Maryland Hospital Association

Social Risk Management
Assessment and Response Tools

Table of Contents

Maryland Hospital Association

Social Risk Management Assessment and Response Tools: Overview

Social Risk: Definition

The response to social risks fits under an organization's approach to corporate social responsibility (CSR), also called corporate responsibility, or CR. There are many definitions of CSR. Typically, definitions start with voluntary contributions to societal goals and the improvement of community and individual well-being, often through (but not limited to) philanthropy and employee volunteering. In addition, our definition also includes organizational efforts to self-regulate and set objectives to limit negative impacts on the environment and society through commitments to ethical behavior, responsible deployment of resources, responsible decision-making, and fair treatment of workers, communities, and wider stakeholders. Companies engaging in CSR also commit to transparently disclose/report their performance.

The definition of social risk starts from the core principle that **everyone deserves equal economic, political, civil, and social rights and opportunities, and everyone is entitled to safety, security, and health/well-being.**

From the perspective of MHA members, a social risk occurs when your organization either has, or is perceived to have:

- Influence and/or impact on any one of following list of conditions
- Any one of the following conditions listed has an influence and/or impact on your organization

The list of social risk conditions include:

- **Safety, security, health, and well-being of individuals are threatened**. For example, this has been demonstrated through recent acts of gun violence in the United States, such as the Pulse Nightclub shooting in Orlando, Fla., or the number of school shootings over the past two decades

- **Human rights are not protected or left vulnerable**. For example, the #MeToo movement and other episodes highlighting discrimination, abuse, or violence based on protected classes

- **Individuals cannot readily access essentials like health care, shelter, food, and education.** If access is restricted based on factors like gender, race, ethnicity, or class, it leads to suffering for individuals, communities, and society as a whole. The digital divide and access to public education during the COVID-19 pandemic is an example

- **Participation is restricted**. Voices of marginalized and vulnerable groups are silenced or limited. For example, some states and counties have recently tried to overturn statutes that protect voting rights of under-represented minorities (URMs)

- **Inequity is present** and it is clear that resources are not distributed based on the unique needs of the recipients to ensure equal success.[1] For example, URMs see white staff receive more promotions and raises for less comparable amount of work

---

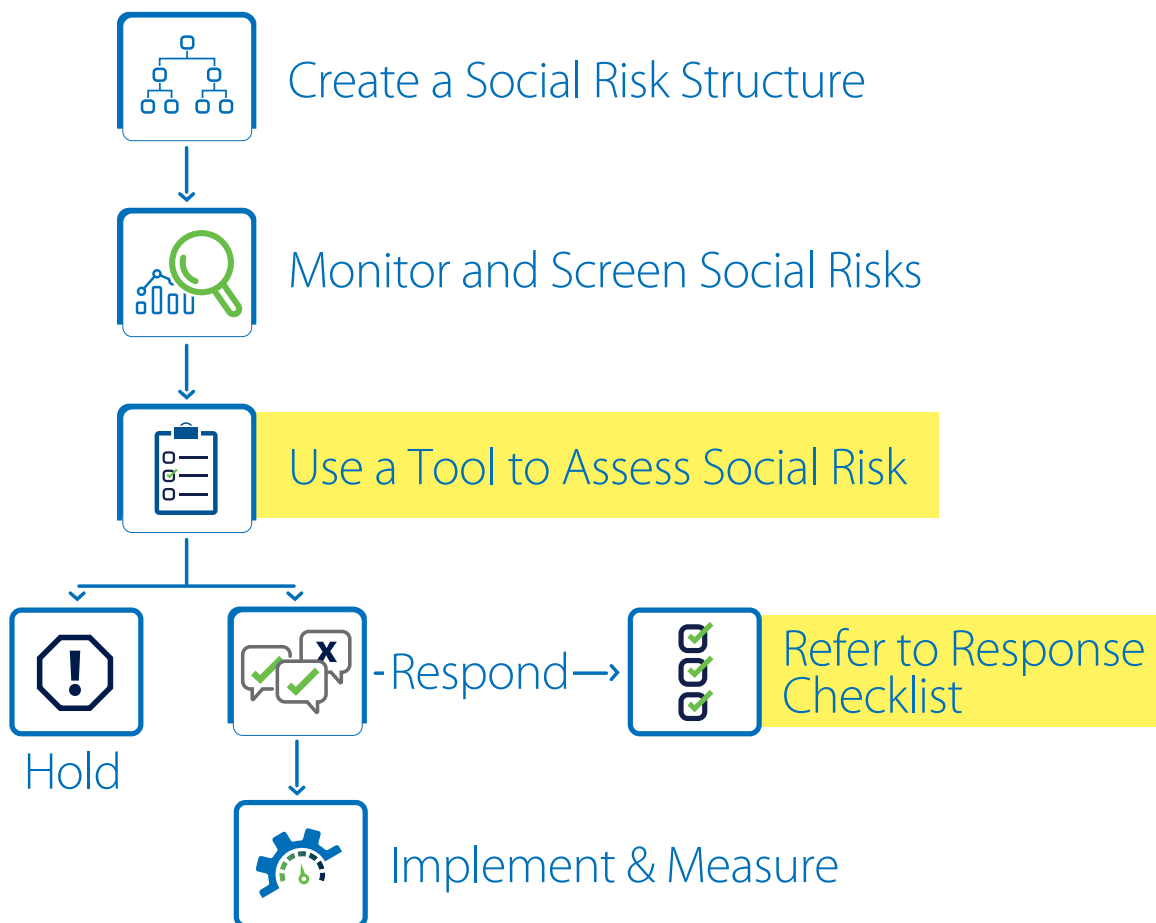1 Sources: adapted from https://www.humanrightscareers.com/issues/what-does-social-justice-mean/ ;
https://www.sdfoundation.org/news-events/sdf-news/what-is-social-justice/ ; https://en.wikipedia.org/wiki/Social_justice

Maryland Hospital Association

Form a Social Risk Management Process

These social risk management tools support an organization-wide, integrated social risk management process. They do not by themselves comprise the total social risk management process. Nor do they suffice as decision-making and response planning processes.

The following figure provides a summary outline of the elements in the social risk management process. Actions highlighted in yellow signify where to apply the tools contained in this document.

Social Risk Management Process: Summary Outline

Create a Social Risk Structure

Monitor and Screen Social Risks

Use a Tool to Assess Social Risk

Hold

Respond →

Refer to Response Checklist

Implement & Measure

Maryland Hospital Association

Create a Social Risk Structure

1. Social Risk Assessment Team

As shown in the figure on page 4, the social risk management process starts by forming a team. We recommend a cross-functional team that collaborates to scan for potential social risks, assess them, and develop recommendations for responses. There is no standard template for the composition of the team. However, an organization should consider including representatives from some if not all of the following functions:

- CEO
- Clinical Services
- Communications/Marketing
- CSR and Community Outreach
- Diversity, Equity, and Inclusion
- Ombudsman, Patient Advocate or Patient Relations Liaison
- Government Relations
- Human Resources
- Legal
- Organizational Risk
- Patient Experience
- Public Relations and External Affairs
- Others, TBD

Maryland Hospital Association

2. Social Risk Assessment Tool Framework

Your organization's social risk management process should define a team, see page 5, to monitor and assess social risk. It will be useful to develop a categorization of potential social risks to help the monitoring process.

Once your team identifies a potential social risk, use the assessment tool to determine whether it merits a response.

The social risk assessment tool helps evaluate the potential impact the social risk might have on your organization and its key stakeholders. For the purpose of the tool, the impact of a social risk refers to the probability of the risk affecting your organization and/or key stakeholders, multiplied by the size of its effect on your organization and key stakeholders such as your organization's:

- Communities
- Employees
- Government officials responsible for oversight, legislative action, and regulation
- Locations
- Patients
- Services
- Others you identify

Use the following scale to answer the questions listed below.

Social Risk Assessment Tool: Scoring Criteria	
SCORE	**RATING**
1	Very low potential impact on your organization or key stakeholders
2	Low potential impact
3	Modest potential impact
4	Clear potential impact
5	High potential impact
NA	The question is not applicable

Maryland Hospital Association

3. Social Risk Assessment Tool: Questions

Note that the questions below are not cumulative.

If any of the questions score a "3" or above, then the social risk requires a response.

The third column of the questionnaire provides guidance on which key response considerations each question relates to. Key response categories are found in the key response reference checklist tool on page 10.

Social Risk Assessment Tool: Questions		
QUESTION	**SCORE**	**KEY RESPONSE CONSIDERATION**
1. Does the social risk impact our organization's core operations (such as affecting company strategy, products, operations, policies, or practices)? Note whether the social risk creates an organizational-wide crisis, risks, and/or legal liability.		Refer to the following key response category (in the ensuing section): • Review all the key response categories in the ensuing section • If it creates a crisis or organization-wide risks, pay attention to the risk management perspective checklist
2. Does the social risk impact the health/well-being (including mental health) of employees and/or their ability to do their jobs?		Refer to the following key response category (in the ensuing section): • I. Employee Support and Organizational Culture Development
3. Does the social risk impact patients?		Refer to the following key response category (in the ensuing section): • III. Access to Health/Health Disparities • IV. Product and Legal • V. Business Development
4. Does the incident affect the health equity, and/or the social determinants of health, and/or our priorities for community investment and involvement that our organization has prioritized (and/or that key stakeholders perceive to be a priority for our organization)?		Refer to the following key response category (in the ensuing section): • I. Communications and Public Affairs • III. Access to Health/Health Disparities • IV. Product and Legal • VI. Business Development • VII. CSR (Corporate Social Responsibility)

Maryland Hospital Association

Social Risk Assessment Tool: Questions

QUESTION	SCORE	KEY RESPONSE CONSIDERATION
5. Does the social risk have the potential to change public policy and/or regulation affecting your organization or the health care sector in Maryland?		Refer to the following Key Response Category (in the ensuing section): • I. Communications and Public Affairs • VII. CSR
6. Does the physical proximity of the social risk to our operations affect our organization and/or key stakeholders?		Review all the key response categories in the ensuing section
7. Does the social risk have the potential to affect our organizational reputation (e.g., our name will be mentioned either negatively or positively in media coverage; the news media expects us to answer questions about our organization's role in the social risk, etc.)		Review all the key response categories in the ensuing section
8. Does the social risk represent an existing or potential public health crisis that we will be expected to respond to in a meaningful way?		Review all the key response categories in the ensuing section
9. Does the social risk have the potential to affect perception on the quality of care that we provide, and/or the ethical performance of our health care providers and/or administrators?		Review all the key response categories in the ensuing section
10. Will key stakeholders hold us accountable for the behaviors of partners (e.g., Board Member; traveling nurses; pharmacists illegally selling Rx; an unethical sponsor; a supplier; etc.)?		Review all the key response categories in the ensuing section

If any of the questions score a "3" or above, then the social risk requires a response.

Maryland Hospital Association

Insufficient

Key Response Reference Checklist Tool

If the scoring sheet has two or more elements with a score of 3 or above, then the social risk requires an integrated strategic response that blends key response categories and requires cross-functional ownership of the response. Use the following guide to steer the kind of response taken.

NOTE: Every Social Risk Requires a Customized Response

SCORE	RATING	RELATED ACTION	TIMING
1	Very low potential impact on our organization or its key stakeholders	No action required	NA
2	Low potential impact	Monitor	Develop a monitoring plan within 3-4 weeks
3	Modest potential impact	Consider making a statement and reference relevant Diversity, Equity, and Inclusion (DEI) activities underway	Respond within 3-5 days
4	Clear potential impact	Develop a plan to make a statement and address performance gaps and opportunities as needed	• Communicate within 3 days • Develop a plan and address performance gaps and opportunities as needed within 1-3 months

5	High potential impact	• Make a statement
		• Take immediate action to:
		  - Remedy negative impacts (if applicable)
		  - Pursue multicultural business development opportunities and/or brand positioning opportunities (if applicable)
		  - Take leadership with the industry or alone if opportune
		• Enhance corporate social responsibility (CSR) commitments.
			• Make a statement within 1-2 days
			• Remedy negative impacts (if applicable) – outline actions within 3-5 days. Begin implementation within 1-2 weeks
			• Pursue multicultural business development opportunities and/or brand positioning opportunities (if applicable). Develop and announce these actions within 1-2 days if possible, but ideally no more than a week. Implementation should start within the next 1-3 months
			• Take leadership with the industry or alone if opportune. Develop and announce these actions within 1-2 days if possible, but ideally no more than a week. Implementation should start within the next 1-3 months
			• Enhance CSR commitments. Develop and announce these actions within 1-2 days if possible, but ideally no more than a week. Implementation should start within the next 1-3 months

Maryland Hospital Association

Refer to these key response categories to guide our responses to social risks. Each category provides a list of potential responses. Treat this list like a menu, considering and selecting the most appropriate given the way you have scored the incident. These categories are not comprehensive, so use your judgment and experience to develop additional responses as needed.

If any among questions 1, and 6-10 in the social risk assessment tool receives a score of "3" or above, an initial screening team (e.g., a team might be composed of DEI, communications, public affairs, etc.) should go through the following risk management perspective checklist. This list can help determine whether to treat the social risk as a crisis and/or urgent risk requiring the full attention of the organization and the application of crisis response processes. See the checklist in the box insert below.

Risk Management Perspective Checklist

Utilize when any one of questions 1, 6, 7, 8, 9, or 10 from the social risk assessment tool receive a score of "3" or above.

To manage and respond to the social risk:

☐   **Should the crisis management and/or organizational risk team be informed and involved?**

☐   **Should key service lines, departments, clinicians, and/or business leaders be engaged?**

☐   **Should your team meet with the crisis management and/or organizational risk response teams to ensure they treat the social risk with sensitivity?**

☐   **Should the crisis management and/or organizational risk response teams receive guidance to incorporate DEI elements into the crisis response?**

Maryland Hospital Association

1. Communications and Public and Government Affairs

- Develop and communicate a message to reaffirm our organization's existing commitments to DEI, amplifying this message throughout internal and external channels, such as the website and social media

- Make a public statement to show your organization allies with the social risk issue of concern

- To show key stakeholders such as employees, patients, and communities your organization is generally supportive of a social issue, consider using social media platforms. For example, a senior hospital administrator can tweet their support for a trending social risk

- When a highly relevant and sensitive social risk is trending on social media, and expectations are growing for your organization to respond and/or defend itself, apply the PEARLS framework, which Johns Hopkins uses to defuse difficult situations,[2] and we find when modified applies well to communications with audiences that have high potential to escalate. PEARLS stands for:

    - **Partnership**—Emphasize that you are, or intend, to work together to solve the issue

    - **Empathy**—When stakeholders get upset or angry, work to understand why and reassure them that you understand their concerns and will work to address them

    - **Apology**—Lawyers will often need to participate in the decision to issue formal apologies when stakeholders make accusations about your organization. When formal apologies are issued, they should be authentic, express accountability, and avoid caveats (e.g., avoid statements like, "We are sorry if the actions you perceive that we may

have taken might have upset you," and "If you are feeling upset we apologize for any role we might have played"). In situations in which your organization is not blamed, expressing that you are sorry that key stakeholders are frustrated, angry, or upset can be a useful expression of empathy

    - **Respect**—Show respect for their concerns and their fears

    - **Legitimization**—Legitimize their concerns. E.g., "We understand your concerns build upon a well-documented history of injustice"

    - **Support**—Let stakeholders know that you want to offer them as much support as you can. Let them know about other sources of support as well

- Join or lead advocacy to support the social risk issue

- Use CSR activities to support the social risk issue

---

2   www.hopkinsmedicine.org/office-of-johns-hopkins-physicians/best-practice-news/defusing-difficult-situations

Maryland Hospital Association

2. Employee Support and Organizational Culture Development

- Coordinate with the organizational risk team to ensure employees affected by the social risk are safe and secure

- Acknowledge that something concerning has occurred

- Develop a message and communicate internally to reaffirm our organization's existing commitments to DEI Principles
  - Communicate to employees that our organization cares about them and the issues the Social Risk affects
  - Act and communicate to show your organization supports employees and their concerns

- If a specific employee or group of employees is involved, have a supervisor, manager, or business leader speak directly to them; ask them what the organization can do to improve or better support the issue

- Utilize Town Hall style convenings to share concerns openly and educate

- Expand and deepen existing commitments to DEI principles either:
  - Through deliberations by launching an internal assessment in coordination with HR and/or employee resource groups to assess the issue and form recommendations
  - Through immediate action

- Coordinate and partner with the health care industry (e.g., working with the industry to advance talent pipeline issues)

- Take corrective action and/or disciplinary actions related to our organization's employees or functions that have created a negative social risk (e.g., the current Wells Fargo CEO publicly stating that the company doesn't hire more Blacks because there's no talent pipeline)

- Use CSR activities to support talent pipeline and work force development

3. Access to Health/Health Equity/ Social Determinants of Health

- Develop a message and communicate internally and/or externally to reaffirm your organization's existing commitments to access to health

- Use CSR to address access to health and related health disparities in the U.S. related to social risk

- Set meetings with concerned stakeholders to promote dialogue on areas of concern and commit to work on a response

- Engage in industry initiatives to promote greater access through joint lobbying or other means

- Secure third-party support; collaborate on external communication

- Engage in initiatives in areas where improvements are needed to:
  - Dismantle institutional bias and racism in health care
  - Support expanded access for coverage, telehealth, etc.
  - Strength the health care system
  - Improve health literacy

- Commit to pipeline development to address health disparities

4. Services and Legal

- Coordinate with the crisis management and/ or organizational risk team to ensure their response to service concerns treat social risk issues with sensitivity

- Follow up to tie to the access to health and health equity key response areas

- Discuss legal risks the social risk potential poses and coordinate risk mitigation

Maryland Hospital Association

5. Organizational Development

- Expand organizational commitments and actions. e.g., expand:
  - Supplier diversity commitments
  - Training and development
  - Leadership development
  - Efforts to create a culture of inclusion
  - Efforts to celebrate diversity

6. Business Development

- Assess whether health disparities create opportunities to expand service lines
- Create plans, as needed, for:
  - Pipeline development
  - Outreach to affected demographics
  - Multicultural marketing

7. CSR

- Create programs as needed to support:
  - Access to health
  - Health equity
  - Social determinants of health
  - Near-term growth in diverse HR talent pipelines
  - Health care related STEM education
  - Health care related longer term work force development
  - Expand the CSR role and resources of employee resource groups:
    - ◆ Expand giving budget and volunteer support for employee resource groups
    - ◆ Focus each employee resource groups on addressing health disparities
    - ◆ Focus each employee resource groups on a plan to increase the pipeline of workers

8. Supply Chain and Procurement

- Expand relevant policies and codes of conduct to incorporate DEI and ethical principles that relate to the social risk
- Hold suppliers, contractors, and partners accountable to updated policies/codes
- Audit the performance of suppliers, contractors, and partners related to policies/codes relevant to the social risk
- Require suppliers, contractors, and partners to take corrective action related to their performance tied to the social risk
- Report publicly on the performance of suppliers, contractors, and partners related to the social risk

Maryland Hospital Association