EMERGING ENVIRONMENTAL RISKS
In The Healthcare Industry

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Executive Summary

Healthcare in the United States is in the midst of unparalleled transformation, driven in large measure by the Patient Protection and Affordable Care Act. Healthcare will continue to undergo rapid change as a result of technological developments, an aging population, economic forces and evolving patient expectations. Concurrent with these transformations in healthcare, the US Environmental Protection Agency (EPA) has embarked on an ambitious effort to restore momentum to its core programs. Many of the environmental exposures of healthcare organizations may fall under these core EPA programs or similar state regulations, making it important that healthcare organizations – including hospitals, labs, MRI facilities, clinics and physician offices – maintain a sharp focus on environmental compliance. Maintaining this focus and identifying emerging environmental exposures while in a period of growth and rapid change will be a continuing challenge for risk managers, compliance officers and administrators.

Introduction

The healthcare sector is rapidly evolving. Driven by new technologies, changing demographics, economic forces, competition, heightened patient expectations and legislative actions, the delivery of healthcare services in America is being transformed at a breathtaking pace. Areas of significant change include care models, patients’ rights, and access to affordable healthcare.
Hospitals and other healthcare entities are reinventing themselves in response to external forces and as a competitive necessity. Many hospitals increased physician hiring in 2011, and are strategically aligning both employed and independent providers to create clinically integrated networks. The surge towards Medicare Accountable Care Organizations (ACOs) in 2010 and early 2011 abated somewhat after the Centers for Medicare & Medicaid Services (CMS) released its final rules concerning these organizations, but likeminded alignments of resources to improve quality and reduce costs are now well-entrenched on the healthcare landscape.

Information technology has transformed the way care is delivered and how healthcare organizations interact with the community. The information technology boon is expected to continue as healthcare reform regulation aimed at reducing paperwork and lowering administrative costs becomes fully effective in 2012.

Going forward, healthcare organizations must be positioned for increased utilization due to an aging population and 36 million consumers who are currently uninsured gaining access to coverage under the implementation of the Patient Protection and Affordable Care Act. Healthcare construction is on the increase. At the same time, cost pressures continue: one healthcare management consulting group projects that hospitals must cut operating costs by 10 to 20 percent in the next three to five years in order to survive. Weak organization will have to merge or fold, which will continue to fuel consolidation.

As the healthcare sector undergoes rapid change, risk managers and compliance officers are challenged to assure that their facilities are in compliance with the vast array of laws and regulations that apply to healthcare organizations. These include environmental regulations principally pertaining to the large volumes of waste produced by hospitals and other healthcare entities, some of which may be highly toxic.

Hospitals in particular have long received special attention from the EPA. Recently the EPA has renewed its emphasis on enforcement, which undoubtedly will include continued – and perhaps enhanced – scrutiny of hospitals as well as other types of healthcare organizations. Additionally, according to an agency announcement, the EPA has “embarked on an ambitious effort to restore momentum to EPA’s core programs,” which includes more vigorous enforcement of clean air and clean water laws. Both have implications concerning waste streams produced by healthcare organizations. Moreover, pharmaceutical waste has attracted the attention of both federal and state regulators because of a growing presence of those chemicals in the nation’s drinking water, and new regulations with potentially significant consequences for hospitals and other healthcare entities seem likely.
**Environmental exposures**

Hospitals, being comprised of inpatient and outpatient facilities, labs and pharmacies, represent nearly the full spectrum of environmental exposures faced by healthcare organizations. Hospitals house a wide variety of hazardous materials used for diagnosis, treatment and cleaning. They produce several distinct waste streams, including hazardous wastes that are regulated by the EPA, and therefore they have been targeted for special attention by the EPA for more than a decade. According to EPA materials:

[Hospitals] contribute to the presence of mercury, dioxin, and other persistent, bioaccumulative toxics (PBTs) in the environment. Hospitals, in fact, are the fourth largest source of mercury discharged into the environment. They also generate a wide variety of hazardous waste, such as chemotherapy and antineoplastic chemicals, solvents, formaldehyde, photographic chemicals, radionuclides, and waste anesthetic gases. In addition, hospitals produce two million tons of solid waste, which is one percent of the total municipal solid waste in the U.S. Moreover, leaks of oil and fuel from underground and above ground storage tanks could contaminate drinking water supplies and releases of refrigerants from air conditioning and refrigeration systems could damage the stratospheric ozone layer which protects us from the damaging rays of the sun.7

**Waste streams**

Hospital waste streams are diverse and complex: each functional area of a hospital produces its own characteristic wastes. Some significant exposures arise from healthcare activities such as chemotherapy treatments, while others are related to support services or plant operations such as waste treatment.

The EPA classifies hospital wastes as follows:

- Municipal solid waste,
- Biohazardous waste (regulated medical waste), and
- Hazardous waste.

Hospital wastes also are classified by media category:

- Wastewater,
- Stormwater, and
- Air emissions.8
The vast majority of hospitals that incinerate infectious waste do so offsite.

**Municipal solid waste**

Municipal solid waste is the everyday waste that is typically disposed of in municipal landfills. It is estimated that hospitals are responsible for one percent of all solid waste produced in the United States. Most of the municipal solid waste produced by hospitals is similar to that produced by restaurants, hotels and office buildings.

**Biohazardous waste**

This category of waste, which typically is regulated at the state level, is also known as “infectious waste,” “infectious medical waste,” “potentially infectious material,” “contaminated trash,” and “regulated medical waste.” Definitions vary by state, but typically sharps, pathological waste, blood and blood products, blood-soaked items, and nonregulated chemotherapy waste are included. In the past this waste was disposed of largely by incineration, but a majority of biohazardous wastes are now being treated by noncombustion technologies such as autoclave, microwave, chemical and mechanical treatment. The vast majority of hospitals that incinerate infectious waste do so offsite.

**Hazardous waste**

Hazardous waste is regulated under the Resource Conservation and Recovery Act (RCRA). To be considered hazardous waste under RCRA, waste must either be listed in the regulations (40 CFR 261) or have certain specific characteristics (ignitability, corrosivity, reactivity or toxicity). Waste materials also can be classified as hazardous if they are comingled with other wastes that are themselves hazardous. For that reason, a mixture of infectious waste and hazardous waste is considered hazardous waste until the substances are separated. Typical hospital hazardous wastes include x-ray film containing silver or other metals, ethanol and formaldehyde/ethanol solutions, spent or excess laboratory chemicals, and chemotherapy drugs.

A hospital or any other facility that generates hazardous wastes is subject to detailed rules concerning how the wastes must be stored on site, how long they may be stored, who is allowed to transport and receive them, and what kinds of records must be maintained. Hazardous waste-related violations are the most commonly reported violations under hospital self-audit programs. Studies have shown that only a minority of healthcare facilities are fully compliant with federal hazardous waste requirements.
Some pharmaceutical waste is classified as hazardous. Pharmaceutical waste has received considerable attention in recent years because of its presence in much of the nation’s water supply. An estimated 250 million pounds of pharmaceuticals and contaminated packaging are thrown away each year by hospitals and long-term care facilities, often without the hazardous waste being properly segregated from the non-hazardous waste.

Of particular concern to environmental regulators is mercury, for which hospitals are the fourth largest source of discharges into the environment. Mercury is found in thermometers, sphygmomanometers, other medical devices, numerous laboratory chemicals, fluorescent bulbs, and in other, non-medical products like thermostats and switches. These devices are frequently discarded improperly as biomedical or regular waste, which provides a pathway for mercury to be released into the atmosphere or groundwater.

**Waste by media category**

The EPA also classifies hospital waste streams by media – the channels through which pollutants can flow through the environment and cause damage. The media are wastewater, stormwater and air emissions. Wastewater flushed through drains may contain pollutants that end up in publically owned treatment works, or which are channeled directly into the soil or surface water. Hospitals and other healthcare facilities generate stormwater from building and parking lot areas or from aboveground or underground oil or fuel storage tank areas. Air emissions come from a variety of sources including boilers, medical waste incinerators (if on site), sterilization units, emergency generators, anesthesia, and laboratory chemicals.

**Other environmental exposures**

**Hazardous materials**

Hazardous materials, as opposed to hazardous waste, are raw materials or products that pose a significant risk to people which are stored and used at healthcare facilities. Hazardous materials typically found in hospitals include mercury, pharmaceuticals, radiologicals, sterilants and disinfectants, cleaning chemicals, laboratory chemicals and pesticides. Ordinarily these materials do not pose a risk to the public at large unless they are spilled or otherwise improperly released into the environment. However, if mishandled or misused, they can pose a risk to employees and patients. The federal Occupational Safety and Health Administration (OSHA) and its counterpart agencies at the state level, are responsible for developing and enforcing the rules for hazardous materials that relate to worker health and safety issues.
Another internal environmental hazard is [*legionella pneumophila*], which can grow in improperly maintained water systems.

**Petroleum storage tanks**

Hospitals with fleet vehicles, such as ambulances, may keep fuel or oil in underground storage tanks (USTs) or above ground storage tanks (ASTs). They may also have petroleum storage tanks for on-site diesel generators. These tanks may be subject to federal or state financial responsibility requirements. In addition, the EPA recently published proposed revisions to the regulations for USTs which will affect hospitals, among other regulated commercial segments, such as retail motor fuel sales, commercial and manufacturing sectors, transportation and agriculture. This proposal seeks to strengthen existing regulations by increasing the emphasis on properly operating and maintaining equipment.14

**Fungi and Legionella**

An internal environmental hazard is fungi, which can grow on building materials or in ventilation systems when a water source is present such as leaking windows, roofs or pipes. Fungi and spores released from fungi can affect individuals, especially people with severely compromised immune systems or specific sensitivities.15 Another internal environmental hazard is [*legionella pneumophila*], which can grow in improperly maintained water systems. Legionella released through a buildings’ water system or ventilation system can lead to Legionnaire’s disease.

**State and federal environmental regulations**

One of the challenges of maintaining compliance with environmental regulations is that the diversity of environmental exposures subjects healthcare organizations to regulation under a large number of federal, state and local environmental laws.

**Federal laws**

The principal federal laws under the purview of the EPA that affect healthcare facilities are:

- **Resource Conservation and Recovery Act (RCRA)**. RCRA sets forth management requirements on generators and transporters of hazardous waste and on owners and operators of hazardous waste treatment, storage, and disposal facilities in order to provide “cradle-to-grave” control of solid and hazardous waste.
A healthcare organization typically would be named a PRP as a result of waste disposal in a landfill.

- **Clean Air Act (CAA).** The CAA and its amendments are intended to “protect and enhance the nation’s air resources so as to promote the public health and welfare and the productive capacity of the population.”

- **Clean Water Act (CWA).** The CWA establishes quality standards for surface water resources and gives the EPA the authority to regulate the discharge of pollutants.

- **Emergency Planning and Community Right-To-Know Act (EPCRA).** EPCRA establishes various reporting obligations concerning toxic chemicals. In particular, it requires any facility that uses or stores certain specific chemicals to inform state and local agencies that it is subject to EPCRA requirements.

- **The Federal Insecticide, Fungicide and Rodenticide Act (FIFRA).** FIFRA empowers the EPA to oversee the registration, distribution, sale and use of pesticides, including antimicrobials. Antimicrobials include disinfectants and other products commonly used in healthcare facilities.

- **Toxic Substances Control Act (TSCA).** TSCA gives the EPA the authority to control unreasonable risks associated with manufacturing and using chemicals in commerce.

A healthcare organization also may be named as a potentially responsible party (PRP) under the **Comprehensive Environmental Response Compensation and Liability Act (CERCLA),** better known as Superfund. A healthcare organization typically would be named a PRP as a result of waste disposal in a landfill. Hospitals and other health care facilities also can become embroiled in CERCLA litigation through construction projects and acquisitions. As a PRP, an organization could be held liable for some or all of the costs of cleaning up a contaminated site. Currently more than 1,300 sites on the CERCLA National Priority List are being investigated and remediated by the EPA and other groups of PRPs. Many of these are historical landfills.

In addition to laws for which the EPA is the regulator, the US Department of Transportation (DOT) regulates the shipping of hazardous materials. DOT regulations assign the responsibility to the shipper (i.e.: healthcare organizations) for properly packaging hazardous materials that are being transported offsite. Furthermore, OSHA promulgates standards concerning toxic and hazardous substances in the workplace.
Other state and local laws address such things as managing hazardous waste, responsibilities associated with mercury-containing devices or mercury spills, air pollution and managing construction and demolition debris.

State and local laws

Healthcare organizations can be accountable for a bewildering array of state and local environmental laws. Infectious waste is principally regulated at the state level, and often by more than one state agency. In Oregon, for example, four state agencies regulate various aspects of the management of infectious waste: the Oregon Department of Environmental Quality, Oregon Department of Health Services, Oregon Occupational Safety and Health Administration, and the Oregon Department of Transportation. Other state and local laws address such things as managing hazardous waste, responsibilities associated with mercury-containing devices or mercury spills, air pollution and managing construction and demolition debris.

Enforcement initiatives

Among healthcare organizations, hospitals in particular have long been targeted for special attention by the EPA. Among compliance challenges noted by the EPA are “improper handling and disposal of hazardous waste materials; boilers and furnaces that are not in compliance with clean air regulations; inadequate monitoring of underground storage tanks; sewage treatment facilities that are not operating properly; and improper abatement of lead-based paint and asbestos.” 16

Initiatives to move hospitals towards greater compliance began in 1998 when the EPA and the American Hospital Association (AHA) signed a memorandum of understanding urging healthcare facilities to voluntarily reduce both waste stream volume and toxicity. The memorandum was a cornerstone of Hospitals for a Healthy Environment (H2E), which was jointly founded in 2001 by the AHA, EPA, Health Care Without Harm and the American Nurses Association, and which continues today in a different form as Practice Greenhealth.17 While progress was made in some areas under the original initiatives, hospitals still fell short of meeting the EPA’s complex hazardous waste management standards.18

In 2002 the EPA launched a new enforcement initiative aimed at hospitals in the Northeast. EPA Regions 1, 2 and 3 announced that they would focus on hospitals for environmental compliance audits and subsequent enforcement measures. Beginning with Region 2, the Agency rolled-out its enforcement initiative in the form of an “invitation” to the healthcare sector to employ a voluntary audit program that includes a framework for identifying environmental violations, disclosing those violations to the EPA and voluntarily correcting them.
This was accompanied by a warning that there would be more enforcement inspections. By the end of 2006, Region 2 inspectors had inspected 49 hospitals, leading to 36 enforcement actions. Subsequent to the pilot program, other EPA regions followed with similar programs.

On top of programs directed towards the healthcare sector, the EPA has now launched a number of new regulations and enforcement initiatives that, while not specifically targeting healthcare, could have significant implications for healthcare organizations.

In 2011 the EPA indicated that it intends to expand the definition of “navigable waters”, which defines the bodies of water covered by the CWA. Some small streams, if they are tributaries to traditional navigable waters would be covered, as would certain categories of wetlands. While few healthcare organizations discharge waste directly into streams or rivers, those that do could find that they now have compliance challenges under the new definition of water bodies protected by the CWA.

In February 2010, the EPA announced the Agency's National Enforcement Initiatives for the 2011-2013 fiscal years, one of which is “Keeping Raw Sewage and Contaminated Stormwater Out of our Nation’s Waters.” Healthcare facilities with stormwater that drains directly into one of the categories of protected bodies of water under the CWA are at risk of being the focus of the EPA's enforcement efforts. Additionally, healthcare facilities that discharge stormwater into municipal sewer systems may come under pressure from local sewer authorities to better manage stormwater runoff. Local sewer authorities are being targeted for enforcement actions under EPA's stormwater initiative. Healthcare organizations engaged in construction projects also should be aware that constructions sites are being targeted by the EPA since stormwater from those sites may carry sediment, metal, oil and grease, acid, chemicals and toxic materials.

Another of the Agency's National Enforcement Initiatives for the 2011-2013 fiscal years is “Cutting Toxic Air Pollution that Affects Communities’ Health.” This enforcement initiative comes on top of new CAA standards for boilers and incinerators issued in 2011. Among environmental law violations disclosed to the EPA from self-audits of healthcare facilities, CAA violations rank second following RCRA violations. Few hospitals still incinerate their own waste, but those that do are likely targets for heightened scrutiny under this enforcement initiative. While hospital boilers are categorized by the EPA as “small sources of air toxic emissions,” they nonetheless are subject to new Area Source Rules and are likely to be the focus of increased attention from regulators.
While some substances found in pharmaceutical waste are defined as hazardous waste, and are required to be segregated and disposed of accordingly, the definition excludes certain solids and many chemicals that are classified as pharmaceutical wastes.

Emerging issues

A more aggressive EPA will present new compliance challenges for hospitals and other healthcare organizations. Additionally, new exposures and new rules will add to the regulatory burden. In particular, hospitals and other healthcare organizations will likely need to respond to new policies concerning pharmaceutical wastes and new exposures from innovative technologies. Moreover, the EPA’s Office of the Inspector General has recommended that the Agency increase pressure on state environmental regulators, which could result in higher compliance burdens for healthcare organizations.24

Pharmaceutical wastes

Laws governing the disposal of hazardous wastes have existed for years, but definitive regulations at either the federal or state level with respect to the proper disposal of pharmaceutical wastes have been lacking. While some substances found in pharmaceutical waste are defined as hazardous waste, and are required to be segregated and disposed of accordingly, the definition excludes certain solids and many chemicals that are classified as pharmaceutical wastes. Nonetheless, there are significant concerns that these wastes, which are found widely in water supplies, pose health risks. The EPA and various state regulators are actively reviewing existing policies.

The EPA had proposed to add hazardous pharmaceutical wastes to the Universal Waste Rule, which provides for less stringent requirements for disposal of certain categories of hazardous waste.25 This would have provided a system for hazardous pharmaceutical waste disposal that is easier to comply with while still being protective of public health and the environment. As proposed, the rule further would have encouraged generators to dispose of non-hazardous pharmaceutical waste as universal waste, thereby removing that unregulated waste from wastewater treatment plants and municipal solid waste landfills. However, based on concerns about the ability to track hazardous pharmaceutical waste, the EPA is not moving ahead with the proposal. Rather, the Agency is developing a new initiative that is likely to provide a more comprehensive approach to pharmaceutical waste management.26 Additionally, the EPA has been revising its Best Management Practices for Unused Pharmaceuticals at Health Care Facilities, which originally was released in 2010.
If the EPA adopts all or part of the recommendations, it is possible that the compliance burden on healthcare organizations will increase significantly.

**Risks of emerging technologies**

Medical technology is in a constant state of change, and new technologies can pose new risks. New medical devices, for example, may contain toxic heavy metals or other toxic chemicals or hazardous materials.

**EPA pressure on state regulators**

In December 2011 the EPA’s Office of the Inspector General (OIG) published a recommendation to hold states more accountable for the performance of their environmental enforcement activities. Noting that “state enforcement programs frequently do not meet national goals and states do not always take necessary enforcement actions,” OIG recommended that the “EPA establish clear national lines of authority for enforcement that include centralized authority over resources; cancel outdated guidance and policies, and consolidate and clarify remaining enforcement policies; establish clear benchmarks for state performance; and establish a clear policy describing when and how EPA will intervene in states, and procedures to move resources to intervene decisively, when appropriate, under its escalation policy.” If the EPA adopts all or part of the recommendations, it is possible that the compliance burden on healthcare organizations will increase significantly.

**Pollution prevention and compliance**

Pollution prevention and environmental law compliance have become significant business issues for many healthcare organizations. Not only is it important to stay in compliance to avoid enforcement actions by regulators, pollution prevention initiatives can help to achieve Joint Commission accreditation standards. Additionally, providing safe facilities is key to hospitals and other organizations fulfilling their missions to their communities, and green initiatives can enhance an organization’s standing within the community.

**Pollution prevention**

Practice Greenhealth, which traces its roots to the 1998 memorandum of understanding between the EPA and the AHA, claims to be “the nation’s leading membership and networking organization for organizations in the healthcare community that have made a commitment to sustainable, environmentally preferable practices.” Among the activities supported by the organization are “action plans to eliminate mercury, reduce and recycle solid waste,
EPA’s Region 3 also has developed a list of questions to help hospitals determine if they are meeting their legal obligations to identify possible environmental issues.

reduce regulated and chemical waste, reduce energy and water consumption, create healing environments, and establish green purchasing policies. The EPA also provides education and training resources, as do many state environmental agencies. A number of states have pollution prevention programs specifically targeting pharmaceutical waste management and mercury reduction.

Environmental audits

Due in large part to EPA enforcement initiatives, more hospitals have entered into audit agreements with the EPA. Under these agreements hospitals assess their facilities for compliance under all major environmental programs, report and correct violations on a timely basis, and subsequently receive relief from penalties.

A comprehensive environmental audit encompasses a review of compliance with the requirements of each major federal environmental program regulating air, water, pesticides, solid waste, hazardous waste, hazardous substances and chemicals, environmental response, emergency planning, toxic substances and the community’s right-to-know. The EPA and some state environmental agencies have published protocols for environmental audits. EPA’s Region 3 also has developed a list of questions to help hospitals determine if they are meeting their legal obligations to identify possible environmental issues. The ISO 14001 standard, promulgated by the International Standards Organization, provides a framework to assist an organization in developing its own environmental management system and includes a protocol for conducting an environmental audit. The best practice usually is to have an outside consultant conduct the audit.

In an era of consolidation in the healthcare industry, environmental audits and site assessments should be a routine part of the M&A due diligence process. In addition to assessing current compliance with environmental laws, it is important to understand if contamination exists on any of the property being acquired, and whether the target organization is presently, or likely to be, a PRP in a Superfund cleanup. A thorough assessment may mean going back through decades of operations, including the target organizations previous mergers and acquisitions.

Insurance

Healthcare organizations also potentially face various costs arising from environmental events, including the costs of lawsuits (settlements and defense costs), emergency response
Healthcare organizations, including hospitals, labs, MRI facilities, clinics and physician offices, now can buy multiple coverages in a single policy to help assure that a broad range of pollution exposures are insured while reducing potential coverage gaps. Costs, remediation expenses, decontamination costs, and business interruption losses. Organizations can protect themselves from many of these potentially ruinous costs through insurance.

Commercial General Liability (CGL) policies normally exclude traditional, recognized pollution events as well as a variety of other environmental exposures including mold, legionella and facility-borne illness events, such as MRSA (methicillin-resistant staphylococcus aureus). As a result, specialized environmental insurance policies have been developed to help healthcare organizations manage their environmental exposures.

Healthcare organizations, including hospitals, labs, MRI facilities, clinics and physician offices, now can buy multiple coverages in a single policy to help assure that a broad range of pollution exposures are insured while reducing potential coverage gaps. Policies typically cover claims arising from pollution conditions on, at or migrating from the healthcare facility itself that result from the transportation of waste to offsite locations, and tendering waste to non-owned offsite disposal or recycling facilities. Some policies offer coverage for fungal and legionella exposures, decontamination costs resulting from facility-borne illness events, emergency response costs, catastrophe management costs, and business interruption losses. There also are policies to satisfy federal and state financial responsibility requirements for underground/aboveground storage tanks. Coverage varies widely from insurer to insurer, so healthcare organization risk managers need to work closely with their brokers to assure they are getting the broadest coverage appropriate to their exposures.

The building boom taking place now in the healthcare industry means that risk managers also may wish to consider an owner-controlled contractor pollution policy for construction projects. This policy provides protection against a pollution event occurring during the course of a construction project, whether on the work site, while transporting materials or waste to the site, or at a non-owned disposal or recycling facility that has accepted waste from the project.

Conclusion

Healthcare organizations must navigate a dizzying array of regulations imposed by federal, state, and even local governments; accrediting bodies; and regional health organizations. Environmental regulations are only one category among many they are subject to, and one that is sometimes neglected. Maintaining focus on environmental matters is further complicated by the fact that administrators and risk managers are often consumed with the challenges of...
Focusing on environmental matters, however, is not merely a way to avoid fines and penalties; it is an important element of good management.

A rapidly evolving healthcare landscape driven by factors such as new technologies, changing demographics, economic forces, patient expectations and legislated reform measures.

Compliance with environmental regulations has become all the more urgent because the EPA has stepped up its enforcement activities. Hospitals have long been targeted for special attention by the EPA and state regulatory agencies, but now they risk being the focus of compliance enforcement by the EPA as they execute on various initiatives concerning air and water quality. Healthcare organizations also will be subject to EPA initiatives specifically addressing emerging healthcare-related issues, particularly the disposal of pharmaceutical waste.

Focusing on environmental matters, however, is not merely a way to avoid fines and penalties; it is an important element of good management. A healthcare organization should hold a unique position of trust and respect in the community, and its viability often is directly a function of its reputation. A serious pollution incident at a healthcare facility could be detrimental to the already compromised health of a portion of a patient population and can increase the bodily injury concerns for risk managers of healthcare facilities. An organization with chronic environmental compliance issues or, especially, one that experiences a serious contamination event, may damage its reputation, driving away patients and making it more difficult to attract top-quality staff. A serious event also could shut down all or part of a facility for a period of time, cutting into revenues and potentially making it difficult to convince patients to return.

Good environmental risk management and a strong focus on compliance, on the other hand, can produce a number of benefits. Joint Commission accreditation is essential for many healthcare facilities, and environmental initiatives can help fulfill the Elements of Performance used to assess a facility’s performance for accreditation. Additionally, hospitals and other healthcare organizations that tout their commitment to pollution prevention and environmental compliance can generate good will within the community, enhancing their reputation and, consequently, their ability to attract patients and staff.

Healthcare facility risk managers can seek the help of third party environmental consultants to implement pollution prevention and environmental compliance programs. However, despite best efforts, accidents happen and they can be very costly. Environmental insurance products can help shield a healthcare organization from some of the consequences of environmental accidents, assuring that a hospital or healthcare facility can continue to fulfill its mission in the community and its obligations to stakeholders.
3. Beginning October 1, 2012, the Affordable Care Act will institute a series of changes to standardize billing and to require health plans to begin adopting and implementing rules concerning the electronic exchange of health information. New regulations also will increase the use of electronic health records, which is expected to reduce paperwork and administrative burdens, cut costs, reduce medical errors and improve the quality of care.
9. ibid, p.51
10. Guides to Pollution Prevention: Selected Hospital Waste Streams, EPA, June 1990
17. http://practicegreenhealth.org/about/history
28. The Joint Commission, formerly the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), is a not-for-profit organization that accredits health care organizations and programs in the United States. Most state governments recognize Joint Commission accreditation as a condition of licensure and the receipt of Medicaid reimbursement.
29. Practice Greenhealth, http://practicegreenhealth.org/about/history