



## **Purchasing for a healthier healthcare:**

Reducing chemicals of concern through a collaborative partnership between providers and suppliers

**vizient**<sup>®</sup>

# Introduction

## Agenda

- Introduction to Vizient's Environmental Advisory Council
- Kaiser Permanente: Purchasing for healthier healthcare: Reducing chemicals of concern
- Supplier spotlight: Midmark Corporation

## Moderator



**Mellissa Nguyen**  
Sr. Program Manager,  
Environmental Sustainability  
Vizient

# Environmental Advisory Council

**Purpose:** Offers critical strategic guidance in support of Vizient's broad environmental sustainability objectives and key results. The Environmental Advisory Council conducts activities within four high-level domains each month. Some examples include:

- Reviewing and finalizing data and analytical frameworks
- Shaping and finalizing provider tools
- Advocating for optimal sustainability performance improvement with suppliers
- Uniting the industry toward harmonized sustainability standards

**Members of the Environmental Advisory Council represent many of the nation's top health systems**



# Environmentally preferred attributes

EP

Since 2017, all Vizient RFPs have included **completion of environmentally preferred attribute data** as a nonfinancial scoring criterion. Supplier attribute reporting has increased from 8% compliance in 2017 to **98% in 2022**.



# Panelists



**Elizabeth Eldridge**  
Director of Sustainable Sourcing  
Kaiser Permanente



**Steve Cordonnier**  
Sr. Portfolio Manager  
Midmark Corporation



**Yoav Einy**  
Director, Environmentally Preferred Purchasing  
Spend Management Solutions - KP account  
Vizient



**Gideon Luginbuhl**  
Sr. Materials Engineer  
Midmark Corporation



*The views presented today represent one provider's solution to a specific scenario. Other organizations may consider that solution as one potential approach.*

# **Purchasing for healthier healthcare:** Reducing chemicals of concern

# Kaiser Permanente

The nation's largest non-profit integrated health system

~24K  
physicians

deliver high-quality care  
to Kaiser Permanente  
members



12.7M  
members

get care + coverage from  
Kaiser Permanente



\$95.4B  
revenue



212K +  
employees

improving the health of  
people + communities



39  
Hospitals  
+



622  
Medical  
Offices

68K +  
nurses

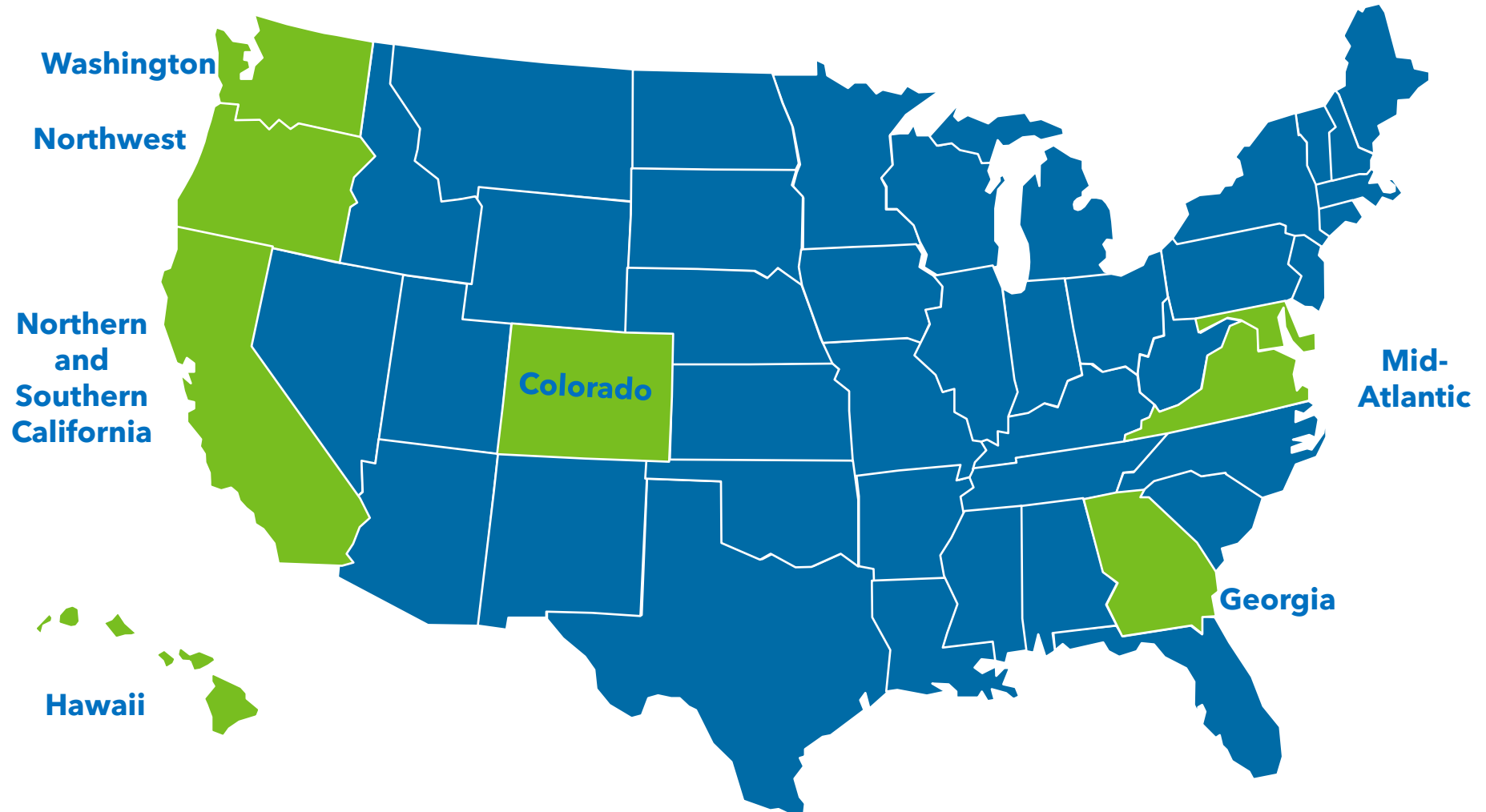
are at the center of  
our care





# Kaiser Permanente

## Our Footprint



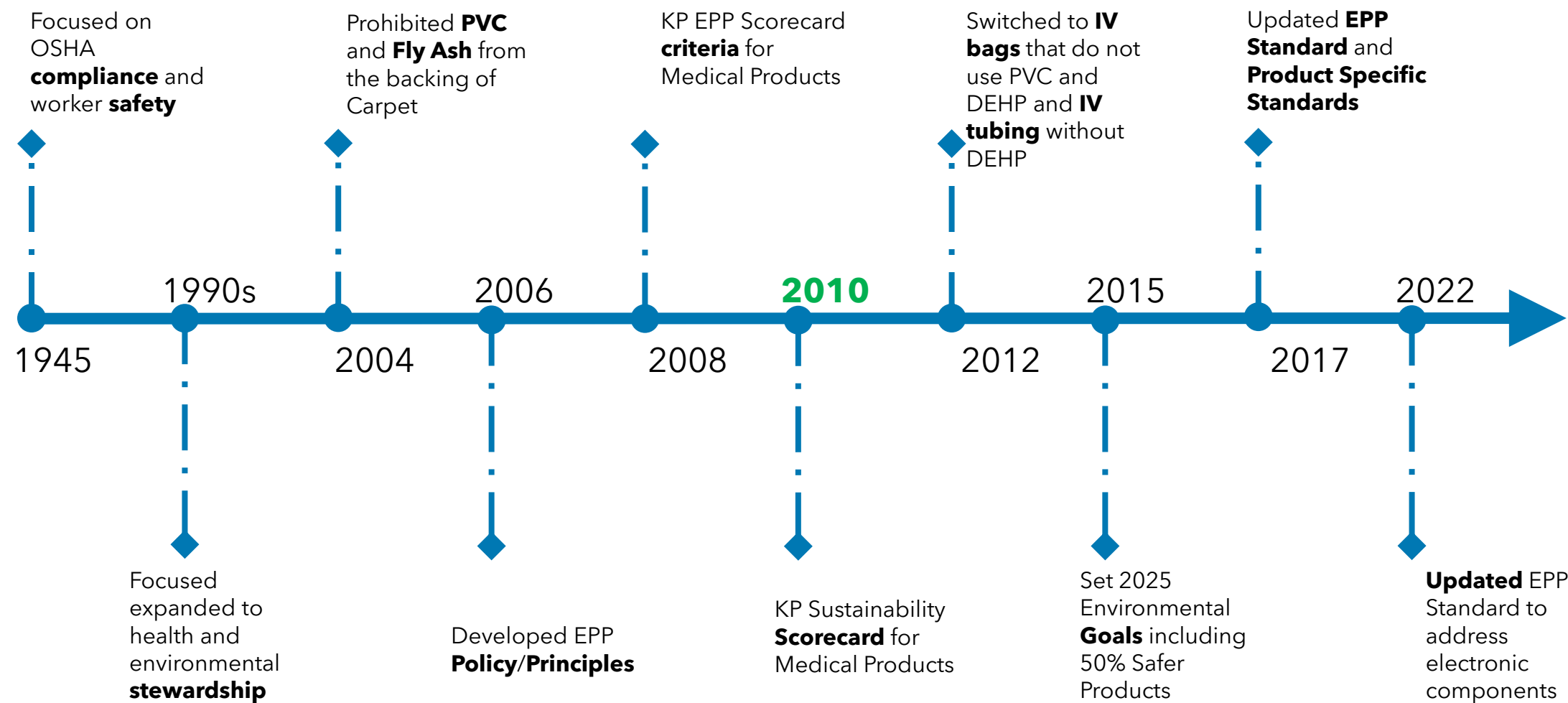
# OUR MISSION

---

To provide **high-quality, affordable**, health care services and to **improve the health of our members** and the **communities** we serve.



# Environmental Sustainability Timeline



# Kaiser Permanente's EPP Scorecard Criteria Development

In 2008, Kaiser implemented the **KP EPP Scorecard criteria** for Medical Products

- There were no comprehensive criteria for medical products in the industry at the time that fully addressed health risks.
- Healthcare Without Harm (HCWH), Practice Greenhealth (PGH), Clean Production Action (CPA), and the Center for Environmental Health (CEH) were all involved in the development of the criteria
- The scorecard was adopted by Vizient (MedAssets) and the EPP criteria were built into Vizient's process
- Kaiser shared EPP criteria with other organizations

## Health & Science

### Hospitals, health groups use purchasing power to push for greener medical products

By Lena H Sun, Washington Post  
October 12, 2011

Within the industry, Kaiser Permanente was the first last year to announce that it would require suppliers to provide environmental data for \$1 billion worth of medical equipment and products used in Kaiser's hospitals, medical offices and other facilities. As a result of that initiative, Kaiser is in the process of switching from one type of surgical tool used for minimally invasive surgery to one that does not require a hydrogen peroxide-based chemical for sterilization, a spokeswoman said. Kaiser is also replacing vinyl flooring products with rubber and linoleum to avoid using polyvinyl chloride (PVC), which can release dioxin and other harmful chemicals.

# Engaging Suppliers and Driving Change



## Initial Supplier Engagement

- Scorecard introduced to key suppliers in 1-1 meetings and ongoing business reviews
- Vizient did a lot of heavy lifting implementing the scorecard and communicating with suppliers.



## Ongoing Engagement

- Scorecard questions included in all RFPs and attributes also collected for products added during contract amendments/renewals.
- Performance reporting as part of periodic business reviews with suppliers.
- Contractual commitments by suppliers to innovate and address opportunities



## Contract Language

10.2 Environmentally Preferable Purchasing Standards. Consistent with Kaiser Permanente’s goal to improve the health of its Customers and the communities it serves, Kaiser Permanente requires Supplier to review and comply with the applicable provisions of the Kaiser Permanente Environmentally Preferable Purchasing Standards (“EPP”), which are available for review at: <https://supplier.kp.org/impactspending/what-we-do/sustainable-procurement/>

# Lessons Learned & Key Takeaways

- In the beginning, suppliers can be **overwhelmed** by the criteria. *"Where do we even start?"*
  - Suppliers are not chemists
  - Data collection is challenging
  - EPP criteria can be confusing
- It's important to be **clear** *"why we're doing this."*
- Master Agreement **commitments** are more effective than negotiating with suppliers on a contract-by-contract basis
- Finding **sources** of high-performing goods, with a smaller environmental footprint, in the volume that Kaiser Permanente needs, and at cost-efficient prices can be a challenge
- **Transitioning** from one type of product to another takes planning, resources, and time
- **Incremental** progress is still progress (bite off achievable chunks)



"We at Kaiser Permanente recognize that the products we buy can have a direct effect on human health and the health of our environment. Our efforts to remove harmful chemicals from hospitals and clinics reflect our commitment to the total health of our members and our communities."

# Contact Information



**Elizabeth Eldridge**  
Kaiser Permanente  
Director of Sustainable Sourcing  
Performance & Impact  
[elizabeth.a.eldridge@kp.org](mailto:elizabeth.a.eldridge@kp.org)

# Environmental Sustainability Journey

Steve Cordonnier  
Sr. Portfolio Manager  
[scordonnier@midmark.com](mailto:scordonnier@midmark.com)

Gideon Luginbuhl  
Sr. Materials Engineer  
[gluginbuhl@midmark.com](mailto:gluginbuhl@midmark.com)



# Midmark Background

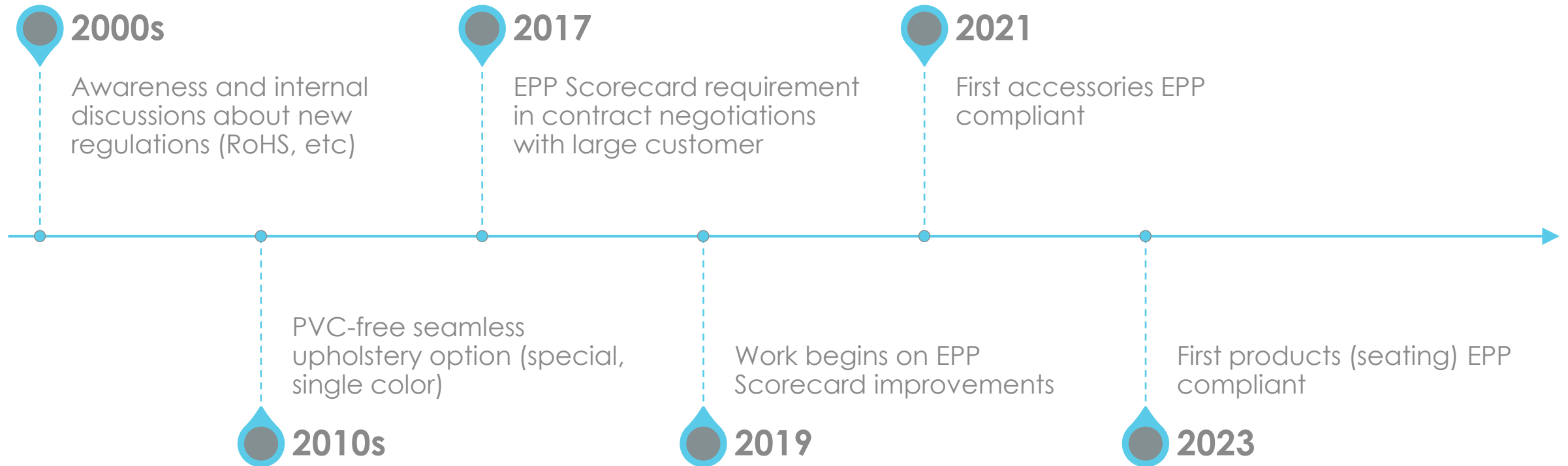
Private company started in 1915

Leading provider of medical, dental and animal health exam room solutions

Medical product lines include exam and procedure chairs, lighting, casework & seating, workstations, digital ECG and vital signs devices, real time locating system, and autoclave sterilizers



# Environmental Sustainability Timeline



# Phase 1: Current Products

- Recognized that we needed data (a lot!) from across our supply chain
  - Working with a compliance data collection partner
  - Initially asked for information on all EPP Chemicals of Concern (CoC)
  - Numerous survey cycles suppliers – 207 suppliers, 40% response
  - Realized this is going to take time





# Phase 1: Continued

- Redirect and narrowed focus to one product with limited number of “simple” parts
  - Limited scope = easier supplier engagement (38 parts, 14 suppliers)
  - Rather than ask for EPP declaration, ask for full materials disclosure & analyze internally
    - 100% of suppliers responded
- Learnings from this applied to other products



# Phase 1: Continued

- EPP project successes:
  - Elimination of 12 pounds of lead from waste stream over five years
  - Replaced PFC-based grease with food-safe grease
  - Switched to cumene-free thread locking compound
  - Replaced PVC backing material with paper laminate

Articulating Knee Crutch



Patient Support Rails



270 Stool



272 Stool



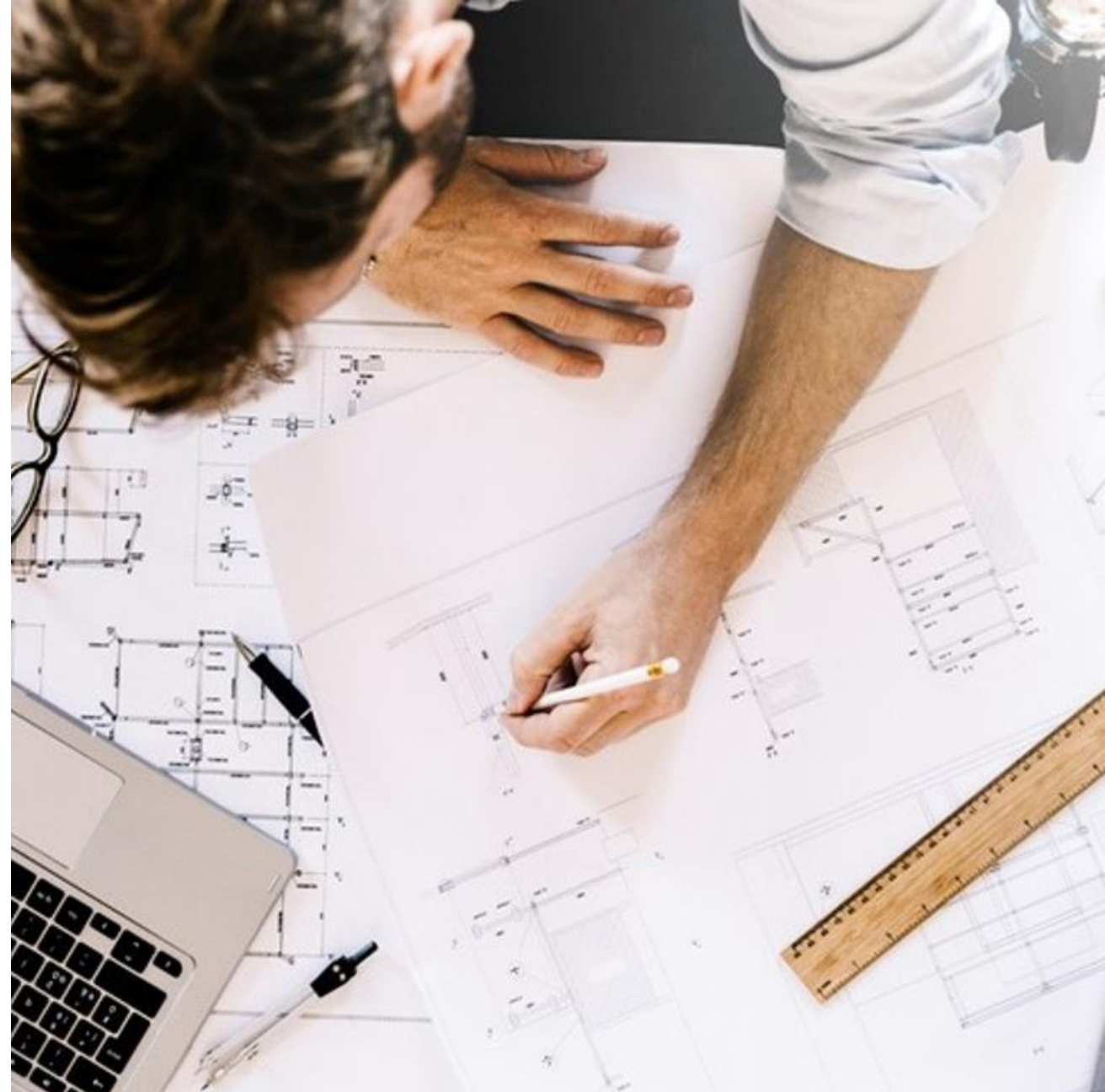
# Lessons Learned: Phase 1

- Collecting data from suppliers is challenging
  - Suppliers are not trained in chemistry
  - Surveying on all CoC list is too overwhelming for suppliers.
  - Suppliers don't see the relevant connection
  - Proprietary processes and chemistries are a block for disclosures
- Even “simple” products can be complex!



# Phase 2: New Products

- Design for Elimination of EPP CoCs
- Challenges:
  - Finding appropriate alternatives
  - Midmark lacks impact on national/regional suppliers
  - No defined compliant parts marketplace
  - Complex products with varied types of parts equals higher challenge
  - Financial-minded people will try to kill it



# Phase 2: Challenging Parts

- Transient Voltage Suppressing (TVS) Diodes – contains lead
  - Purpose: key safety component – protects against unsafe electrostatic voltage discharges
  - Alternatives: lead-free alternatives will not meet the safety, effectiveness and regulatory requirements for the part to perform.





# Phase 2: Challenging Parts

- Microcontroller – Proposition 65 metals (nickel, cobalt, carbon black)
  - Purpose: controls electrical functioning of the electrical product. Metals allow higher operating temps, reduce corrosion, and maximize reliability
  - Alternatives: none found
  - Note (nickel): Nickel is encapsulated inside the microcontroller so there is no dermal, inhalation, or oral pathways. **Presence does not equal exposure.**
  - Note (cobalt): cobalt makes the micro 80 times more reliable. **Cobalt metal is not the same as the cobalt materials listed in Prop 65**
  - Note (carbon black): carbon black is used for encapsulation and is **not found as “unbound particles of respirable size”**





# Lessons Learned: Phase 2

- Focus on what's achievable
  - Target high impact/easier to impact chemicals
- Viable alternatives may not exist for some components, or are not drop-in replacements where they do exist
- CoC categories require judgment and interpretation
- The FDA is in control – changes require complete testing and documentation



# Summary: What We Have Done in Phases 1 & 2

- Supplier information collection campaign...knowledge enables
- Learned about pitfalls...and we adapted
- Focusing our effort – specific & attainable
- Obtained executive sponsorship and support
  - Hired two materials engineers focused on Env. Sust.
  - Started an ESG Council which reports to Midmark's president
- Released four EPP Scorecard compliant products - 4 years of learning + doing
- Released Midmark's sustainability statement
  - <https://www.midmark.com/about-us/environmental-sustainability>

# Phase 3: New Focus

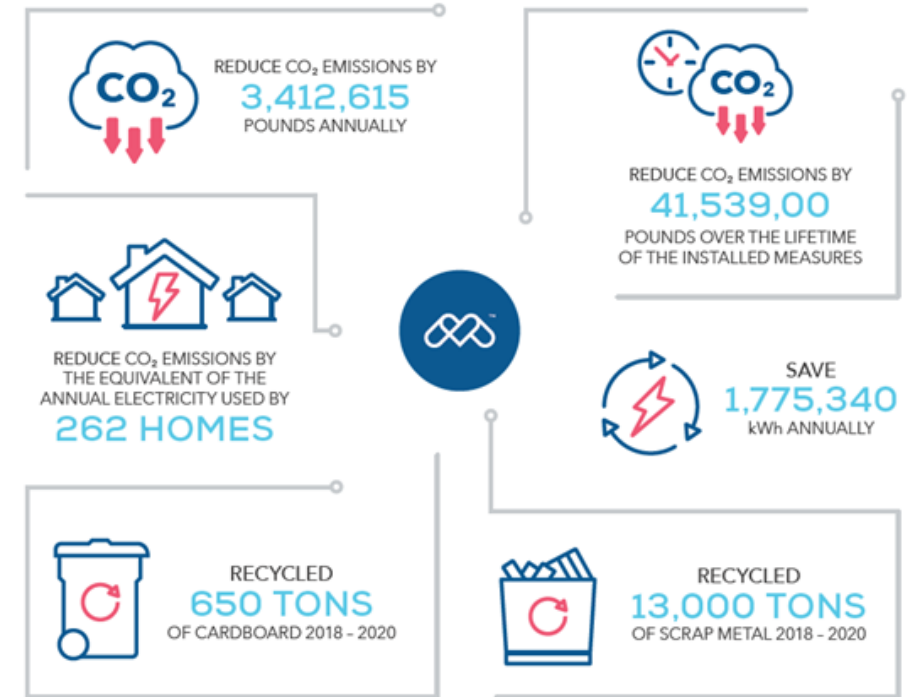
- New version of EPP Scorecard has a separate category for Electrical and Electronic equipment (EEE)
- Reduced CoC requirements EEE must comply with to:
  - EU RoHS
  - PVC
  - Halogenated Flame Retardants
- Enables manufacturers to pursue EPP compliance on complex electrical equipment

<https://supplier.kp.org/impactspending/wp-content/uploads/sites/2/2020/12/KPEPPStandards.pdf>



# Summary: What We Are Currently Doing

- Concerted effort to design for EPP Scorecard on new products
- Gathering and telling corporate-wide sustainability success stories.
- ESG Council reporting to President and Board of Directors





# Key Takeaways

- Midmark is committed to environmental sustainability and reducing chemicals of concern in our products
- Collecting data on products is not as straightforward as it might seem
- Design for Elimination presents many challenges especially for complex products
- Focus on what's achievable in the near term.
  - “Don’t let the perfect be the enemy of the good” ~ Voltaire
- Progress is slow, but we are making progress



# Questions?

## Contact:

Steve Cordonnier

Senior Portfolio Manager

[scordonnier@midmark.com](mailto:scordonnier@midmark.com)

Gideon Luginbuhl

Sr. Materials Engineer

[gluginbuhl@midmark.com](mailto:gluginbuhl@midmark.com)





Designing better care.®

# Open Discussion Q&A



# Panelists



**Elizabeth Eldridge**  
Director of Sustainable Sourcing  
Kaiser Permanente



**Steve Cordonnier**  
Sr. Portfolio Manager  
Midmark Corporation



**Yoav Einy**  
Director, Environmentally Preferred Purchasing  
Spend Management Solutions - KP account  
Vizient



**Gideon Luginbuhl**  
Sr. Materials Engineer  
Midmark Corporation

# How can your organization start? Participate in the Chemical Footprint Project



Vizient is a **signatory** of the Chemical Footprint Project

In 2023, Responders have three modules they can participate in:

- Product Module Guidance for Responders selling, licensing, or distributing products
- Manufacturing Module Guidance for Responders with manufacturing operations
- Packaging Module Guidance for Responders addressing chemicals in packaging

<https://chemicalfootprint.org/>

# Future 2023 Supplier Education Webinars

**December 7, 2023 – 11am CST**


## Reducing climate change impact: a healthcare imperative

We will explore initiatives some of the largest healthcare providers are taking to reduce their impact on the environment and how the supplier community can join the journey to publicly disclose greenhouse gas emissions.

Register in advance for this webinar:

[https://vizientinc.zoom.us/webinar/register/WN\\_7t5MrFsfSDe6Jx16-K1aqq](https://vizientinc.zoom.us/webinar/register/WN_7t5MrFsfSDe6Jx16-K1aqq)





Driving positive  
change for health  
care starts with  
people who see the  
world differently.



# Let's work together

---

# vizient®

**EPS@vizientinc.com**

This information is proprietary and highly confidential. Any unauthorized dissemination, distribution or copying is strictly prohibited. Any violation of this prohibition may be subject to penalties and recourse under the law. Copyright 2023 Vizient, Inc. All rights reserved.