

## Risk Management News

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### Part 3: Moving Outside The Four Walls

The New York Times reported on May 18, 1999 some not altogether startling, but still surprising information, about the sharp rise in surgical procedures done on an outpatient basis -- many of which are performed in physicians' offices.

For risk managers with their hands already full, this was an article worth reading, as it summarizes well what some of the issues are becoming with regard to patient safety and the quality of care, as more surgery moves outside the acute care setting into the wild and woolly walls of the physician's private office and thus, into areas outside the risk manager's control. The physician's private office is, generally speaking, "no man's land" for hospital risk managers; but with investments over the past few years in physician practices by hospitals, and with a sharp increase in investments hospitals have made in physician insurance programs (where the hospital is on real financial risk, perhaps through a captive mechanism), it's starting to become important for risk managers to understand what this risk is all about and the impact this issue will increasingly have on hospital-based services.

Here are a few of the key points reported in this article:

1. In 1996, the most recent year for which data exists, 51% of the surgical procedures performed were done outside a hospital setting. Estimates are that 70% of all surgical procedures will be done in a private practice setting by 2005. The most common outpatient surgical procedures performed are biopsies of the lining of the small and large intestine, plastic surgery, cataract surgery and similar procedures.
2. The cost of a one-hour surgical procedure in a physician's office or a free-standing surgical center is 50% to 60% of that in an acute-care facility.
3. According to the New England Journal of Medicine, five people died in New York City from 1993 to 1998 during liposuction procedures because of blood clots or dangerous shifts in body fluids.



**Risk Managers  
have always feared  
stepping outside these  
walls**

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All of us in the healthcare risk management business need to understand that this trend will continue and that the public wants this trend to continue -- not the reverse. The public generally prefers the cleanliness, quiet and privacy of physician's offices to an all-too-frequently noisy, congested and, alas, impersonal hospital setting. Unfortunately, physicians are, for the most part, only minimally monitored by state and national governing authorities, while hospitals deal not only with JCAHO and the specter of the "Sentinel Event", but with state departments of health and other regulators on a regular basis.

All risk managers know the problem with plastic and cosmetic surgical procedures, and in particular, how these procedures can be fraught with problems in the acute-care setting. These problems are multiplied geometrically when patients come to a private office or free-standing clinic setting, where many times, physicians may not be board certified or competent in basic plastic and cosmetic surgical procedures. In particular, the risks of adverse outcome from the administration of anesthesia in these settings are of increasing concern. It is noted how many times, for example, a routine examination of a physician's office will reveal potentially dangerous mechanical and electrical conditions and other hazards which are routinely dealt with successfully in hospitals every day of the week.

Risk managers should make it their business to formulate plans to extend their reach beyond the boundaries of the institution's walls, to determine where risk to the organization may lie as a result of the shift to out-patient services. Traditionally, risk managers have either not tried or been prevented from extending their reach outside the organization. We don't have the luxury anymore of not creating linkage between hospital and physician risk management issues. Smart and forward thinking risk managers know this -- and already have a plan.

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