

# Environmental Purchasing at Kaiser Permanente – An Overview and a Deep Dive

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# Agenda

- **KP Overview & History**
- **Structure & Focus Areas**
- **Evolution of EPP**
- **EPP Infrastructure and Process**
- **Outcomes**
- **Next Generation of EPP for KP**

# Kaiser Permanente

**The largest non-profit healthcare system  
in the US**

**\$34bn operating revenue  
\$13bn spend**



**8.6M members**



**13,000 physicians  
153,000 employees**



**34 acute care hospitals  
431 medical office buildings**

# Structure & Focus Areas

## National Principles

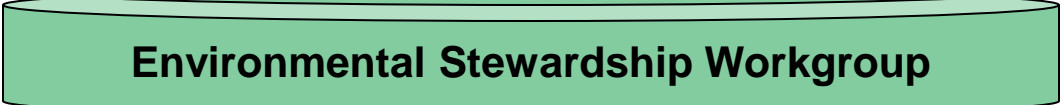


— Adopted 2008

## National Leadership

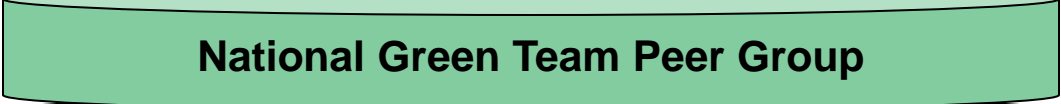
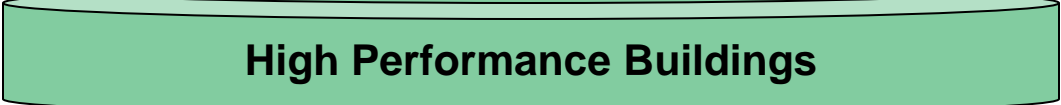
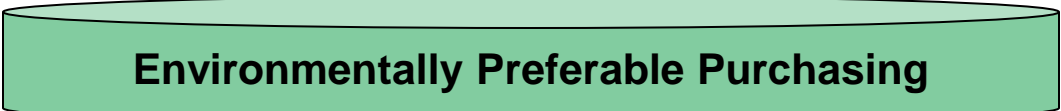


— Established 2001



— Established 2007

## National Programs



# Evolution of the EPP Program

**Structure, Goals, and Partnerships**  
**Grassroots opportunity capturing**



# Developing EPP Program Focus

## Structure:

- **Organizational Concerns**
  - Chemicals
  - Climate
  - Indoor Environmental Quality
  - Waste Reduction
- **Strategic Work plan focus w/high level annual goals**
- **Individual goals**
- **Opportunistic**

## Examples:

### Strategic 2009 P&S Goals

- DEHP/PVC-free NICU products
- Integrated Pest Management
- Greener Cleaners

### Opportunistic

- Auto-substitution of office supplies
- Low Hg, high efficiency lighting



# Critical Considerations and Criteria

## Structure:

### • **EPP Policy** (*highlights*)

#### *Goals*

- Greener chemicals
- Land stewardship
- Clean air and water
- Minimize waste

#### *Materials to Avoid*

- Bisphenol-A
- Halogenated flame retardants
- Latex
- Heavy Metals.
- Phthalates e.g. plasticizer DEHP

#### *Manufacturers & Suppliers*

- EPA Smartway Transportation
- Recyclable/ recycled-content / reusable packaging

## Example:

### Sustainable Fabric Alliance

- Basic “must-have” (EPP Policy)
- Product-type specific issues (moisture barrier)



# Option Evaluation Methods and Tools

## Structure:

- Sourcing and Standards Teams
- Total Cost of Ownership
- AQSCI - Assurance, Quality, Safety, Cost, Innovation
- General and category EPP specifications
- Waste generation & costs
- Partner experiences

## Examples:

### Trials

- LED Surgical lights
- Cleaning Chemicals

### Operating Cost Comparisons

- Autoclavable Rigid Endoscopes
- Lights and Ballasts



# Product Selection

## Structure:

- Clear goals and focus communicated
- Tested outcomes
- Acceptance and understanding of gaps and trade offs

## Example:

Reusable drapes and gowns  
PVC-free patient id bands



# Outcomes and Measuring Results

## Structure:

- **Clear environmental benefits**
- **Number of success stories**
- **Voice of the customer with suppliers**



## Example:

- **Sustainable Fabric Alliance**
  - 4 → 3 suppliers
  - Category II suppliers (meeting most EPP criteria)
  - Contractual obligation for improvement
- **45 identified Supply Chain and Sourcing Initiatives with Environmental Benefits**

# Next Steps in the Evolution

- **Know what is in the product**
  - Product-level disclosure in RFP
- **200,000 SKUs**
  - Understanding biggest impacts and opportunities
- **Eliminating price differences**
  - Drive strategic sourcing
- **Motivating industry**
  - GHSI, Practice Greenhealth
- **Developing new EPP specs**
  - Partnership & Prioritization



# Thank you

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