



Why Effective Policy Management is a Return on Investment for Healthcare Organizations

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“Despite the importance of effective policy use in containing risk and the impact on business stability, there is an ongoing perception by leaders that policies are not a priority to organizational effectiveness in comparison to other more pressing obligations.”

When leaders are required to participate in policy management in a healthcare organization, it is often thought of as an inconvenience and frequently considered too time consuming, making policy review a low priority in their daily duties. Despite the importance of effective policy use in containing risk and the impact on business stability, there is an ongoing perception by leaders that policies are not a priority to organizational effectiveness in comparison to other more pressing obligations. Any assistance in expediting the process and workflow is, therefore, looked upon favorably.

Functional policy and document control, as part of any policy management program, is a requirement at the forefront of any State, regulatory, or accrediting body survey. Policies are often reviewed at the time of a survey to determine if practices are outcome-based and consistent with organizational practice. The response from regulatory or accrediting bodies to an organization's inquiry regarding appropriate practice is often deferred to what the organizational policy states, the expectation being that the organization is following best practices and their policies are reflective as such. In this regard, proper policy management mirrors the evidence-based standard used in the clinical practice side of a healthcare organization. Frequently, cited deficiencies are concentrated around an organization's current state of policy management or failure to follow the organization's own policy.

In addition to the complexities of policy management, CMS has approximately 138 policy references to be followed by healthcare organizations in order to sustain compliance with the mandated Medicare Conditions of Participation. If you are accredited by The Joint Commission and have acquired deemed status, policies are referenced roughly 83 times in their evidence of compliance standards. To add to the complexity of policy management, CMS allows health systems to practice under a single policy across multiple systems. Document control should be easier, except that there are stipulations to using a multi-site policy. A clearly defined template is required as detailed in CMS' State Operations Manual for effective policy control. Even with the single policy provisions by CMS, each site in a system must individually meet the Conditions of Participation and deemed status regulatory requirements in addition to any applicable State regulatory requirements that augment these requirements. This can make healthcare organizations vulnerable to missteps in practice, operational gaps, and inappropriate guideline development as they relate to differences in process, practice, and leadership roles at each system level. Missteps in physician practice can also be impacted. Existing policies can have negative consequences in any licensing investigation involving an individual healthcare provider or in a medical malpractice inquiry. Consideration should also be given to any applicable non-Joint Commission accreditation standards to which the organization must follow. Examples include an accredited Sleep Center (ACHC or AASM) or American College of Surgeons trauma VRC program or the Trauma Quality Improvement Program.

How are Policies a risk to a healthcare organization?

Organizations should consider the legal risk associated with delayed policy review, expired policies, or postponing updating policies to coincide with best practices when there is a potential for litigation, especially when it is directly related to patient safety and risk mitigation. Subject matter experts agree:

"Policies and procedures must be developed, maintained and available to staff to ensure compliance with federal and state regulations and accrediting organization standards. Up-to-date policies and procedures are critical for the quality and safety of patient care as well as reducing the healthcare organization's risk."

Regulatory Director, Denver, CO



A simple preventive analysis can assist organizations as a probabilistic measure to determine if there is a predisposition for risk and the potential for financial loss when practice impacts litigation. Below is a simple gap analysis to assist in safeguarding compliance with effective policy management.

PREVENTIVE RISK ANALYSIS

Compliant?

Y	N	Lack of ease of access to key policies by staff.
Y	N	Insufficient number of mandated policies required by regulatory bodies.
Y	N	Ineffective policy review, monitoring, and upkeep reflective of best practice standards.
Y	N	Inadequate enforcement of organizational policies.
Y	N	Purposeless policies clogging the organization's policy program.
Y	N	Duplicative policies confusing the appropriate state of practice.
Y	N	Lack of policies that impact strategic decisions.
Y	N	Retroactive legal risk cases that occur during the time of an unstable policy management program.
Y	N	Lack of focus on mechanisms that could potentially increase risk and no defined policy to manage those risks.
Y	N	Lack of ongoing review of current trends in policy requirements by regulatory experts, increasing the risk for a suboptimal regulatory survey and increased workload in order to become compliant.
Y	N	Lack of clearly defined policies causing differences in interpretation.
Y	N	Scarcity of appropriate policies managing staff operations, limiting the endorsement for disciplinary action when required by leadership.
Y	N	Inefficient training for new leaders on the impact of policy enforcement, writing, and responsibilities of effective policy management.
Y	N	Leadership policies do not reflect the responsibility and the conduct of the organization.

Being diligently proactive when managing policy programs decreases risk, aligns best practices to organizational goals, mission, and vision, and allows ease of access to key information and guidance documents.

How can a healthcare organization enhance operational efficiency while minimizing the system's risk?

Perform the preventive analysis and determine the current state of your policy management program. Ensure any changes required to enhance the practice of document control is well-defined in a Document Control Plan and implemented as defined.

Why is policy control a return on investment?

Clearly defined, well-developed, and systematically reviewed policies provide the ideal point of reference for staff and ensure the most up-to-date clinical practice guidelines are available during their daily work. A failure of many policy management programs is the lack of an index or cross-referencing component to locate the exact policy needed for any specific purpose. Policies that are clear and easy to understand and are easily searchable promote a usable reference for staff. Leaders promoting the use of up-to-date policies demonstrate a proactive approach to standardization and diminish the risk to patient safety and potential litigation. Policies that lag in policy and protocol review increase the risk of being an issue during litigation cases that include both internal standard of care and external organizational matters or civil lawsuits.

THE QUESTIONS ARE SIMPLE:



Is poor policy control putting you at risk for litigation?



Can you continue to run on suboptimal policy management practices without increasing your risk?

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