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On the Path to Net Zero— Lessons Learned From Two Healthcare Organizations

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Disclosures



The presenters have no real or perceived conflicts of interest related to content in this presentation

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Learning Objectives



At the end of this session, participants should be able to:

1. Recall current initiatives from regulatory agencies encouraging healthcare systems to reduce and report their greenhouse gas (GHG) footprint.
2. Identify key stakeholders and decision-makers within their health system or facility to support an action plan to reduce their GHG footprint.
3. Recognize best practices for developing a GHG footprint reduction plan within their health system or facility shared by presenters.



BOSTON MEDICAL CENTER

David Maffeo
Executive Director
Support Services & Sustainability



Boston Medical Center



Source: <https://www.bmc.org/sustainability>

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Sustainability & Clinical Health

2,658 square foot rooftop farm with > 25 crops



Sources: <https://www.bmc.org/sustainability>; BMC images. Used with permission of BMC.



Source: BMC image. Used with permission of BMC.

Clean Power Prescription



A 365-kilowatt array of solar panels on roof of administrative building

**BMC providers “write prescriptions”
for reduced utility bills**



Source: <https://www.bmc.org/clean-power-prescription-program>

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Environmental Successes

Brockton Behavioral Health Center is a net-zero facility



90%

reduction in carbon footprint since 2011



35%

reduction in energy use



\$40M

reduction in annual operational costs

Sources: <https://www.bmc.org/sustainability>; <https://www.cmta.com/index.php/results/briefs/boston-medical-center>

Path to Carbon Neutrality

2030 goal = Reduce greenhouse
gas emissions by 50%

2050 goal = Net zero

Source: <https://www.bmc.org/sustainability>

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HACKENSACK MERIDIAN HEALTH

Kyle Tafuri
VP, Sustainability



Hackensack Meridian Health

Who We Are

18 Hospitals



3 Academic Medical Centers

1 University Teaching Hospital

8 Community Hospitals

2 Rehabilitation Hospitals

AND

1 Center for Discovery & Innovation

2 Children's Hospitals

1 Behavioral Health Hospital

1 Long Term Acute Care Hospital

1 School of Medicine

Source: <https://www.hackensackmeridianhealth.org/en/about-us>

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Environmental Approach & Successes

▶ This commitment drives our investment in energy efficiency and renewable energy. To date, we have:



Invested more than \$114 million in energy-efficient infrastructure upgrades



Achieved PEER Gold certification for Hackensack University Medical Center's Central Utility Plant, recognizing our excellence in electricity renewal



Achieved 100 percent compliance with Healthy Building Interior Standards



Served as pilot site for the Joint Commission Sustainability Certification

▶ Our Holistic Approach to Environmental Stewardship

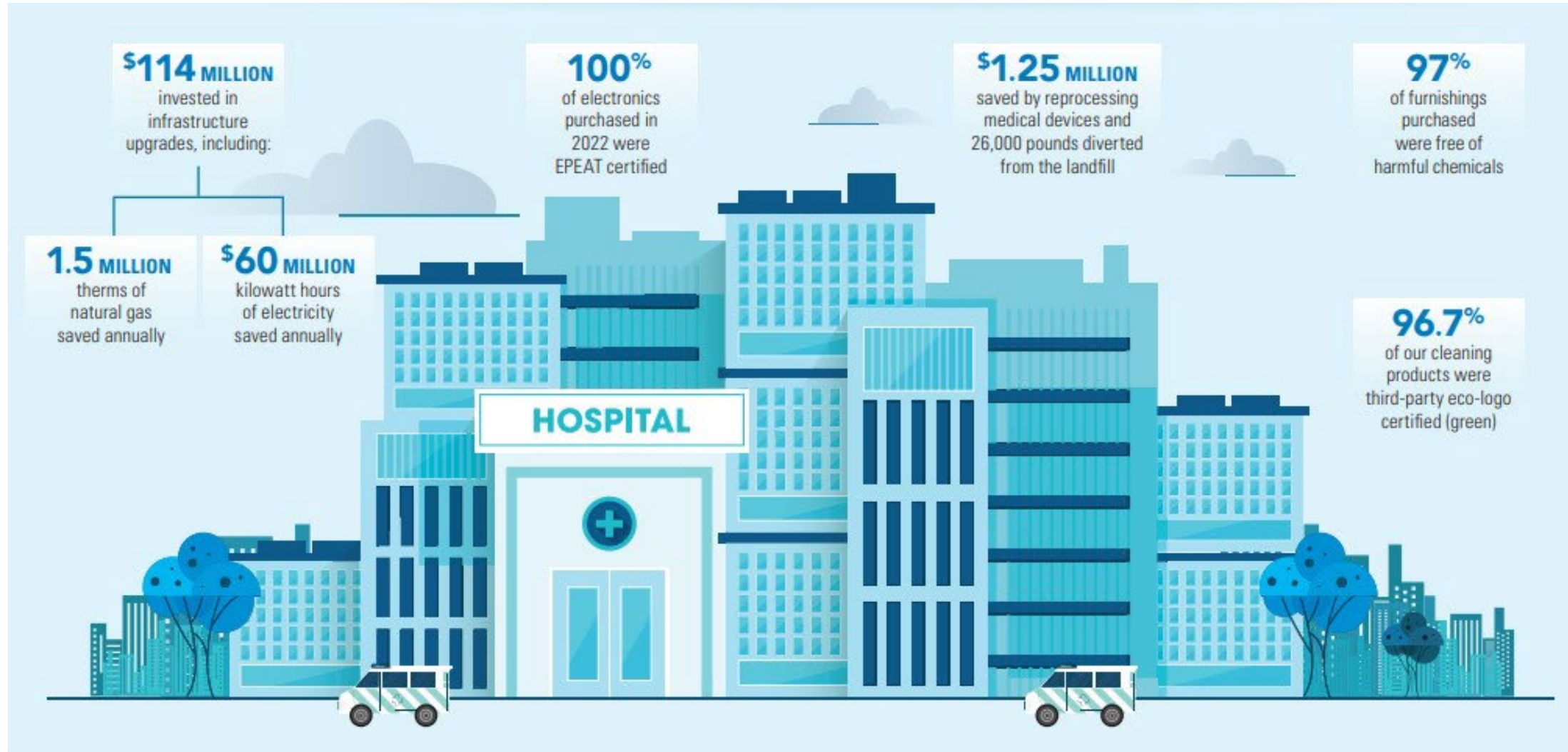


Recognized for Environmental Excellence

In 2023, three of our hospitals—Hackensack University Medical Center, Jersey Shore University Medical Center and Ocean University Medical Center—received a Top 25 Environmental Excellence Award, Practice Greenhealth's highest honor.



Environmental Successes



Source: https://www.hackensackmeridianhealth.org/-/media/project/hmh/hmh/public/about-us/files/hmh-084_esg-hi-1.pdf.

Path to Carbon Neutrality

2030 goal = Reduce greenhouse gas emissions by 50%

2050 goal = Net zero

Source: https://www.hackensackmeridianhealth.org/-/media/project/hmh/hmh/public/about-us/files/hmh-084_esg-hi-1.pdf.

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BACKGROUND

Bill Miller, Director Strategy
Account Integration, Energy

Jennifer Westendorf, DNP, RN, CNOR
AVP, Environmental Performance &
Surgical Services

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Security & Exchange Commission (SEC) Ruling



- Scope 1 & 2 GHG emissions – required disclosures only for large accelerated filers and accelerated filers and only *when emissions are deemed material*
- Smaller reporting companies, emerging growth companies and nonaccelerated filers are exempt from GHG disclosure requirements
- Final Rule lengthened timeline for adoption based on type of filer; extended phase-in periods for
 - Disclosures expected to require companies to implement more extensive new internal reporting systems and disclosure controls and
 - GHG emissions disclosures and related assurance
- Financial statement footnote disclosure required for some expenses and capitalized costs related to severe weather events and other natural conditions, carbon offsets and renewable energy credits expensed, and impact of severe weather events and other natural conditions on financial estimates and assumptions

Source: <https://www.sec.gov/files/rules/final/2024/33-11275.pdf>

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SEC Ruling, cont'd.

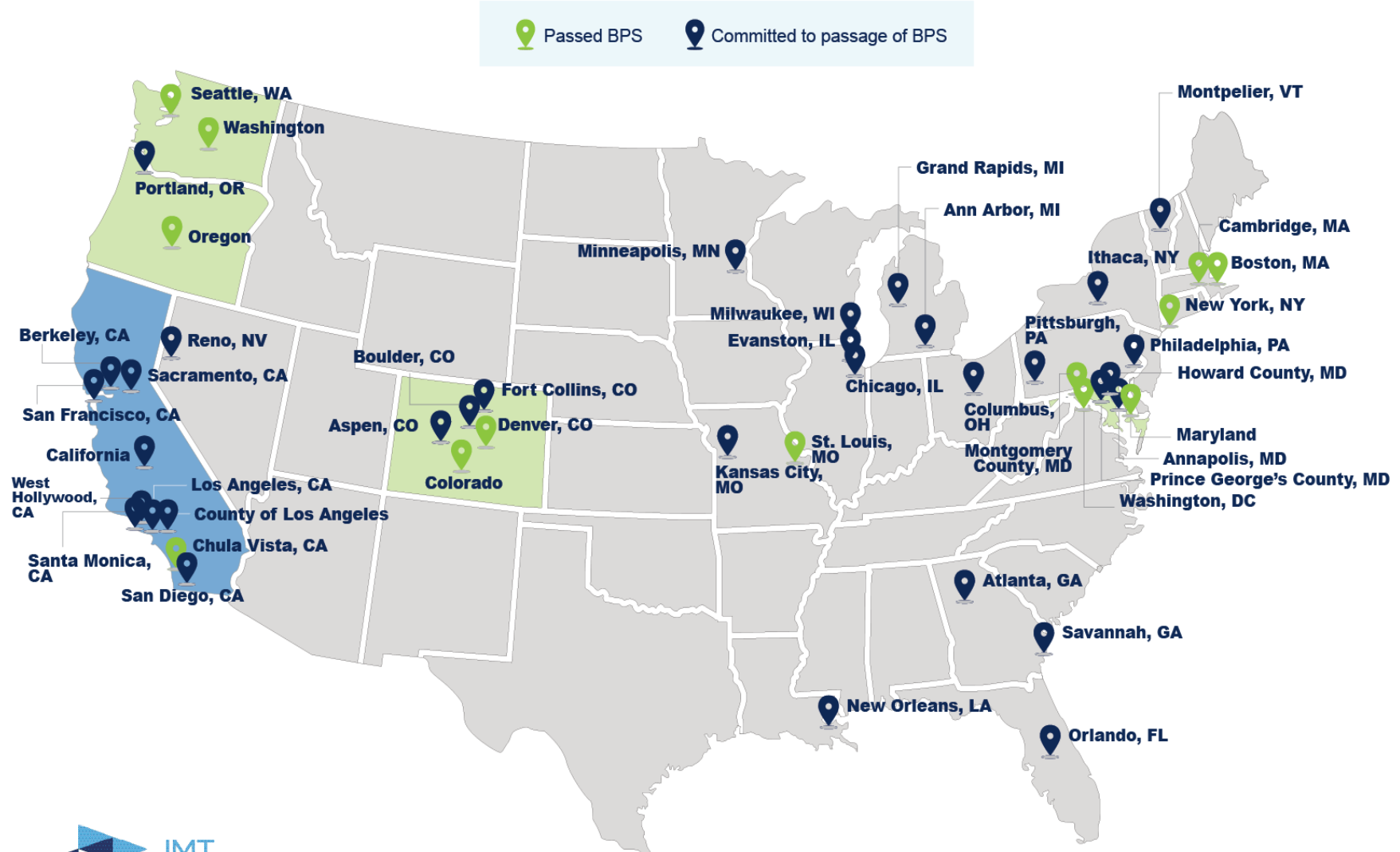


- Final Rule provides safe harbor, shielding companies from liability for disclosures related to:
 - transition plans
 - scenario analysis
 - internal carbon pricing
 - targets and goals
- Numerous legal challenges already filed; more thorough litigation pending, including potential consolidation of cases and possible Supreme Court review
- Adoption signals SEC's priority to provide climate-related info to investors and other stakeholders
 - SEC less likely to scrutinize good faith implementation in short term; long-term likely to make examples of public companies that fail to implement the rule or ignore climate-related risks in required disclosures

Source: <https://www.sec.gov/files/rules/final/2024/33-11275.pdf>

State of Building Performance Standards (BPS)

Members of the National BPS Coalition as of Dec. 2023



Financials Institutes & Other Politics – Headwinds



- Four of world’s biggest banks have left one of the longest-standing environmental and social market-based frameworks (March 2024)
- Some U.S. states have introduced “anti ESG measures” prohibiting consideration of related factors when investing state retirement funds, or targeting companies that “boycott” industries like fossil fuels
- Tractor Supply will withdraw carbon emission goals and “focus on land and water conservation efforts” (June 2024)

Sources:

<https://www.thebanker.com/Major-US-banks-back-out-of-the-Equator-Principles-1710330460#:~:text=Four%20of%20the%20world's%20biggest,based%20frameworks%3A%20the%20Equator%20Principles>

<https://www.corporatecomplianceinsights.com/understanding-scope-anti-esg-state-laws/#:~:text=State%20anti%20ESG%20lawmakers%20have,evaluating%20an%20investment%20opportunity%20and>

<https://thehill.com/homenews/race-politics/4745958-traffer-supply-eliminates-diversity-climate/>

HHS Health Sector Climate Pledge



- Voluntary Commitment
 - Reduce organizational emissions by 50% by 2030 (from a baseline no earlier than 2008) and achieve net-zero by 2050
 - Designate an executive-level lead for the work and conduct an inventory of Scope 3 emissions by end of 2024
 - Develop and release climate resiliency plan by 2023 (or within 6 months of committing to pledge)
- Who has signed up for the pledge
 - Health systems, hospitals and other providers
 - Industry organizations
 - Associations, nonprofits and technical assistance organizations

Source: U.S. Department of Health and Human Services. (July 10, 2024). *Health sector commitments to emissions reduction and resilience*. <https://www.hhs.gov/climate-change-health-equity-environmental-justice/climate-change-health-equity/actions/health-sector-pledge/index.html>

Audience Poll Question #1



Members: What level of interest does your organization have in pursuing the Joint Commissions' Sustainable Healthcare Certification?

- A. No interest in pursuing
- B. Currently discussing/considering
- C. Currently pursuing
- D. Already achieved certification

The Joint Commission Sustainable Healthcare Certification (SHC)



- Voluntary certification program with two options:
 - Single healthcare organization certification (HCO)
 - Corporate centralized system

- Evaluates process and structures a hospital has implemented around:
 - Improving energy efficiency
 - Decreasing carbon footprint
 - Decreasing waste

Sources: The Joint Commission. (n.d.) *Sustainable Healthcare*. <https://www.jointcommission.org/our-priorities/sustainable-healthcare/>; The Joint Commission. (February 20, 2024). Sustainable healthcare certification: Review process guide. <https://www.jointcommission.org/what-we-offer/certification/certifications-by-setting/hospital-certifications/sustainable-healthcare-certification/>



Panel Discussion

Panelists:

- David Maffeo, Boston Medical Center
- Kyle Tafuri, Hackensack Meridian Health
- Bill Miller, HealthTrust

Moderator:

Jennifer Westendorf, DNP, RN, CNOR, HealthTrust

Audience Poll Question #2



Members: Does your organization currently track its Scope 1 & 2 emissions?

- A. Yes
- B. No
- C. Not sure

Audience Poll Question #3

Suppliers: Does your organization currently track its Scope 1 & 2 emissions?

- A. Yes
- B. No
- C. Not sure



References



- 1) Final rule: The Enhancement and Standardization of Climate-Related Disclosures for Investors. SEC. <https://www.sec.gov/files/rules/final/2024/33-11275.pdf>
- 2) The Joint Commission. (n.d.) *Sustainable Healthcare*. <https://www.jointcommission.org/our-priorities/sustainable-healthcare/>
- 3) The Joint Commission. (February 20, 2024). Sustainable healthcare certification: Review process guide. <https://www.jointcommission.org/what-we-offer/certification/certifications-by-setting/hospital-certifications/sustainable-healthcare-certification/>
- 4) U.S. Department of Health and Human Services. (July 10, 2024). *Health sector commitments to emissions reduction and resilience*. <https://www.hhs.gov/climate-change-health-equity-environmental-justice/climate-change-health-equity/actions/health-sector-pledge/index.html>



Thank you...

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