management practices and, as pointed out in our first issue, to document what you do. And yes, slips and falls are still a challenge we continue to deal with, and one of the topics included in this issue.

While the name has changed, the focus has not. Risk is a part of life and business. Companies that effectively manage risk are healthier, more stable and

more competitive. We help customers achieve financial peace of mind by providing a wide variety of insurance products that protect an organization from catastrophic damage and provide an opportunity to survive and continue operations. Recognizing that even the best insurance products won't eliminate business disruption and other costs, and that causes of loss left unchecked can result in a significant impact to the bottom line, we also help our customers identify, assess and prioritize risk. Where risk exists, we provide advice to prevent loss or minimize the cost of losses that do occur.

We're interested in hearing from you about the new newsletter format and topics you would like to see addressed in future issues. We're always here to answer your questions about risk management concerns you may have. Call 800.247.5930 ext. 7229 or e-mail loss.control@phmic.com



Are you unknowingly at risk for a major HIPAA violation?

Complying with HIPAA has a lot to do with protecting personal information - securing files, shredding documents, even using care when discussing personal health information. Living in the computer age presents challenges - among these the automatic storing of everything printed on digital photocopiers.

What's the danger? While someone could, theoretically, steal the copier, the more probable danger is when you decide to sell the machine. All the information you've run through the copier can be retrieved from the machine. Imagine the headlines "Thousands of personal patient records containing health history, social security numbers and credit card information were found after an identity theft sting by police. The information was tracked to XYZ Care."

Manufacturers (such as Konica Minolta and Xerox) have installed safeguards on newer products that work by

overwriting data, erasing information, password protecting access to the hard drive and providing different means of copy protection. When you purchase a new copier, make sure that protective features are installed to guard against the loss of personal information.

When disposing of or selling your old copier, you also need to use caution. Due to the wide variety of copier manufacturers, models and ages of copiers, our best advice is to contact the manufacturer before selling your used copier to inquire about safeguards or how the data can be removed.

What about using a commercial office center for copying sensitive information? The best advice is to find out if protection features are installed. FedEx Office requires that these safeguards be installed on all copiers they use, as does Staples (we did not receive a response from OfficeMax or Office Depot to our inquiries).

Storefront Hazards: Getting customers in the door can be expensive

Mike Warren, Risk Manager, Pharmacists Mutual Insurance Company

Slips, trips and falls are a major source of injuries in the United States. While a fall can occur in any part of an establishment, most occur around entryways to the store, where water and ice get tracked in and where the walking surface changes most drastically.

According to the National Safety Council, the type of shoes worn are associated with 24% of falls. While the type of footwear customers wear can't be controlled, combinations of floor type and condition (associated with 55% of falls), failing to warn (10%) and inadequate training of staff to watch for problems and maintain floors (8%) are factors that can be influenced.

Pharmacies, home medical equipment and home health care providers have a patient base that has a higher percentage of persons at risk for falls than the general public. According to recent studies by Harvard University and Ludwig Maximilian University, decreased flexibility in the brain's blood vessels, a natural function of aging, reduces the flow of oxygen and glucose to the brain, which can have an effect on motor abilities. Gait, or walking pattern, is progressively compromised after age 65. Only 18% of people in their 80's have a healthy gait compared to 85% of 65 year olds. Customers with sensory deficiencies, on certain medications or with physical disabilities may also be at greater risk. Compounding the problem are persons who have a fear of falling. They are actually more at risk to fall due to their efforts to overcompensate walking patterns.

Tips to minimize the possibility of falls at entryways:

- Repair cracks and holes in walkways greater than 3/8" in depth or width
- Concrete surfaces free of snow, ice and water provide sufficient slip resistance. Keep surfaces clear and correct situations where water pools.
- Lighting at the store entryway should be sufficient to read by
- Ramps should be provided with a handrail if it rises 6" or more over a 10' run
- Inspect any handrails for cracks, loose anchors and deterioration
- Paint curb facing and the top 4" with yellow traffic paint
- Use walk-off matting in entryways that provides a low profile (less than 1/2")
- Daily - vacuum, spot clean and inspect
- Weekly - check to see that mats are not buckled and edges are not turned up or curled. Clean under the mats. This will help them stay in place and increase the life of the mat.
- Monthly – extraction clean the carpet and inspect for damage
- When the carpet is unable to retain water or becomes heavily contaminated with mud or ice, extract the water or replace the carpet

Ten opportunities to minimize risk

- 1. Test smoke, fire and burglary alarm systems regularly**
- 2. Shred sensitive material**
- 3. Counsel patients**
- 4. Explain, provide written instructions and document**
- 5. Double and triple check** prescriptions, compounding calculations and measurements
- 6. If you need to lift or transfer people, use patient transfer devices** wherever possible
- 7. Keep aisles clear**
- 8. Take notes** – for any incident, from an employee injury to a wrong drug or customer fall
- 9. Drive defensively** – it's all about attitude. Yield to the aggressive driver
- 10. Don't transport non-employees** in commercially owned vehicles if you can help it

Aligning Pharmacy Professional Liability premiums with loss experience – our responsibility to our policyholders

By Don McGuire, R.Ph., J.D., General Counsel, Pharmacists Mutual Insurance Company

As a mutual company, Pharmacists Mutual has a responsibility to its policyholders to understand where losses originate and to ensure that policyholders pay premiums commensurate with the risk. One method that many of you are familiar with is the Pharmacists Mutual Claims Study. We have been analyzing pharmacy professional claims since 1989 to determine how losses occur. For example, the most common problem is the patient receiving the wrong drug (almost 50% of our claims). You can see the entire Claims Study on our website, www.phmic.com\Services\Risk Management\Professional Liability Risk Management.

The Claims Study has some limitations. It deals only with the number of claims reported. It does not address the dol-



lar amounts paid to resolve those claims. It also shows averages over the length of the study. It also includes claims from all lines of pharmacy professional liability. However, this is deceptive for compounding claims. The compounding category has only existed for the last half of the study's life. The current value for compounding claims (1.4%) is, therefore, artificially low. Of the compounding claims reported in the Claims Study, over 35% resulted from a measuring or weighing error. Another 30% of those claims resulted from calculation errors, decimal point errors being the most common of these. These types of errors highlight the need for a highly controlled compounding process.

You may have noticed some changes in the Pharmacy Questionnaire we ask our policyholders to complete. Prescription volumes are now divided into 6 categories; non-compounded, non-sterile simple compounding, non-sterile complex compounding, low-risk sterile compounding, me-

dium-risk sterile compounding, and high-risk sterile compounding. The sterile compounding categories are those created by the USP. For analysis purposes, Pharmacists Mutual subdivided the simple vs. complex non-sterile compounding categories. The questionnaire allows us to collect data on the risk experience in these various categories going forward. In the meantime, we have also done some retrospective review of our claims data.

Compounding claims:

- 35% were measuring or weighing errors
- 30% were calculation errors
- Compounding claims are, on average, 5 times as expensive as other pharmacy professional liability claims

In looking at the data from our businessowners policies from the last few years, we made some discoveries, some surprising and some not. There were almost 8 times as many non-compounding claims as there were compounding claims (not surprising). But, on average, it costs over 5 times more per claim to resolve a compounding claim (surprising!). While compounding claims make up about 10% of our claims count, they account for roughly 40% of the claims dollars spent! The whys of this disparity still need to be explored. We also found out that non-sterile simple compounding was, in fact, simple. It made up a very small percentage of the compounding losses.

Using this data, Pharmacists Mutual will be making changes to the way that we rate your pharmacy professional liability exposure starting next year. Risk factors have been assigned to the various categories and the total premium will be based on your unique mix of dispensing. For some customers, this may mean an increase in insurance premiums, others will not change, and some customers will see a decrease. Our goal is to align the premium that you pay with your risk exposure.

While other carriers are abandoning the pharmacy line of business, or curtailing their coverage (such as excluding compounding), Pharmacists Mutual remains committed to insuring the pharmacy profession. We understand that even high risk operations can run profitably with minimal losses, if they have exceptional controls. Our next step will be to do further investigation and help to develop the controls that are needed in the modern pharmacy.

Getting a handle on back injuries – no silver bullets

Mike Warren, Risk Manager, Pharmacists Mutual Insurance Company

Back injuries are a problem in every industry, representing 43% of all workers compensation loss costs for Pharmacists Mutual.

In the healthcare field, back pain is off the chart. According to the Bureau of Labor Statistics, the rate of back injuries in healthcare exceed that for construction, mining or manufacturing, and 30% of injuries to healthcare providers are from lifting or repositioning patients. An aging population and increasing rates of obesity are fueling the problem.

The challenge of patient handling is significant enough that twenty states have introduced, or are considering introducing, legislation to address the issue. On the Federal level, two pieces of legislation are pending "Recognizing the Need For Safe Patient Handling and Movement," H.T.2381/S.1788 – "Nurse and Health Care Worker Protection Act of 2009."

Unfortunately, the legislation is oriented at hospitals and nursing homes, focusing on implementing 100% "no lift" policies. Unlike the hospital or nursing home, you don't control the design, maintenance or cleanliness of the property, and wheeled transfer devices don't travel over uneven floors or stairs. Floor lifts are difficult to handle and may not fit through doorways, and ceiling lifts require adequate structural support. Even if a lifting device will work, insurance and other reimbursement mechanisms may not be available.

What can a home health care provider do to minimize back injuries and other strain/sprain injuries?

Fixing the back injury problem is not easy, but it is possible and "planning the work" and "working the plan" can be effective in controlling the problem.

Understand the problem

Know what it is about the jobs involved that cause back injuries. What is the "80/20" rule? Are there specific types of activities associated with a disproportionate share of loss costs? If there are, focus here.

Don't accept vague reasons for why injuries happen. Injuries are related to problems with equipment, what or whom is being handled, employees (ability to safely perform the functions of the job and being trained to do so) or the environment (weather, congested space, poor arrangement of furniture etc.).

Assess the situation

Assess the physical and mental condition of the patient. Are they capable of helping with the transfer? Are they combative? Also assess the home environment. Does the bed itself create transfer problems? Are areas around where the transfers occur congested? Are floor surfaces slippery?

Eliminate the risk

In some cases, companies have been forced to walk

away from some risk because of the high cost and inability to effectively control the exposure. An example in home health care is where bariatric patient transfers are required in a patient's home, and where transfer devices cannot be provided or will not be financed by the patient or his/her family. The fact is – a 120 pound caregiver cannot safely transfer a 500 pound patient.

Engineer the problem out

If you can eliminate the lift or improve mechanical advantage, you can reduce the risk of back injuries caused by traumatic events or cumulative stress. Engineering in the context of home health care relates to the use of patient transfer equipment, bed design, and furniture type and arrangement.

Apply administrative controls

While not a substitute for engineering options, administrative controls are typically needed to effectively control back injury exposures, particularly where many of the lifts occur in environments not directly under the control of the employer, such as providing care in client homes.

Clear functional job descriptions. Spell out exactly what the employee is expected to do and what they should not do. We often see injuries to caregivers that are out of the scope of what they were supposed to be doing.

Training. An article in *Health Leaders Media* indicates that "a patient is not a box." Teaching people to "lift with the legs and not with the back" has never been effective, especially when we're lifting and transferring people. In real life, we lift in awkward postures, in cramped areas

and while negotiating over obstacles. Training oriented to the specific patient handling task and using available tools, such as gait belts and slip sheets, is more effective.

"Plan the work" and "work the plan." Plan the route, remove obstructions, use handling equipment, and if dealing with patients, understand their medical condition.

Post-offer/pre-employment testing and fitness for duty examinations. This provides the employer with the best legal option for ensuring that they hire and retain employees who can safely do the work.

Career progression. Allow valued employees to move from physically demanding to administrative tasks over time.

Medical management. Often, it's not the injury itself that drives the cost of the claim, it's about how the employee is treated, communicated with and encouraged to return to work as soon as it is medically safe to do so.

The top 5 transfer tasks most associated with patient handling injuries:

1. Transfer from toilet to chair
2. Transfer from chair to toilet
3. Transfer from chair to bed
4. Transfer from bed to chair
5. Transfer from bathtub to chair

(Garg, 1991, 1992)

Bed rail related entrapment

Mike Warren, Risk Manager, Pharmacists Mutual Insurance Company

Bed rail entrapment cases are an ongoing source of high dollar claims for home medical equipment providers. In many cases, the HME company may have seemingly done everything right and still be named in a lawsuit. Understanding what the risks are can help prepare you to prevent these types of incidents, and if you are named, to work with Pharmacists Mutual to minimize the size of any judgment.

What do we know about bed rail entrapment?

On average, 35 fatalities or injuries related to bed rails are reported annually to the FDA. They can result in six figure judgments and can have a significant impact on the reputation of any organization involved.

Ten percent of incidents involve air pressure mattresses, which tend to create a "ramp" pushing the patient to one side or another (these beds are useful for reducing decubitus ulcers, but patient handling needs to be managed).

Patients most at risk and typically involved in bed rail entrapments are likely to be mentally or behaviorally impaired, of small stature and lightweight, at risk for falling, have limited mobility in bed, have a physical deformity and/or on psychoactive or sedative medications.

Asphyxiation can be caused by being caught between the mattress and the bed rail, being caught between the headboard and the bed rail, getting the head stuck in the bed rail or being strangulated by a vest restraint between the rails.

Another source of injuries are falls when patients try to climb out of beds and injuries occurring if the rails are used as part of a restraint system.

No particular bed rail configuration was implicated in these

cases. They involve upper rails only, upper and lower rails, both upper and lower rails and full-length rails.

Control/incident prevention

Assess the beds - and bed rails for risk of entrapment. Consider equipment redesign, including the use of bed rail protector pads, evaluating bed design, not using rails with gaps greater than 5", installing a positioning bar or using low beds. Veterans Administration studies also refer to bed

rail retrofit kits, bed rail netting, clear padding, and to affix the mattress on the bed frame with Velcro® or anti-skid mats to prevent the mattress from being pushed to one side. Different considerations apply to specialized beds, for example, air-fluidized beds, bariatric beds, pediatric beds and infant cribs.

Assess the patient - include assessment of patient for the risk of entrapment (confusion, sedation, restlessness, lack of muscle control, size) and risk (physical, mental, behavioral or medication impairment).

Observe the patient - more frequently for patients assessed to be more at risk.

Educate the patient and the family - about the purpose for the rails and potential dangers. Document who the instruction was given to and what was covered, including hands on training. Have them sign an acknowledgement.

Orient and train the staff - on risk factors, patient assessment and patient and family education.

Ask the manufacturer - what they themselves have done to address entrapment risks, aside from or in addition to the FDA guidance.

For additional information see FDA Safety Alert: Entrapment Hazards, available at the United States Food and Drug Administration website: <http://www.fda.gov/>. A Guide to Bed Safety brochure is also available at www.fda.gov/ and Department of Veterans Affairs' (VA) National Center for Patient Safety.

Wheelchair injuries to children

Over 3,500 injuries occur to children each year in the United States that are linked to crutches, wheelchairs and walkers, an increase of 23% over the past 19 years. Sixty percent of these occur in the home and children falling from wheelchairs had a significant chance of being diagnosed with a traumatic brain injury. Research is being conducted to identify more specifics as to causes and preventive measures (source: Center for Injury Research and Policy of The Research Institute at Nationwide Children's Hospital in Columbus, Ohio. Published in *The Journal Pediatrics*, May, 2010).

Until results are out, common sense should prevail. Extra care should be given when providing instructions on wheelchair use and safety. Wearing of bike helmets, particularly for children under 10, should be recommended.



Questions or requests concerning the contents of this newsletter or Safety Consultation Services?

Call 800.247.5930 ext. 7229 or e-mail loss.control@phmic.com

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The Pharmacists Mutual community in action to prevent burglaries and robberies

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Our mission at Pharmacists Mutual is to help customers attain financial peace of mind, however, we understand that peace of mind is more than financial. All it takes to remind us of this is to speak with a customer following a burglary or robbery. Emotional and personal costs don't have price tags, and can be devastating. Valued employees leaving the job, working in fear, concern about the societal cost of diverted drugs and disruption in business operations are some of the costs that go beyond the financial. The bad news is trends are getting worse.

Why the concern now?

We've seen a drastic shift in the past few years with the interest in pharmaceuticals as recreational drugs surpassing illicit drugs. "Pharm" parties, where kids raid parents medicine cabinets, pour the contents into a community bowl and sample blindly, are a frightening sideline to this growing problem. Interviews by police of captured pharmacy burglars indicate a demand driven by the perception that pharmaceuticals are safer than street drugs.

So what can we do about the problem?

Preventing burglaries and robberies, and taking measures to minimize the impact of thefts that do occur, are steps that require cooperation and collaboration. What Pharmacists Mutual has done and continues to do:

- Partnership with Rx Patrol since 2005 to collect data about pharmacy theft to help us better understand

what criminals are doing, and what defensive measures work.

- Development of checklists, tools and other resources to help our customers identify and address threats.
- An in-depth analysis of Pharmacists Mutual loss experience over a 5 year period of time and taking action in response to lessons learned.
- A recent "Crime Summit" with underwriting, claims and risk management departments to identify unseen and underlying patterns, and to identify additional measures we need to consider.
- Risk management staff that can take calls from customers to help in establishing prevention measures or in keeping additional losses from occurring.

Where we need your help.

- Your experiences. Success stories. Unexpected costs. Things you have done to prevent theft. Lessons you've learned that other pharmacies could benefit from.
- Call us before you have a theft to discuss prevention. If you do have a theft, call to discuss measures to prevent additional burglaries and robberies.
- Send us photos following burglaries or attempted break-ins that failed. What worked and what did not?
- Prompt reporting to Rx Patrol following a loss.