

AHRMM Health Care Learning Community (HCLC) on Sustainability Work Group Charter

WORK GROUP FOCUS:

The AHRMM Sustainability Health Care Learning Community (HCLC) is being formed to explore the role of supply chain professionals in increasing sustainability in health care delivery. The HCLC work group will convene multiple stakeholders from across the health care supply chain, along with interested parties, to explore:

- What sustainability means in the context of health care delivery and why it is important
- How supply chain both advances and hinders sustainability in the health care sector
- The commercial and regulatory (both current and likely future) requirements impacting health care organizations across the supply chain
- Recommendations to help supply chain stakeholders advance sustainability objectives for their respective organizations, across the supply chain and for health care sector in general

WORK GROUP CO-LEADERS: In keeping with the AHRMM HCLC model, the Sustainability work group will have two co-leaders to help ensure meeting and content continuity given schedules sometimes limit the ability of one of the co-leaders to attend meetings.

- Co-Leader: Karen Conway, Head of ESG and VP, Healthcare Value, GHX
- Co-leader: William Brewer, VP Procurement and Supply Chain Optimization, Advocate Health

REQUIRED STAKEHOLDERS TYPES (including both private organizations and associations representing specific stakeholder types):

- Health care providers (including supply chain, sustainability, clinical and financial representatives)
- Manufacturers
- Distributors
- Group Purchasing Organizations
- Health care supply chain technology companies

ADDITIONAL DESIRED STAKEHOLDERS:

- Additional health care provider stakeholders, e.g., representatives from population health, risk management, facilities, diversity/equity/inclusion, etc.
- Companies and organizations focused on environmental sustainability and/or equity
- Government agencies
- Vendor credentialing organizations
- Accrediting bodies, e.g., The Joint Commission, DNV

BACKGROUND:

According to the American Hospital Association, *sustainability* in health care “refers to the integration of environmental stewardship, social equity and fiduciary responsibility to support healthy, equitable and resilient environments and communities over time.”¹ As such, the sustainability work group will assess all three aspects through a supply chain lens to identify and prioritize areas of focus and subsequent

recommendations. Specifically, the work group will consider how supply chain impacts (or is impacted by) each of these areas (environmental stewardship and social equity and fiduciary responsibility as it relates to both) to identify areas for further exploration in subsequent learning communities.

Health equity

The global pandemic brought to light a longstanding problem: the impact of health disparities on the health of individuals and communities, which resulted in much higher rates of infection and death from Covid-19 among communities of color. Health disparities are greatest among those living in poverty, which include much higher percentages of persons of color who also struggle to overcome the impacts of structural racism that impede their ability to generate personal wealth.² Hospitals and health care systems are increasingly seeking to support economic development and community wealth building by creating jobs through hiring and directing more of their procurement spend and investments to businesses in the most disadvantaged communities where they operate in order to create new economic opportunities.

Environmental Stewardship

Health care delivery in the United States contributes up to 10 percent of the nation's total carbon footprint, with more than one third of that amount associated with hospital operations.³ Sixty to eighty percent of those emissions are tied to the products, services and energy consumed in health care delivery and often managed by the supply chain. Some products used in health care delivery and/or procured by hospitals contain chemicals of concern, while hospital operations often generate considerable hazardous and landfill waste. Supply chain leaders are increasingly researching the environmental impact of the products they used, while working with clinicians and others to reduce the amount of waste.

Social, environmental and economic governance

The term "*sustainability*" is often used interchangeably with "ESG," which stands for environment, social and governance. ESG ratings are used by bond rating agencies and investment firms to help evaluate how well an organization manages risks by protecting the environment and supporting stakeholders, including investors, customers, employees, and the community in which it operates. Bond ratings are critically important for the financial well-being of not-for-profit health care providers, while the investors are key to the economic vitality of for-profit providers and suppliers. In times of worker shortages, health care organizations have also found that employees are more likely to want to work for organizations that proactively address both environmental and social issues. The well-being of each of these stakeholders is often dependent upon both the governance and operational policies and practices of organizations such as hospitals and other anchor institutions. Health systems that can improve the health status of the communities they serve are better positioned to succeed in a value-based payment environment. Further, many of the initiatives designed to lower greenhouse gas emissions can also lower the total cost of care.

PROCESS & DELIVERABLES:

Monthly, one-hour conference calls will be held for the full work group, with an expected project duration of one year. The work group may choose to form subcommittees to address specific aspects of sustainability, e.g. equity and the environment. Such subcommittees will research the role of supply chain and make recommendations to the larger work group, which will review and approve the recommendations in the final work product. The format for deliverables will vary, but often include one or more of the following modalities: webinar, web/podcast, white paper, infographic, eLearning course and learning lab session at AHRMM's annual conference.

As part of its scope of work, the Sustainability Learning Community will seek to understand and build upon the work of other industry organizations and avoid duplicating efforts. Wherever possible, those involved in related initiatives will be invited to participate in and/or present their work to the AHRMM HCLC.

COMMUNICATION PLAN:

AHRMM leadership will work with Marketing on the promotion of the work group deliverables. AHRMM Education will be involved in any educational content that will be derived from the work groups efforts. Work group deliverables will be shared across appropriate American Hospital Association (AHA) Professional Membership Groups (PMGs), collaborative associations, AHRMM social media and communication channels as well as postings to the AHRMM HCLC webpage.

¹ [Sustainability for Health Care - Achieving Your Sustainability Goals | AHA](#)

² [Health Disparities are a Symptom of Broader Social and Economic Inequities | KFF](#)

³ [How the U.S. Health Care System Contributes to Climate Change | Commonwealth Fund](#)