



# Doing Well by Doing Good

A Case Study From PH&S WA/MT  
Region...

And the genesis of the Environmentally  
Preferred Purchasing Council.

## **Objectives:**

- **Who we are**
- **How we make supplier contracting/utilization, and environmental stewardship decisions**
- **The call to action for EPP**
- **How we organized ourselves**
- **How our financial model for early success, drove the formulation of the initial work plan**
- **A few early successes and learning moments**
- **Our ambition... or what's next.**
- **FAQs and other Questions**



**ALASKA**

- Anchorage**
- Providence Alaska Medical Center
  - ◆ Providence Extended Care Center
  - ★ Providence Horizon House
  - Providence Family Medicine Center
  - + Providence Home Health Care
  - Center for Child Development
  - ⊖ Providence Behavioral Medicine Group
  - ⊕ Providence Crisis Recovery Center
  - ⊙ Providence Adolescent Residential Treatment Facility
  - ⊗ Anchorage Freestanding Outpatient Services
- Eagle River**
- ⊗ Providence Seward Mountain Haven (opening fall 2009)
- Kodiak**
- ◆◆ Providence Kodiak Island Medical Center
  - ⊙ Kodiak Island Counseling Center
- Seward**
- ◆+ Providence Seward Medical & Care Center
- Valdez**
- ◆◆ Providence Valdez Medical Center
  - ⊙ Providence Valdez Counseling Center
- Wasilla**
- Providence Matanuska Health Care Associates
  - ⊗ Mat Su Outpatient Services
  - ⊙ Providence Behavioral Medical Group - North

**WASHINGTON/MONTANA**  
**WASHINGTON**

- Everett**
- Providence Regional Medical Center Everett
  - Providence Physician Group
  - + Providence Hospice and Home Care of Snohomish County
- Seattle**
- ◆ Providence Mount St. Vincent
  - ★ Providence Elizabeth House
  - ★ Providence Heritage House at the Market
  - ★ Providence Gamelin House
  - ★ Providence Peter Claver House
  - ⊙ Providence Vincent House
  - Providence Regina House
  - Providence ElderPlace
  - + Providence Hospice of Seattle
- Renton**
- + Providence Home Services
  - ⊕ Providence Infusion and Pharmacy Services

**Issaquah**

- ◆ Providence Marianwood
- Olympia**
- ◆ Providence St. Peter Hospital
  - ◆ Providence Mother Joseph Care Center
  - ★ Providence St. Francis House
  - + Providence SoundHomeCare and Hospice

**Centralia**

- Providence Centralia Hospital
- ★ Providence Blanchet House
- ★ Providence Rossi House

**Chehalis**

- ★ Providence Place

**Yakima**

- ★ Providence House

**Colville**

- Providence Mount Carmel Hospital

**Chewelah**

- Providence St. Joseph's Hospital (includes a long-term care unit)
- + Providence DominiCare

**Spokane**

- Providence Sacred Heart Medical Center & Children's Hospital
  - Providence Holy Family Hospital
  - Providence Adult Day Health
  - Providence Pathology Associates Medical Laboratories
  - + Providence VNA Home Health Care Services
  - ◆ Providence St. Joseph Care Center
  - ★ Providence Emilee Court Assisted Living
- Walla Walla**
- Providence St. Mary Medical Center

**MONTANA**

**Polson**

- St. Joseph Medical Center
- ★ St. Joseph Assisted Living Center

**Missoula**

- St. Patrick Hospital and Health Sciences Center

**Great Falls**

- St. Thomas Child and Family Center
- University of Great Falls

**OREGON**

**Seaside**

- Providence Seaside Hospital
- + Providence Seaside Home Health
- ⊙ Providence North Coast Clinic

**Hood River**

- Providence Hood River Memorial Hospital
- Providence Hood River Health Services
- ★ Providence Senior Village
- ⊙ Providence Mountain Clinic

**Portland**

- Providence Portland Medical Center
- Providence St. Vincent Medical Center
- ★ Emilee House
- ★ Providence House
- ★ Providence ElderPlace
- Providence Medical Group
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- + Providence Home and Community Services
- ⊕ Providence Health Plans
- ⊗ Providence Bridgeport Health Center
- ⊗ Providence Tanasbourne Health Center

**Milwaukie**

- Providence Milwaukie Hospital
- Providence Medical Group

**Newberg**

- Providence Newberg Medical Center
- Providence Medical Group
- + Providence Home Health

**Mount Angel**

- ◆ Providence Benedictine Nursing Center
- ★ Providence Benedictine Orchard House
- Providence Benedictine Child Development Center
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**Medford**

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- Providence Medical Group
- + Providence Home Care and Hospice
- ⊗ Providence Central Point Medical Plaza

**CALIFORNIA**

**Oakland**

- ★ Providence House

**Santa Clarita**

- ⊗ Providence Holy Cross Health Center

**Porter Ranch**

- ⊗ Providence Holy Cross Health Center Q1 2009)

**Mission Hills**

- Providence Holy Cross Medical Center
- + Providence TrinityCare Hospice
- ⊗ Providence Holy Cross Surgery Center
- ⊗ Providence Holy Cross Diagnostic Center

**North Hollywood**

- ◆ Providence St. Elizabeth Care Center
- ▲ Providence Center for Community Health Improvement

**Tarzana**

- Providence Tarzana Medical Center
- ⊗ Providence Tarzana Diabetes Care Center
- ⊗ Providence Tarzana Women's Center
- ⊗ Providence Tarzana Imaging Center
- ⊗ Valley Radiation Oncology Center

**Burbank**

- Providence Saint Joseph Medical Center
- + Providence TrinityCare Hospice
- Providence High School
- ⊗ Providence Saint Joseph Health Center (Home Care)

- ⊗ Providence Saint Joseph Diagnostic Center

**Manhattan Beach**

- Providence Little Company of Mary Medical Institute

**Redondo Beach**

- Providence Little Company of Mary Medical Institute
- ⊗ Outpatient Care Center

**Hawthorne**

- Providence Little Company of Mary Medical Institute
- ⊗ Vasek Polak Community Health Clinic

**Torrance**

- Providence Little Company of Mary Medical Center Torrance
- ◆ Providence Little Company of Mary Transitional Care Center/Unit
- Providence Little Company of Mary Medical Institute
- + Providence Little Company of Mary Home Health
- + Providence TrinityCare Hospice
- ⊗ Outpatient Care Center

**Carson**

- Providence Little Company of Mary Medical Institute

**San Pedro**

- Providence Little Company of Mary Medical Center San Pedro
- Sub Acute Care Center
- Providence Little Company of Mary Medical Institute
- + Providence TrinityCare Hospice
- ⊗ Providence Diagnostic Center
- ⊗ Providence Little Company of Mary Peninsula Recovery Center

**Key**

- Health Care Campus
- ◆ Freestanding Long Term Care Facility
- ★ Housing and Assisted Living
- Owned Primary Care Network
- Educational Facility
- ⊙ Behavioral Health Services
- Adult and Child Day Care Centers
- + Home Health and Hospice Services
- ⊕ Medical Laboratory Services
- Providence Health Plan
- ⊕ Providence Infusion and Pharmacy Services
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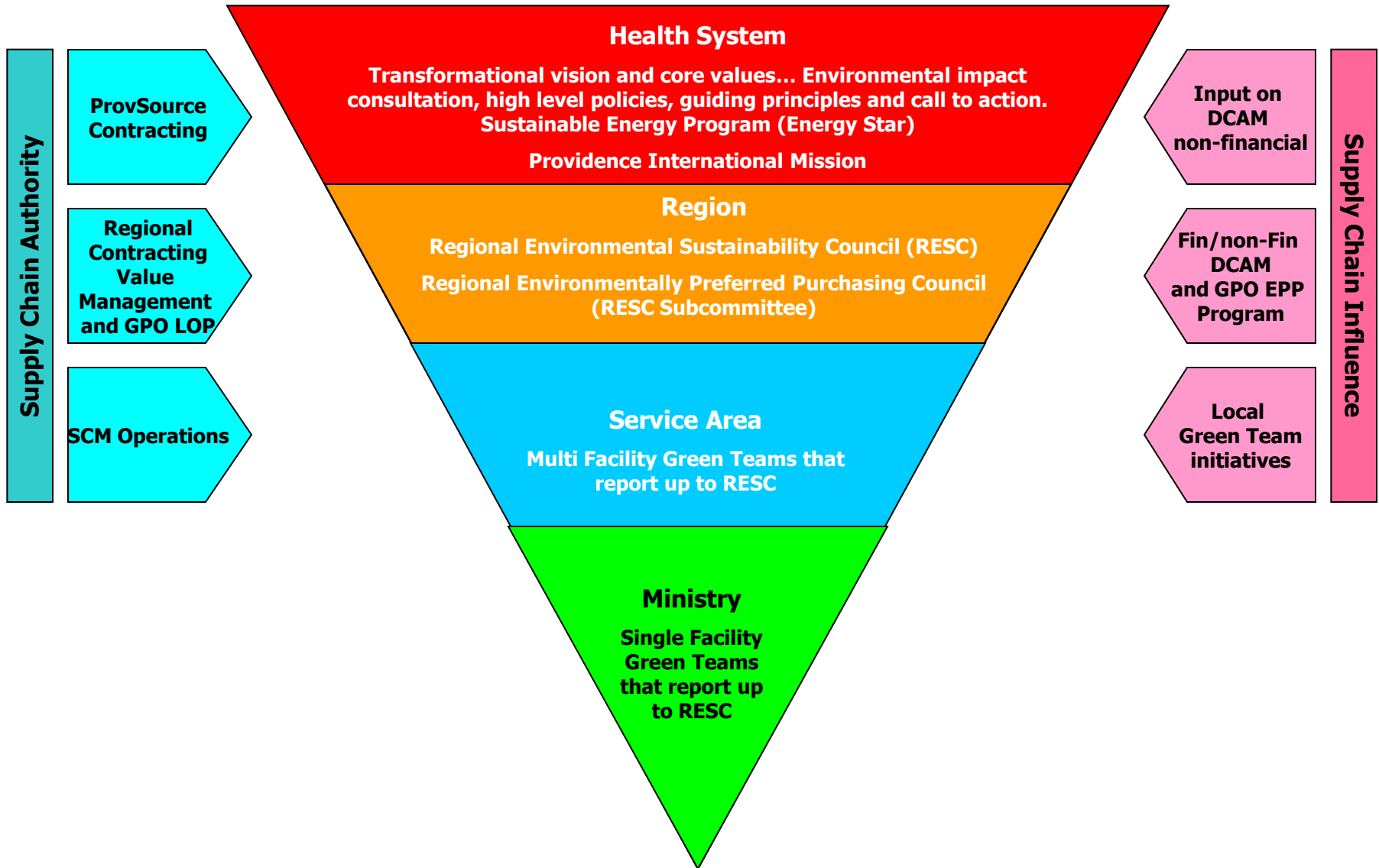
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The "bachelor's" laundry for sustainability teams at PH&S



## Our Providence Health & Services Core Value of Stewardship

The earth is the Lord's and all that is in it  
-Psalm 24:1

We believe that everything entrusted to us is for the common good

We strive to care wisely for our people, our resources and our earth

We seek simplicity in our lives and in our work

## Our Transformational Vision Statement

As people of Providence we reveal God's love for all, especially the poor and vulnerable through our compassionate service.

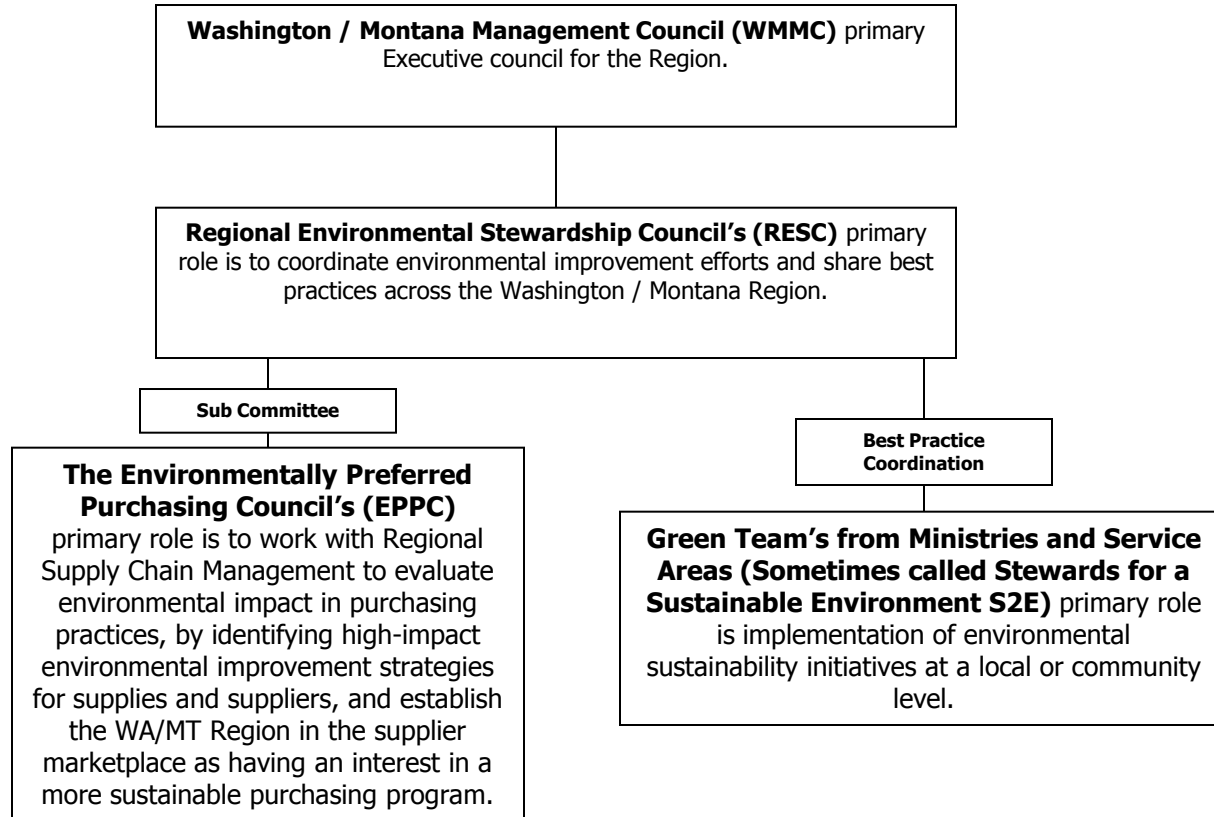
As presented to Regional CFOs and CEOs in October 2008

<u>Total Possible GGHC Points</u>	<u>72</u>	<u>% to Total</u>
St. Peter Hospital	40	55%
Sacred Heart Medical Center	39	54%
Everett Medical Center	37	51%
Centralia Hospital	33	46%
St. Mary Medical Center	28	39%
St. Patrick Hospital	26	36%
Mt. Carmel Hospital	23	32%
Holy Family Hospital	20	28%
St. Joseph Hospital	10	14%
Providence WA / MT Region Average	32	44%

Where the opportunity lies...

Criteria	GGHC Possible	WA / MT	% GGHC
Chemical Management	5	4.75	95%
Transportation	3	1.50	50%
Environmental Services	9	4.38	47%
Waste Management	6	2.50	42%
<b>Environmentally Preferred</b>			
Purchasing	11	3.75	34%
Energy Efficiency	18	6.00	33%
Water Conservation	8	2.50	31%
Innovation	7	2.00	29%

## How we organized



**DW x DG**

**Doing Well by Doing Good**

**1<sup>st</sup> = Look to EPP to reduce invoice cost of product.**

**2<sup>nd</sup> = Take an initiative by initiative approach, vs total portfolio approach.**

**3<sup>rd</sup> = If an EPP initiative competes for another cost reduction initiative of the same order-of-magnitude... EPP has priority.**

**4<sup>th</sup> = influence the contracting process.**

**Environmentally Preferred Purchasing Council**  
**A Subcommittee Of**  
**Providence Health & Services - Washington / Montana Region**  
**Environmental Stewardship Council**

**Supply Chain:**

**Anne Nolet – SWSA**

**Jason Moulding – NWSA**

**Ron Weaks – PHC**

**Gary Southern – SEWSA**

**Gary Rakes – WMSA**

**Tanya Rice – WA/MT Region**

**Jerry Quinn – WA/MT Region**

**David Smith – WA/MT Continuum Ministries**

**Loretta Stout - VHA**

**RESC:**

**Tim Hagler - WA/MT Region**

**Beth Schenk - St Patrick Hospital**

**Jennifer Forbis – St. Joseph Medical Center**

**Toby Purvis – PRMCE**

**Keith Edgerton - PSPH**

## **The EPPC Work Plan**

- Plan to accomplish challenges from RESC
- Establish an operating approach
  - Value Management
    - Gear up for mid-term and intra-contract conversions
    - Establish a market presence
      - Supplier community
      - GPO
      - ProvSource contracting model
      - Intra-System profile
- Decide on effective metrics to measure inaugural impact
- Get quick results
  - VM process delivers wins... Wins pressure test VM process

**Note:** A not-so-obvious element of the work is to acknowledge the contributions of Green Teams, Facilities Management, and Supply Chain in efforts pre-dating and outside of EPPC. Many of these efforts become larger Value Management objectives.

	\$ Reduction	COMMENTS - FOLLOW-UP P = PARTIAL INFORMATION
1. Create an environmentally preferred purchasing policy for the Region Supply Chain (similar to that of the System Office).		
2. Investigate cost neutral environmentally preferred alternatives for disposal cafeteria plates and plastic ware as a replacement for Styrofoam and plastic (such as corn starch based products – see the “Stalk Market” for example).		
3. Investigate cost neutral environmentally preferred alternatives to plastic convenience items (such as patient belonging bags like those manufactured by recycled content and reusable – with hospital logo).		Tanya to review Verna Care recycled paper products.
4. Work with Novation to assure that our prime vendors/distributors and other suppliers use recycled cardboard and similar products to contain their medical supplies (i.e.: glove and sharps boxes).		
5. Explore reusable totes in lieu of cardboard for shipping and receiving to each hospital’s loading dock (save handling tons of cardboard).		
6. Engage Novation to provide alternatives for Environmentally Preferred Purchasing.		
7. Communicate Regional contract for Pharmaceutical Waste (with Stericycle).		
8. Make the new (Sept 08) Novation Environmentally Preferred Purchasing catalog available to Region facilities.		
9. Use PH&S purchasing power to negotiate a cost neutral purchase of recycled content office paper. Make recycled paper the standard for regional facilities (in lieu of the “difficult to request alternative”).		

## The Inaugural Work Plan

	\$ Reduction	COMMENTS - FOLLOW-UP P = PARTIAL INFORMATION
10. Investigate DEHP – free products as substitute material (ex: in IV bags, tubing.)		
11. Leverage Novation expertise to develop alternatives to toxic chemicals used in hospital operations (such as formaldehyde, gluderaldehyde, etc)		
12. Overlays	\$85,000	Hard \$ expense reduction to the Region for Product is \$85k, waste reduction is >4000 lbs, with \$ savings related to waste reduction of >\$1000.
13. Reprocessing Tracking		See Documents in SharePoint. For Q1 reprocessing down 6% in Region. Leading indicator PSPH with a 23% increase, lagging indicator is all facilities implemting Lawson.
14. CEX EPP tracking, including trip reduction		
14. a: Env Prefered equivalent office products	\$144,000	\$144k Regional opty. EPPC votes to maximize financial impact and psick out only products that reduce cost or are the same.
14.b: Trend CEX Recycled Product Spend		Q1 23% as a Region. Range 11% to 35%.
15. Cold packs and styro coolers recycling		
16. Expansion of non DEHP to include comprehensive list of IV products		
17. Chemicals		
18. Review hazardous waste reduction		
19. Find a place to stockpile Kimberly Clark waste wrap for recycling		

## **Great Ministry Green/Team Supply Chain Initiatives**

- Micro Fiber Mops
- Chemical Selection
- Controlled Dilutions
- Green Paper Products
- Repurposing (Art and Styro)
- Office Products Amnesty Day

## **Early Wins for EPPC**

- Recycled Office Products
- Office Product Trip Reduction
- SUD Reprocessing

## **Oops!**

- Chemical Audit (failure and recovery)
- Verna Care (miss-alignment of priorities and recovery)
- Missed education opportunity – Office Products Amnesty Day

## **Ambition**

- A better run at chemicals using “DW x DG”
- Best practice adoption
- More GPO integration
- Back to GGHC EPP (ex end-of-life, solid waste reduction)
- Save more money

- What criteria you were addressing in choosing the products you focused on? **DWxDG**
- How you evaluated different options, vendors? **All have been mid-term and intra-contract decisions. Evaluations were not competitive.**
- What tools did you use if any? Matrix? Decision Tree? Other? How did you score the different alternatives? **Standard Value Management techniques.**
- How you got buy-in with management ? **Buy-in was from the comparative success of previous green initiatives and sustainability campaigns. We compared via GGHC and set out to improve. EPPC initiatives have buy as/like any other Value Management initiative.**
- How you made the business case for the changes? **EPPC was part of an overarching initiative, but our initiatives correspond to a core value for Stewardship, a vision for transformation, and a calling to make healthcare more affordable.**
- How did you work with your GPO to accomplish your EPP objectives? **Novation is on the team, and has negotiated a robust product catalogue.**
- What were the functions and priorities that new products had to meet? **Mid term and intra-contract product changes have to be lower cost, and functionally equivalent. The Ministry of EPPC dictates the remaining incremental preference for the products.**

### **Reprocessed/Recycled Products:**

- **What was the process that you went through to insure patient's safety with reprocessed items and get results at least as good with new products?** **A System-wide Resource Council of Operating room Clinicians and a Region-specific VAT review reprocessed operating agreements and utilization. Recycled non-clinical products are just tested at a high level for function (ex: will toner work in the printers)**
- **What products were chosen?** **Reprocessed items are chosen by supplier ability and licensing. Recycled office products were chosen by the Regional Environmental Sustainability Council and offered as a challenge to EPPC.**
- **What were the environmental benefits?** **Less landfill – lower cost – less packaging.**

**A less 'measured' benefit is the notice to the marketplace that we have an interest in sustainable products, and it will be a comparative criteria or general mid-term metric for us.**

### **Results:**

- **How did you measure results?** **Expense and waste reduction. Reviewing % of spend and GGHC scoring.**
- **What were your most effective strategies?** **Reducing the cost of healthcare.**
- **What worked and didn't work?** **Expense, waste, chemical reduction works. Investing for the long ROI and broad multi-product line portfolios don't.**

**Questions?**

**Providence WA/MT Region  
Environmentally Preferred Purchasing Council**



**DW x DG = a greener supply chain**