



Risk Management Plan

Revised February 2023

A handwritten signature in black ink that reads "Jody Heazlitt".

Jody Heazlitt, President/CEO

Risk Management Plan

The goal of New Hope Service's Risk Management Plan is to "Promote Quality Services and Manage Risk Effectively". The plan outlines a process for New Hope Services, Inc. (NHS) to protect itself against accidental loss and losses which would significantly affect company personnel, property, its budget or its ability to continue to fulfill its responsibilities.

It is the policy of NHS for every employee to act to reduce the risk of accidental loss or injury to the greatest extent feasible, consistent with carrying out our mission of providing services responsive to individual needs, while recognizing that for every individual there is a right to experience life and take risk.

NHS is committed to making every reasonable effort to protect the health and safety of the consumers, staff and visitors from any hazard incidental to the operation of NHS. By providing protection against losses arising out of occurrences, NHS is able to maintain financial viability. The New Hope Services, Inc. Risk Management Plan is the sum of all efforts and activities that are directed toward the provision of quality services, the promotion of a safe environment and the prevention of financial losses to NHS.

It is the policy of NHS to create and maintain a well-defined and organized plan that analyzes and corrects situations that may jeopardize the safety of consumers and employees. Also, it must be consistent with carrying out the mission of NHS.

Risk management includes actions taken before and after a loss occurs and is directed towards reducing risks and reducing the frequency and severity of losses. When analyzing a loss exposure and its treatment, the impact on the entire organization, as well as on individual departments, is evaluated.

Since NHS is exposed to various risks, which may be insured or not insured, certain risks can be avoided, reduced, spread or prevented. This plan is a method of controlling the clinical, financial and business risks or the contractual arrangement, in such a manner that quality services are provided while adequate financial resources of NHS are preserved to keep it operationally sound.

The following are objectives that support the purpose of this plan:

- A. To establish an effective structure through the identification of committees and/or individuals who will be responsible for the overall coordination, direction and monitoring of risk management activities within NHS.
- B. To assure that ongoing generic monitors and the resultant problems and studies undertaken for review and analysis are objectively assessed by qualified administrators and staff using accepted, agreed upon criteria and standards designed to achieve an optimum level of safe, quality service.
- C. By constant monitoring of known risk factors, timely response to incidents and a continuous quality improvement approach that ensures the events that post a risk are fully evaluated.

- D. To identify patterns or trends that have or may have jeopardized the safety of those involved, analyze the variables and institute corrective action to reduce the probability of reoccurrence, injury (severity), general liability claims and lawsuits.
- E. E. To ensure the following:
 - 1. Compliance with applicable laws, insurance carrier recommendations and regulations, and accreditation requirements.
 - 2. Communication lines between aggrieved parties and NHS remain open.
 - 3. Education and trainings are provided to reduce injury and/or injury reoccurrence.
- F. To foster the methods of communication and reporting whereby the results of risk management activities are presented to the Board of Directors, administration, committees/departments, and individuals assigned or deemed necessary.

Protecting NHS against financials loss through insurance is a vital step. New Hope Services, Inc. does this through liability and other insurance policies. The purpose of this insurance is twofold: (1) to protect the agency and staff from financial loss, and (2) to provide injured parties with funds to cover losses the agency caused.

NHS faces many risks in the course of its daily operations. Most fall into one of the following categories:

- General Liability
- Professional Liability (including Directors and Officers coverage)
- Liability of Employees
- Property Loss
- Vehicle-related Loss
- Contractual Liability
- Business Loss/Interruption
- Loss of Reputation

General Liability

General Liability refers to the amount of loss payable to others outside the organization for injury or damage arising from operations. It applies to personal injury, bodily injury and property loss or damage to a third party resulting from negligence of the program operations or the employees. NHS maintains sufficient insurance to ensure coverage against loss and reviews this coverage annually to keep it accurate.

Professional Liability (including Directors and Officers coverage)

Claims are most prevalent in the areas of hiring, treatment and terminations of employees. In terms of Directors and Officers liability, consumers and guardians rightfully expect a high level of character, professionalism and ethical conduct. Directors and Officers must exercise reasonable care and diligence in carrying out their tasks. Other areas include the Americans with Disabilities Act (ADA) and fiscal management. Adequate insurance is maintained and reviewed annually.

Liability to Employees

New Hope Services, Inc.'s liability to its employees includes compensation for job-related accidents or occupational illnesses. Three types of loss exposure are workers' compensation claims, employer liability claims and non-compliance with applicable occupational safety and health regulations. Adequate insurance is maintained and reviewed annually.

Property Loss

Physical property at risk includes real and personal property, whether owned or leased. The loss may result from fire, accident or theft. Property may be destroyed, damaged or lost. The organization may also experience an interruption in normal operations. Adequate insurance is maintained and reviewed annually.

Vehicle Related Loss

Risks include property damage to the vehicle itself, in addition to liability claims for personal injury and property damage as a result of vehicle operation. The specific types of liability are numerous and run the gamut from minor fender benders to loss of life. Our transportation manual is reviewed and updated annually, at a minimum, and drivers are required to read and adhere to it. NHS runs driving records on all drivers annually and maintains copies of their current auto insurance on file. Adequate insurance is maintained and reviewed annually.

Contractual Liability

When risk is contractually transferred from one party to another, loss exposures can be increased or decreased. Contractual liabilities can arise out of leases, rental agreements, special service agreements, joint use agreements, cooperative ventures, construction contracts and service contracts. Only office holders or their designees have the authority to sign contracts.

One area of a contractual service agreement would be in the Behavior Management Specialists. There are Level I and Level II specialists that work directly with our consumers. Level I specialists review the documentation and sign/approve the work of their own services as well as those services provided by the Level II specialist. Therefore, only the Level I specialist must provide a certificate of insurance proving their liability coverages.

Business Loss/Interruption

Loss or reductions of funding and major losses of facilities all create risk. NHS continually reviews the threatening possibilities and plans ahead for potential losses.

Loss of Reputation

Loss of reputation could result from negative publicity arising from negligent or unethical behavior of employees and/or organization. A Code of Ethics is enforced with all employees.

Other Areas

New Hope Services, Inc. may elect to avoid undesirably high risks and programs with excessive costs by refusing to undertake unsafe activities or by discontinuing high-risk programs.

Risks inherent in the existence and operation of NHS can be reduced, resulting in a decrease in both frequency and severity of accidental losses. It is the responsibility of each department and its personnel to conduct the business of the company in such a way as to reduce or prevent hazards to individuals and property and to evaluate the risk cost potential when developing new programs. All incidents are reviewed monthly by the Site Safety Committee and quarterly by the Corporate Safety Committee. Additional information can be found in the Asset Management and Safety Manual.

It is the general policy of NHS to retain the financial responsibility for its risks of accidental loss to the maximum extent possible without jeopardizing the financial position of the company or the continuation of essential programs.

The financial responsibility for risks may be transferred to others through contractual agreements or through the purchase of insurance. NHS will purchase insurance when required by law, bond or contractual agreement. Commercially insuring risks does not alter the responsibility or personnel of the company for compliance with required and appropriate safety and security standards.

The Risk Management Plan incorporates systems of checks and balances that clearly define accountability and monitor critical performance variables. Control systems are designed to minimize risks and prevent and detect illegal or unethical activity and/or fraud, waste and abuse. Access to critical information is on a need to know basis.