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Why Healthcare Leaders Cannot Afford to Ignore "Greening" Anymore

Written by Bob Herman | March 12, 2013

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As an individual sector, healthcare is one of the largest consumers of energy.

Healthcare organizations utilize 11 percent of all U.S. energy, and hospitals and health systems spend roughly \$8 billion every year on energy. In addition, energy costs have risen 56 percent between 2003 and 2008, according to the Healthier Hospitals Initiative.

Energy is often considered to be low-hanging fruit within a hospital's financial plan, but healthcare leaders can no longer afford to ignore "greening" their facilities. At the American College of Healthcare Executives' 56th Congress on Healthcare Leadership in Chicago, two leading health system representatives, as well as consultants for a well-known healthcare architectural and design firm, explained why greening is becoming an imperative for the energy-intensive healthcare sector.

What two leading health systems are doing

Neil Rosen, director of sustainable development and facilities services at Great Neck, N.Y.-based North Shore-Long Island Jewish Health System, and Lissa Bryan-Smith, chief administrative officer of Geisinger Wyoming Valley Medical Center and Geisinger South Wilkes-Barre (Pa.), led the panel and discussed what they have completed at their respective health systems.

North Shore-LIJ has been a regional leader when it comes to its environmental and sustainability efforts. Katz Women's Hospital at North Shore University Hospital in Manhasset, N.Y., was recently built as a LEED Platinum hospital and is one of only three LEED Platinum hospitals in the United States. The health system has also installed innovative recycling programs and solar panel construction to reduce its environmental footprint. Mr. Rosen says North Shore-LIJ, from facilities management all the way up to the CEO's office, has embraced green strategies, but an extra light bulb clicked when they found their efforts also improved patient and employee satisfaction scores.

North Shore-LIJ wanted to move its obstetrics physicians from one building to another, and there was conflict over the move should happen. Eventually, the physicians were told their new offices would be in a green building.

"Half of the doctors said, 'I've heard about that. Let's go get that building,'" Mr. Rosen said. "The other half said, 'I have no idea what that is, but my patients do. Let's go build that.'"


For Geisinger Health System, based in Danville, Ms. Bryan-Smith said their greening strategies arose in a different fashion. In the late 1990s, Geisinger came out of a failed merger with Penn State Milton S. Hershey (Pa.) Medical Center "fiscally challenged and emotionally drained." They had to find ways to cut costs immediately, and it so happened the green building movement began its ascent.

"We had to figure out some cost savings all across the board but grow at the same time," Ms. Bryan-Smith said. "It was a challenge to our facility teams, but we literally came into the green era at the time."

Both systems now fully embrace environmental stewardship and greening practices. It has led to positive social and

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environmental impacts — but it has also led to massive cost savings and a legitimate return on investment.

Best policies and practices

Geisinger and North Shore-LIJ follow several standard policies and practices laid out by the sustainability community: LEED under the U.S. Green Building Council and programs from the Environmental Protection Agency such as WaterSense, WasteWise and Energy Star.

Mr. Rosen notes that 90 percent of his health system's greening involves renovations instead of new construction — new buildings simply don't occur as often.

However, no matter if it's a new project or a renovation, there are several green criteria to use and a plethora of data to find out the value of those projects.

"Performance needs to be quantified. It was hard to get healthcare leadership to buy into greening six to seven years ago because there wasn't data on what expected performance was and what ROI was," said Jim Crispino, president of New York City-based architectural firm Francis Cauffman. "But the good news is we do have that growing body of data for us to use."

Applying green policies

Once hospital administrations adopt greening policies, it takes extra effort to help promote and advocate for those causes throughout the organization. Greening can catch on with employees, though, if the concepts are explained and incorporated into their daily lives and routines.

"It's about education. It's about explaining what we're doing and why we're doing it," Mr. Rosen said. "We were renovating a building, didn't tell anyone the benefits and moved people into the space. But it's about integrating folks into the process."

Ms. Bryan-Smith agreed, saying employees are some of the best advocates for the greening process. For example, when Geisinger implemented a campaign to eliminate mercury from its system, it was about disseminating informative materials and actively involving physicians and staff members to help accomplish the task.

"It took a task force — physicians, nurses, housekeeping — and we really reduced it to the point where there is hardly any mercury in our system," Ms. Bryan-Smith said.

Return on investment for greening?

Mr. Crispino explained that ROI figures are now easily available for hospital CEOs, CFOs and other financial leaders, and greening now justifies its upfront costs. "Hospitals are generally designed to be 100-year buildings," Mr. Crispino said. "The 97 years of heating, cooling, etc., is where most of your money is dropped."

Ms. Bryan-Smith gave concrete figures to explain the ROI of a combined heat and power cogeneration plant that Geisinger built a few years ago. It cost \$5.3 million to build the plant, but roughly half of the costs were subsidized through various government and organizational grants, which the panelists emphasized are available under President Barack Obama's administration as well as through state programs. Overall, the plant will save Geisinger roughly \$1.5 million in operating costs every year, giving the project a two-year ROI.

While the ROI satisfies the financial requirements, greening is also a practice that a hospital can use to appeal to its community and patient base.

"ROI is more than just 'I saved energy,'" Mr. Rosen said. "It's: 'I brought a service to my patients when no one else was able to.'"

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