Risk Management Plan  
(2010 - 2011)

Scope: All full time, part time and contract employees of S.T.E.P’s Developmental Academy, Inc.

Purpose: The plan was developed in recognition of the fact that risk is inherent in providing supports for person served in the community.

Risk Management involves active activities that deal with uncertainty and potentially harmful future events. It is the policy of S.T.E.P’s Developmental Academy, Inc. to assess for potential and actual risks to person served and the public, to employees, and to the overall working and service delivery environment and facilities. Assessments will result in the development of preventive measures and interventions that will serve to reduce risk and loss within the organization. “Near misses” will also be analyzed to prevent future occurrences. The purpose of this Risk Management Plan is to:

• Serve to maintain continuity of services and manage potential risks which may cause a loss in service capacity or resources
• Identify and minimize risk to S.T.E.P’s Developmental Academy, Inc., the individuals served by the agency, and the agency’s staff
• Address risk and increase awareness about identifying risk and how to minimize it.
• Assist in preventing harmful events
• Protect the individuals supported by the agency
• Protect the agency’s profile and assets
• Utilize a practical and common sense approach that considers the needs of the individuals being supported first and foremost.

S.T.E.P’s Developmental Academy, Inc.’s Approach to Risk: Risk exists in the day-to-day operations of S.T.E.P’s Developmental Academy, Inc. This risk is minimized somewhat by the agency’s cooperation with monitoring bodies such as local LME as well as by compliance with CARF Accreditation Standards. The Executive Director, who manages/monitors the organization, is responsible for the implementation of its Risk Management Plan. The Risk Management is an on-going process which includes:
Risk Management Plan
(2010 - 2011)

1. Identification of potential or actual loss exposures
2. Analysis and evaluation of potential or actual loss exposures
3. Development of strategies to prevent or reduce losses
4. Ongoing management of activities

General Strategies Used to Address Risk:
On an everyday basis, the agency minimizes risk by using training, policies and procedures, and supervision. In the addition, the following techniques are used to manage risk:

1. Maintain a safe and properly functioning environment by preventing avoidable injury and financial loss through the identification of potential risks and investigations into the causes of near misses, actual injuries or losses.
2. Educate all employees about their responsibility to comply with the organization’s incident reporting policy and other policies designed to reduce loss.
3. Investigate and categorize all occurrences of injury or financial loss in order to analyze trends or patterns involving individuals, locations or types of incidents, and to determine appropriate action to prevent recurrence.
4. Regularly communicate finding of risk management activities to the Leadership Team.
5. Review the organization’s historical losses, or potential for loss in all areas assessed and will utilize this information to refine the standing Risk Management Policy. The policy will be directed towards investigation, continued assessment, and/or addressing a specific issue, solving a particular problem, or reaching a clearly identified objective. When developing, managing, monitoring, and re-evaluating the Risk Management Plan, the Leadership Team will address issues through a continuous review of the following:
   (a) Can the problem or potential problem be eliminated?
   (b) If a problem cannot be eliminated, can action be taken to maintain an acceptable level of risk?
   (c) If a loss occurs, can the severity of the loss be reduced?
   (d) What are the various causes that can lead to the problem?
   (e) What are the possible event frequencies and consequences related to the various causes?
   (f) What alternatives can be established to address potential problems
   (g) Would a combination of technical and organization measures increase the level of prevention?
   (h) What are the results of selected control measures?

In answering these questions, the organization also adopts a risk management process that includes:

(a) Periodic evaluation of control measures.
(b) Corrections of control measures if they are not carried out properly.
(c) Evaluation of risk financing options.
Risk Management Plan  
(2010 - 2011)

(d) Evaluation of overall goal results
(e) Ongoing reformulation of the plan

6. Provide an annual summary of its activities and results of planning and interventions to the Executive Director and Leadership Team.
## Risk Management Plan
### (2010 - 2011)

<table>
<thead>
<tr>
<th>Description of Potential Risk</th>
<th>Frequency (Likelihood)</th>
<th>Severity (How Bad)</th>
<th>Strategies/Methods to Mitigate the Risk</th>
</tr>
</thead>
</table>
| Risk (A.) Staff Turnover impacts service delivery and increase costs.  
1. Staff turnover results in fragmented services delivery to those served.  
   • Participants may choose to transfer to other providers  
   • Staff turnover increases frustration and reduced staff morale.  
   • Staff turnover increases costs; each employee is required to complete multiple trainings. The trainings are expensive and time consuming. | Moderate | Moderate | Risk (A.) Strategies/Methods to Mitigate the Risk  
1. S.T.E.P’s Developmental Academy, Inc. will work to increase staff retention:  
   (a) S.T.E.P’s Developmental Academy, Inc. will conduct employee satisfaction surveys to obtain input and feedback from employees in an effort to eliminate and reduce staff turnover by 6/30/10 and every six-months thereafter.  
   (b) S.T.E.P’s Developmental Academy, Inc. will conduct exit interviews to determine reason for separation. Data will be analyzed on an annual basis for trends and patterns by 12/31/11 and annual thereafter.  
   (c) S.T.E.P’s Developmental Academy, Inc. will identify an agency or a plan to administer personality test to ensure that the agency is hiring stable and the most competent staff with an emphasis of promoting diversity in the workplace by 12/31/11. |
## Risk Management Plan (2010 - 2011)

### Risk (B.) Reliance on One Funding Stream and Services to sustain business operations.

1. 90% of the agency’s revenue is reimbursed by Medicaid thus leaving the agency primary reliant on one funding stream.

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<th>(Likelihood)</th>
<th>(How Bad)</th>
<th>Risk (B.) Strategies/Methods to Mitigate the Risk</th>
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<tbody>
<tr>
<td>High</td>
<td>High</td>
<td>1. S.T.E.P’s Developmental Academy, Inc. will work to diversify service delivery via the following: (a) S.T.E.P’s Developmental Academy, Inc. will identify other revenue generating services by 12/31/11 such as: • 21st Century • Become a CABHA • Preschool Services (b) S.T.E.P’s Developmental Academy, Inc. will diversify funding via the following such as: • hiring a grant writer by 12/31/11 • Identify grants and corporate sponsors by 12/31/11</td>
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### Description of Potential Risk

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<td>Risk (C.) North Carolina has lost millions of dollars Mental Health Service Delivery. The state has conducted a series of post payment audits making the agency vulnerable to recoupment. 1. Services provided without authorizations are non-billable</td>
<td></td>
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<tr>
<td>High</td>
<td>High</td>
<td>1. S.T.E.P’s Developmental Academy, Inc. will work to ensure that services are Medicaid billable: (a) S.T.E.P’s Developmental Academy, Inc. will identify and purchase a management software system to streamline business and clinical functions by 12/31/11. (b) S.T.E.P’s Developmental Academy, Inc. will develop processes to ensure that Person-Centered Plans and authorization are completed in a timely manner by 06/30/10. (c) S.T.E.P’s Developmental Academy, Inc. will conduct quarterly audits to identify trends and patterns in documentation. The data will be analyzed and shared with the</td>
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**(2010 - 2011)**

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<td>2. Services provided without a Person-Centered Plan are non-billable.</td>
<td></td>
<td></td>
<td>Leadership Team for on-going improvement by 03/31/10 and quarterly thereafter.</td>
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<tr>
<td>3. Documentation that do not contain required services elements are non-billable.</td>
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| Risk (D.) To limit risk of financial loss due to employee auto accidents.                     | Moderate               | Moderate           | Risk (D.) Strategies/Methods to Mitigate the Risk                                                                                                                                                                                      |
| 1. Staff utilize their personal automobiles to transport participants to relevant community outings and appointments. |                         |                    | 1. S.T.E.P’s Developmental Academy, Inc. will seek to reduce/minimize auto accidents:                                                                                                                                                  |
| (a) S.T.E.P’s Developmental Academy, Inc. will seek to reduce risk through implementation of a Driver Safety Program by 03/31/10 and Ongoing. |                         |                    | (a) S.T.E.P’s Developmental Academy, Inc. will seek to reduce risk through implementation of a Driver Safety Program by 03/31/10 and Ongoing.                                                                                           |
| (b) S.T.E.P’s Developmental Academy, Inc. will continue to transfer the risk by maintaining non-owned automobile insurance – 01/01/10 and ongoing. |                         |                    | (b) S.T.E.P’s Developmental Academy, Inc. will continue to transfer the risk by maintaining non-owned automobile insurance – 01/01/10 and ongoing.                                                                                           |
| (c) S.T.E.P’s Developmental Academy, Inc. will ensure that staff’s automobiles are in good working condition and have meet NC inspection requirements by 01/31/10 and Ongoing. |                         |                    | (c) S.T.E.P’s Developmental Academy, Inc. will ensure that staff’s automobiles are in good working condition and have meet NC inspection requirements by 01/31/10 and Ongoing.                                                                                           |

| Risk (E). To limit risk of financial loss and protect assets due to the organization not having adequate amounts and types of insurance coverage (professional, liability, worker’s comp, auto, etc.). | Moderate | Moderate | Risk (E.) Strategies/Methods to Mitigate the Risk                                                                                                                                                                                      |
| 1. S.T.E.P’s Developmental Academy, Inc. will seek to reduce/minimize the protection of assets: |                         |                    | 1. S.T.E.P’s Developmental Academy, Inc. will seek to reduce/minimize the protection of assets:                                                                                                                                 |
| (a) S.T.E.P’s Developmental Academy, Inc. will seek to reduce risk by working with a creditable outside insurance agency that can provide an insurance policy as required for contractual agreements, state, federal and local requirements by 01/01/10 and Ongoing. |                         |                    | (a) S.T.E.P’s Developmental Academy, Inc. will seek to reduce risk by working with a creditable outside insurance agency that can provide an insurance policy as required for contractual agreements, state, federal and local requirements by 01/01/10 and Ongoing. |
| (b) S.T.E.P’s Developmental Academy, Inc. will assess its overall organizational risk by evaluation and analysis of each loss exposure. The analysis will determine the need |                         |                    | (b) S.T.E.P’s Developmental Academy, Inc. will assess its overall organizational risk by evaluation and analysis of each loss exposure. The analysis will determine the need |
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(2010 - 2011)

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whether or not to increase insurance limits to ensure adequate coverage by 03/31/2011.
(c) S.T.E.P’s Developmental Academy, Inc. will conduct a regular review of its insurance coverage with the assistance of someone who is knowledgeable about insurance needs and types of coverage. This will be done at a minimal on an annual basis at a minimal and/or as loss exposure occurs by 03/31/2011.