

# The Risk Profile of the Academic Health Center

Audit Committee

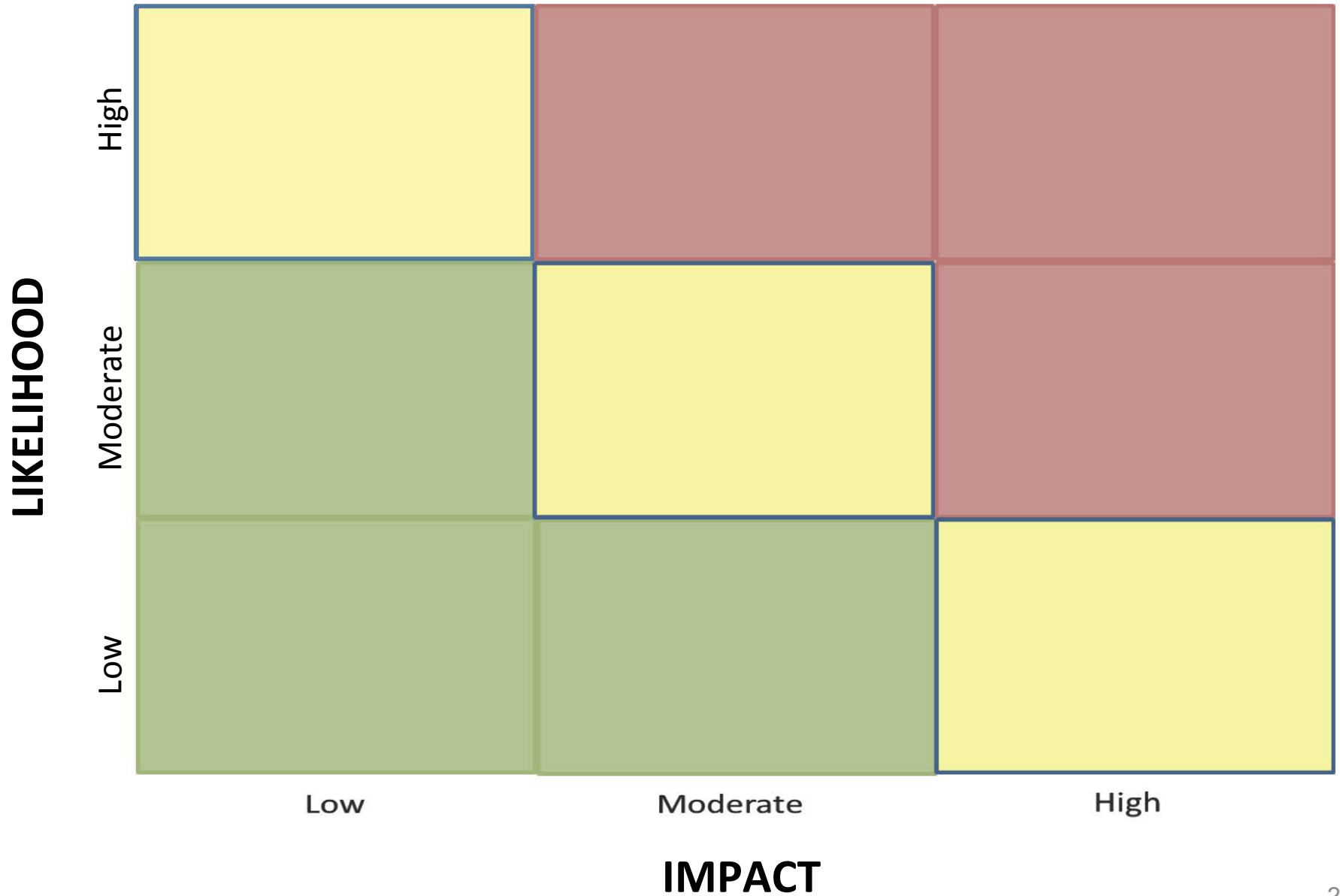
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**Driven to Discover<sup>SM</sup>**

# ACADEMIC HEALTH CENTER – RISK PROFILE



# AHC Risk Profile - Likelihood

- High
  - Probability of occurring multiple times a year
- Moderate
  - Probability of occurring 1 time per year
- Low
  - Probability of occurring 1 time per 10 years

# Generic Risk Profile - Impact

- High
  - Death or injury
  - >\$1M liability
  - Federal penalty and associated business interruption
  - Serious negative publicity
  - Resulting criminal charges
- Moderate
  - Near miss death or injury
  - \$250K to \$1M liability
  - Employee misconduct
  - Regulatory penalty without business interruption
  - Potential for negative publicity

# AHC Risk Profile - Considerations

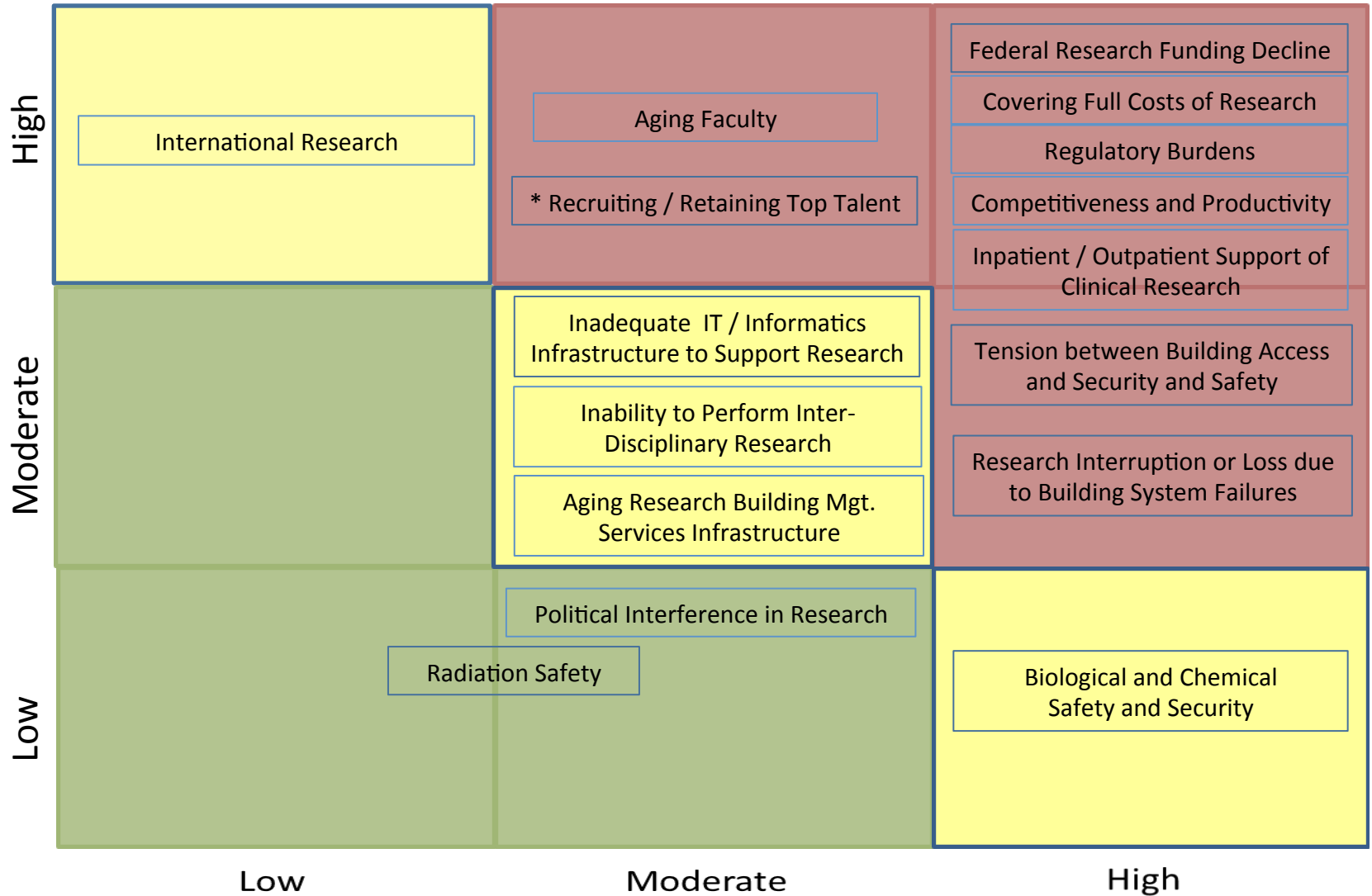
- Risk Profiles Vary Across Schools
  - Ex: Nursing unable to recruit faculty in areas of core programmatic need
  - Ex: Medical School needs resources to retain best and brightest in priority program areas
- Risk Profiles Vary Between Primary Care and Specialty Care
  - Payment reform may result in increased payments for primary care
  - Payment reform may decrease payments in specialty care

# AHC Risk Profile - Considerations

- Risk Profiles Vary Between Individual Impact vs. Institutional Impact
  - Individual patient health and welfare a daily consideration in clinical patient care
  - Individual health and welfare likelihood in research lab safety typically an episodic event
- Risk Profiles are Compounded by Interrelationships Between Clinical, Research and Education Missions
  - New models of inter-professional care teams depend on a vibrant and supportive clinical enterprise
  - Clinical research success depends upon committed and integrated clinical enterprise to encourage clinical research among patients

# ACADEMIC HEALTH CENTER – RESEARCH RISK PROFILE

LIKELIHOOD

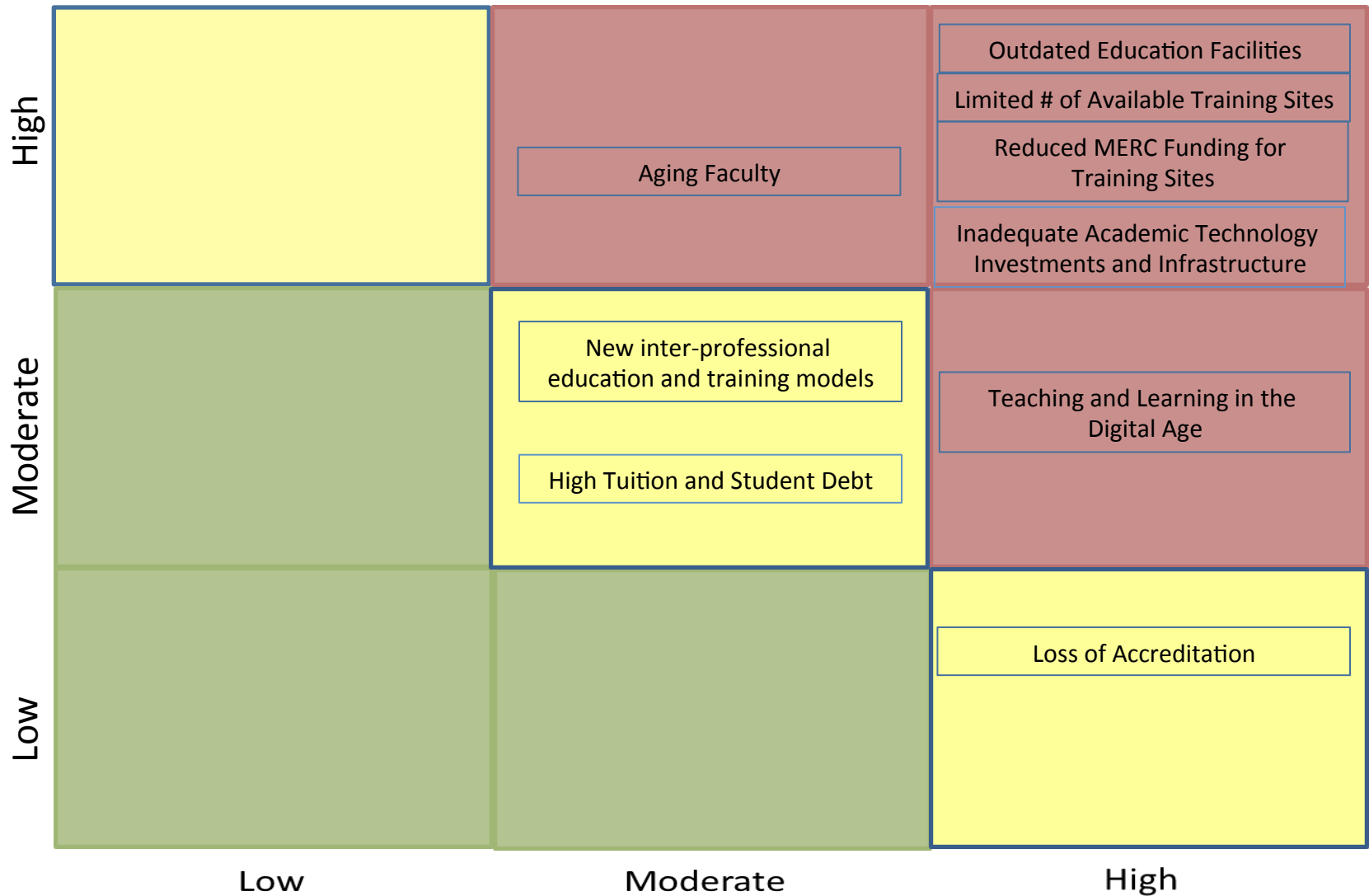


\*Varies from school to school, by areas of need.

IMPACT

# ACADEMIC HEALTH CENTER – EDUCATION RISK PROFILE

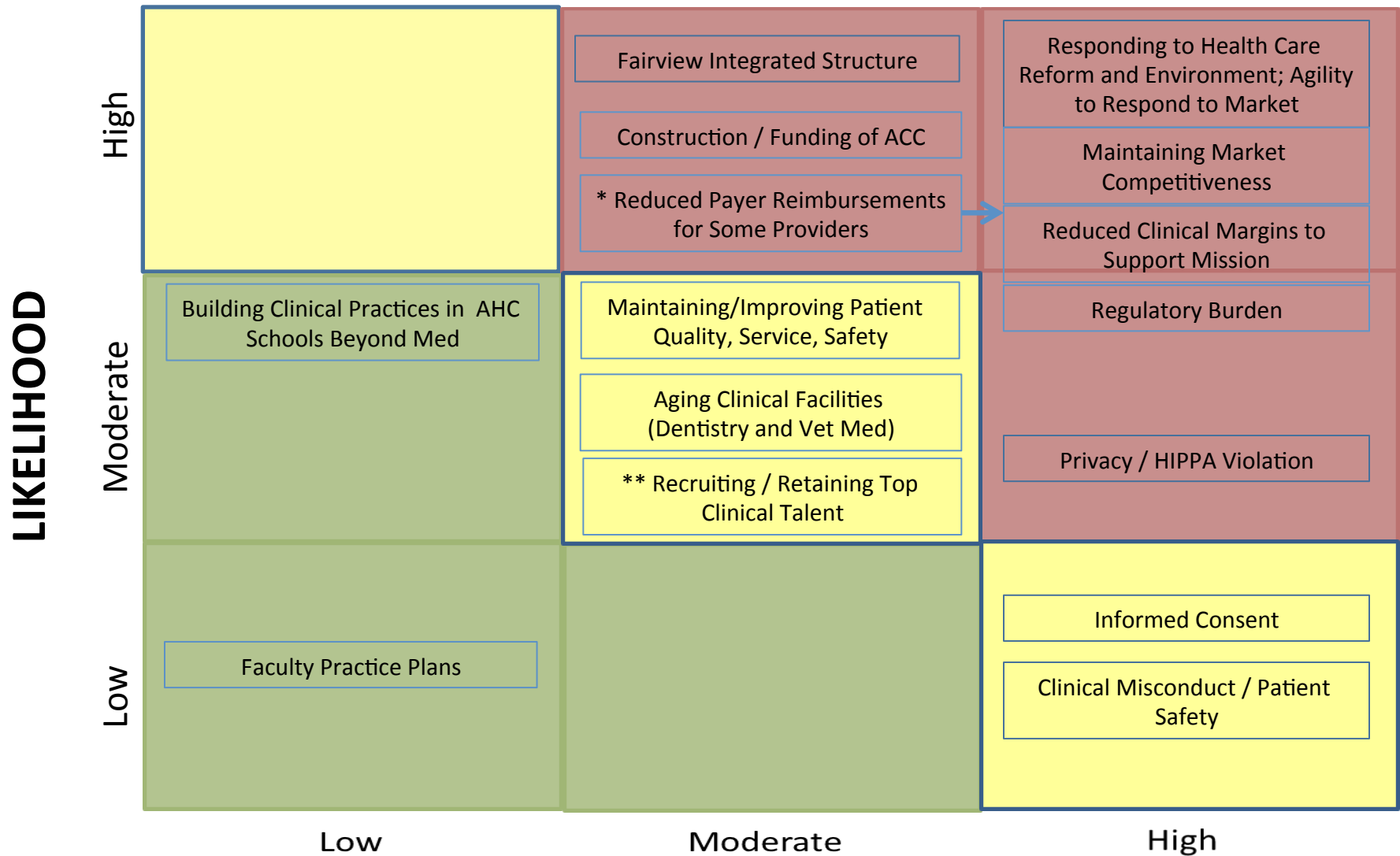
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IMPACT



# ACADEMIC HEALTH CENTER – CLINICAL RISK PROFILE



\*Payer reform could differentiate between primary & specialty.

\*\* Loss of key clinical talent poses risk to research enterprise.

## IMPACT

# ACADEMIC HEALTH CENTER – RISKS CUTTING ACROSS MISSION

