

Serving the Ivory Tower



Managing Risk at the University of California

by Ritza Vaughn

The University of California (UC) is one of the largest and most acclaimed institutions of higher learning in the world. Chartered in 1868, UC began classes in Oakland with 10 faculty members and 38 students. Today, the University has a \$14 billion budget and encompasses 10 campuses, five medical schools and teaching hospitals, three law schools and a statewide division of agriculture and natural resources. Academic study at UC spans more than 150 disciplines, and approximately 42,000 students graduate from UC campuses each year.

Managing the risk management program of this large and diversified educational institution is a mammoth undertaking that requires a staff of 33 risk professionals. Interestingly, of those 33 staffers, 21 of them are women, which illustrates how much the demographics of today's risk managers

have changed from just 10 or 20 years ago.

To see what has made the UC's risk managers so successful, this article will look at how they have developed their careers and succeeded in a competitive risk management market. Six of UC's risk managers were chosen as a cross-section for the rest of the team. Three of them work at the senior management level out of the risk management headquarters office in Oakland, and three of them work on the front lines at various campuses and medical centers.

All six place a huge emphasis on building relationships and consensus. They feel connected to the University's mission of academic excellence and stress the importance of education in their programs. Finally, they all believe in leveraging technology to help analyze risks and implement appropriate loss control programs. These characteristics have helped UC run a successful risk management program that has controlled costs and improved results throughout the University.



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Sherry Carletta
Interim Director
of Risk Management



Cheryl Lloyd
Manager of the
General Liability Program

As manager of UC's General Liability Program, Cheryl Lloyd deals with a wide variety of claims, including personal injury, employment and automobile liability. "I may see a standard

As interim director of risk management for the University of California's risk management program, Sherry Carletta oversees risk management responsibilities for the entire program. She works within the Office of the President Risk Management (OPRM), a department within the division of business and finance.

The mission of OPRM is to develop and maintain programs that protect the University from unanticipated loss by providing systematic risk analysis, developing techniques to reduce potential exposure to loss, and procuring and administering insurance and self-insurance programs.

"We have a strong affiliation to the University's educational environment, and a strong vested interest in this aspect of our job," says Carletta. "We try to educate everyone about risk management. I deliver a presentation several times a year to various departments entitled, 'Everyone is a Risk Manager.'"

Carletta believes every employee

can play an important role in risk management and loss control. Her presentation provides people with a general overview of how to think like a risk manager.

"For instance, there may be a faculty member that wants to take a group to Europe for an archeological dig," says Carletta. "Some campus business officers will just wait for the pictures, but they must be trained to say, 'What type of transportation are you going to take? Have you gotten signed waivers? What type of contracts do you have in place for accommodations?' We help people to think about the bigger picture."

"In my job, I get the most gratification from working with people and providing assistance to the various locations and their unique programs," says Carletta. One such project was finding a new claims system for the University. "It ended up being very rewarding to implement a new system that delivered huge improvements for all our users," she says. "The primary benefit was that our risk managers were able to access and analyze loss information."

slip-and-fall, an alleged racial discrimination and an employment liability case all in one week," she says. "I really enjoy the realm of general liability. There's a lot of gray area that requires interpretation, analysis and continual definition."

Many times, Lloyd has to convince people to think like her. She recognizes she cannot make people change, but she can show them the value and importance of risk management and why it is in their best interest.

"It's a hard sell and I get some 'push back,' but when I explain how risk management affects their bottom line, I get their attention," she says. "When people understand where the money is going and why, then they have the knowledge and hopefully the incentive to bring about change."

In terms of trends, Lloyd believes employment practices will continue to be a huge issue in her program. "There's a great deal of allegiance to the University," says Lloyd. "People feel connected to our community.

Imagine the difficulty an employee experiences when they're terminated, or they're injured and can't perform their work here anymore."

As a high-profile public entity, UC goes to court on most lawsuits. As a result, they like to learn from previous cases. Utilizing their claims system, risk managers can see how many cases they have won, the best performing lawyers and results from specific judges.

"Campus risk managers dispersed throughout the state can run their own reports. They can take that information and provide more insight to the University's vice chancellors," she says. "They can say, 'Look how we're performing, look at what it's costing us.' Risk managers can't raise the red flag unless they can show the financial impact of claims. Having a really good risk management information system and being able to get useful data out of it is like coming out of a cave. How did we ever exist without it?"



Teresa Kielhorn
Manager of the
Professional Medical &
Hospital Liability Program

Teresa Kielhorn is the manager of the University's Professional Medical and Hospital Liability Program, but her previous career spans both the military and Hollywood.

"When I was in the Navy, I worked as a real-life judge advocate general," she says. "Because of my experience, I served as a legal consultant to the TV series *JAG*. Looking back, it was an invaluable experience to have started my career in the Navy. My Navy experience in healthcare law, risk management and quality control led to my interest in commercial risk management.

"My current position combines all aspects of traditional risk management, including risk financing, claims management, loss control and prevention. As the Manager for the Professional Medical and Hospital Liability Program, I manage the self-insurance program for the university physicians, nurses, dentists and other healthcare practitioners and all patient-related allegations of negligence involving the university medical centers and facili-

ties, including the nine campus student health centers. If any of our physicians or hospital staff are sued, our program provides the defense and indemnification."

Similarly, the risk managers at all the facilities are very dedicated and knowledgeable people who work hard to improve patient care and reduce liability exposure.

The Professional Medical and Hospital Liability self-insured program is doing well in terms of its claim frequency and severity. "The risk managers and medical directors are all proactive in terms of sharing information," says Kielhorn. "There's a lot of collaboration. Together, our mutual goal is to provide excellent healthcare to patients."

Kielhorn notes that the University relies heavily on sophisticated tracking and trending analysis. "Our technology tools are invaluable. We have two systems, a system-wide computerized incident reporting program that tracks patient-related incidents and a claims management database tailored to track specific risk factors."



Cynthia Rowe
Workers' Compensation
Risk Manager at UC
San Diego Medical Center

Cynthia Rowe is the workers' compensation manager at the San Diego Medical Center, but before that, she was an industrial nurse, making sure employees

received the best care. She became a risk manager after realizing that despite her efforts, employees kept getting hurt, and she wanted to help prevent injuries from occurring.

"In California, workers' compensation laws are employee-friendly, and it can be very challenging for employers to control costs and medical care. The only way to really be proactive is through safety and injury prevention," says Rowe.

"One of the reasons the university risk management program is so successful is because OPRM allows us to customize programs to meet our specific needs. For instance, one program that our site started was an accident investigation program," she says.

Now, after receiving a claim, the accident investigator meets with the supervisor and the injured employee. They return to the site of injury and basically re-enact the accident. They find out what caused the injury and agree on action items. The employee might agree to practice proper body

mechanics in the future. The supervisor may take the information back to the unit meeting, letting people know how to avoid this type of injury in the future.

"Our current claims system has allowed me to track the results of this program," she says. "Before the system was in place, I had to develop reports in Excel. Now, all the information is available at my fingertips. The accident investigations program is in its infancy, but we've already seen a 25 percent decrease in injuries."

Rowe's background as a nurse gives her an obvious advantage. "The staff knows that when I make a request, I understand the time restraints and stresses they're under. That has helped our employees feel more connected to the risk management program," she says. "I've always said that our people are our greatest asset. They keep the medical center running. Likewise, we should do our best to protect them from injuries in the work environment."



Nance Hove
Director of Risk Management
at UC Irvine Medical Center

Nance Hove has worked at UC for 14 years, the last eight of which have been in risk management. Her previous role was administrative in nature, but she always had a passion to pursue law.

"I went through a paralegal program and an extensive healthcare law program. The timing was right. I was just finishing up when a position opened up in risk management at UC Irvine Medical Center," says Hove. This center has over 450 beds, 1,200 physicians and approximately 500 new residents each year.

"My main role is planning and implementing a comprehensive risk management program," she says. "But I also play a significant role in patient advocacy. It comprises about 30 percent of my time. I meet with three or four patients a week. These patients may be upset with the care they've received. Even if it's a less-than-optimal outcome, if we communicate, we show these patients we care and can reduce the chance of litigation."

Education and training initiatives result directly from Hove's ability to analyze claims. She tries to pinpoint patterns, such as a consistent lack of documentation. She can then go back and conduct training in those areas. For instance, every year Hove provides a legal in-service to new residents and interns. She explains the medical center's policies, what medical malpractice will mean to them, and what happens if they are involved in litigation.

"Every year, one out of the 500 new residents is going to need to talk with me within the first three to four weeks" says Hove. "It's important they know that I am a resource. I try to teach them key, but simple, risk techniques such as how to 'walk in the shoes' of their patients."

Hove likes to walk the medical center floors. "Visibility is an important part of my job," she says. "I get out and see what's happening. When I hear about an unhappy patient, I help mitigate the situation. Our goal is to have happy patients. It's our utmost concern."



Trena Hunter
Campus Risk Manager for
UC Santa Barbara

ment, but in the area of risk management, I ended up taking courses and learning on the job."

"I get a lot of gratification from my risk management responsibilities. I enjoy working with our attorney. He has won a significant number of lawsuits brought against the University. I like collaborating with him and getting him the information he needs to defend our cases."

Hunter reports directly to the vice chancellor of UC Santa Barbara, but she also interacts with OPRM. "One of the reasons the University's programs have been so successful is due to the efforts, dedication and leadership coming from the office of the president," she says. "They have a daunting task, but do a laudable job."

Having an analytical nature, Hunter focuses on injury trending. "One of the best initiatives the University has undertaken was obtaining a new claims system. The vice chancellor is a numbers person. He wants to know where the money is going.

With this system, I can obtain accurate information, analyze loss patterns, and benchmark our results against other campuses," says Hunter.

By performing data analysis with the claims system, Hunter discovered that the facilities department, which handles groundskeeping and janitorial services, accounted for 50 percent of loss days. As a result, UCSB is now focusing on that department in terms of training and injury prevention.

For Santa Barbara, the number of injuries is average, but the costs per injury are fairly high. "We've instituted a new initiative to meet with our treating physicians," says Hunter. "The physicians have been very receptive to our comments and our objective to improve results. Our end goal is to improve our return-to-work program. These face-to-face meetings give us a chance to build a pathway, particularly when we feel there is a need for UCSB to provide the doctor with our perspective on a particular case."

As the campus risk manager for UC Santa Barbara, Trena Hunter spends about 40 percent of her job in risk management. In her career, Hunter rose up the ranks of the university system. "I had a significant amount of experience in information technology and financial manage-

Lessons Learned from UC

Appreciation for the risk management profession continues to grow, as does the profile of women in risk management. There are significant opportunities in the industry to learn from others and to share information regarding new and effective programs.

The University of California is a shining example of how this can be achieved. Its risk managers work together to build positive relationships between their individual departments and business units. And at the same time, they do this while never forgetting to strive for common goals of educating people University-wide about risk management strategies, reducing the costs of the program, and improv-

ing outcomes for the benefit of students, faculty and staff.

Senior risk management staff members respect the diversity of the various University locations, especially the on-site medical and teaching facilities. As a result, they provide front-line risk managers at the University's campuses and medical centers with the support and authority to design their own unique programs. Not only do these provide opportunities for true innovation, but they also allow the University's risk managers to address their unit's specific exposures and high-risk areas.

This collaborative and supportive way of doing things has fostered a mutual respect from front-line risk managers, who recognize the value

of the tools, support and leadership that senior management provides. As increased risk and instability continue to be an ever-present factor in today's society, these common threads of success can be lessons for everyone to learn from.



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