



The First National Conference on Precaution

*Industry Chemical Precautionary Programs:
Making Healthcare Purchases for the
Environment*

Saturday, June 10, 2006

Jean Livingston, PhD

Consorta, Inc.

Who is Consorta?

- Founded May, 1998
- Illinois Business Corporation--Cooperative
- Owned by 13 Catholic Health Care Systems
 - 60% of all U. S. Catholic Hospitals are Members
 - 550 Acute Care Sites; 54,600 Beds
 - 2,000+ Non-Acute Care Sites
 - 4 of the 5 Largest Catholic Health Systems in the U. S. are Owners
- Purchase Volume: Approximately \$4.8 Billion Annually
- More than 800 Group Purchasing Contracts Awarded by the Members
- **Mission:** Remove Cost from Owner's Supply Chain

Consorta Shareholders Work as a Group to Bring Better Value and Meaningful Change to Selected Product Categories

Purchase as a Group

- Aggregate Volume to Obtain Price Discounts
- Commit Volume to One or More Suppliers
- Obtain Administrative Fee from Suppliers, Deduct Operating Expenses and Return Balance to Owners

Provide Supply Chain Management Tools

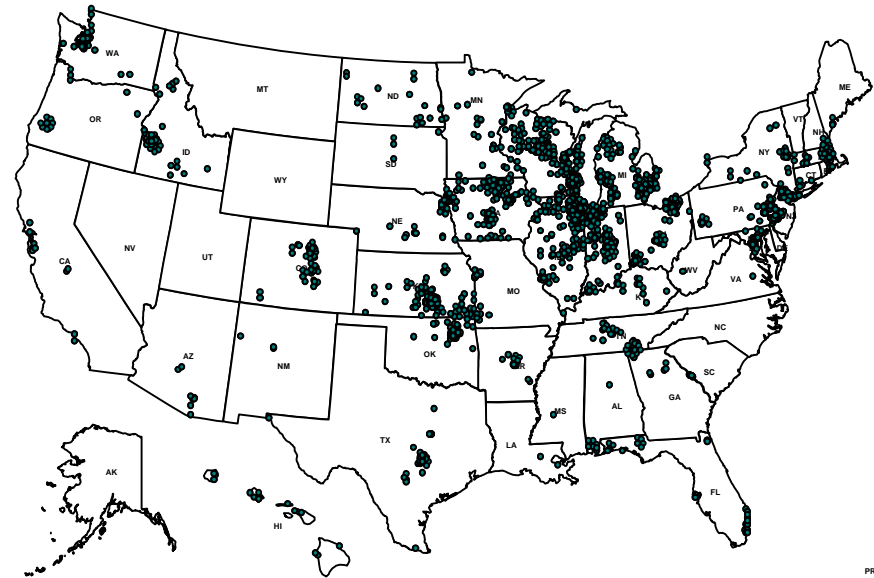
- Data and Analytics
- Provide Information and Reporting
- Furnish Technology Assessment and Value Analysis Tools
- Product Conversion Assistance

One of the Five Leading GPOs in the U.S.

...Membership Profile

Owners

- Ascension Health – St. Louis, MO
- Caritas Christi Health Care – Boston, MA
- Catholic Health East – Newtown Square, PA
- Catholic Health Initiatives – Denver, CO
- Hospital Sisters Health System – Springfield, IL
- Ministry Health Care – Milwaukee, WI
- Provena Health – Mokena, IL
- Sisters of St. Francis Health Services – Mishawaka, IN
- St. Clare's Health Services – Denville, NJ
- St. John Health System – Tulsa, OK
- Trinity Health – Novi, MI
- Via Christi Health System – Wichita, KS
- Wheaton Franciscan Services – Wheaton, IL



Expanding Reach in Major Not-for-Profits

- American Red Cross
- American Heart Association
- Lutheran Services in America (LSA)
- Salvation Army

Consorta and Members' Objectives

...for the Environment and our Members' Well-Being

- Commit to safer alternatives
- Educate and demand more of suppliers
- Integrate a transparent process of advocating and contracting for environmentally-preferable products



- Raise the level of disclosure to healthcare professionals
- Educate all healthcare stakeholders on the risks and opportunities in dealing with hazardous chemicals

Education – Stewardship - Leadership

Our Challenges are Different

...and Greater

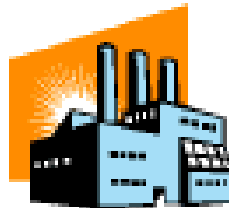
- **What's in the Product?**
- We must **Educate** to Create Demand
- Education Requires Greater **Communication**
- **Advocacy** on Behalf of Members, and the Environment
- Education Leads to **Demand Creation**
- Supplier Must Gear up **Production**
 - Does the demand justify the capital investment?
- **Report**

In healthcare, the role of educating product specifiers and creating demand from the “grass roots” level is greater than in most markets.

Procurement Practices in Healthcare

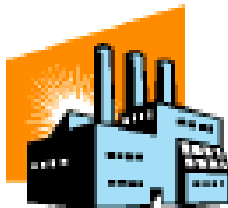
...It's a Different World

Usual Procurement Cycle "Product Specifiers"



Customer Specifies Product and Has it Manufactured to Specification, then Sells it to Consumers

Healthcare Procurement Cycle "Product Takers"

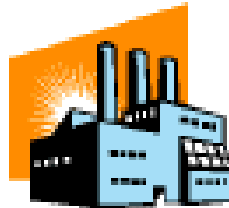


Manufacturer Designs Product, Sells to Clinician who Specifies and Gets Hospital to Purchase

It's Harder "Green" Healthcare

...It's a Different World

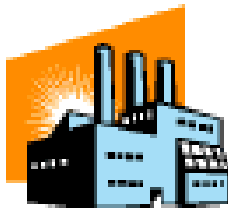
Usual Procurement Cycle "Product Specifiers"



"We're Going to Make it Green"

Supplier Changes Formulation...and it is Sold to Consumer

Healthcare Procurement Cycle "Product Takers"



"Is there Going to be Demand?"



Education/Demand

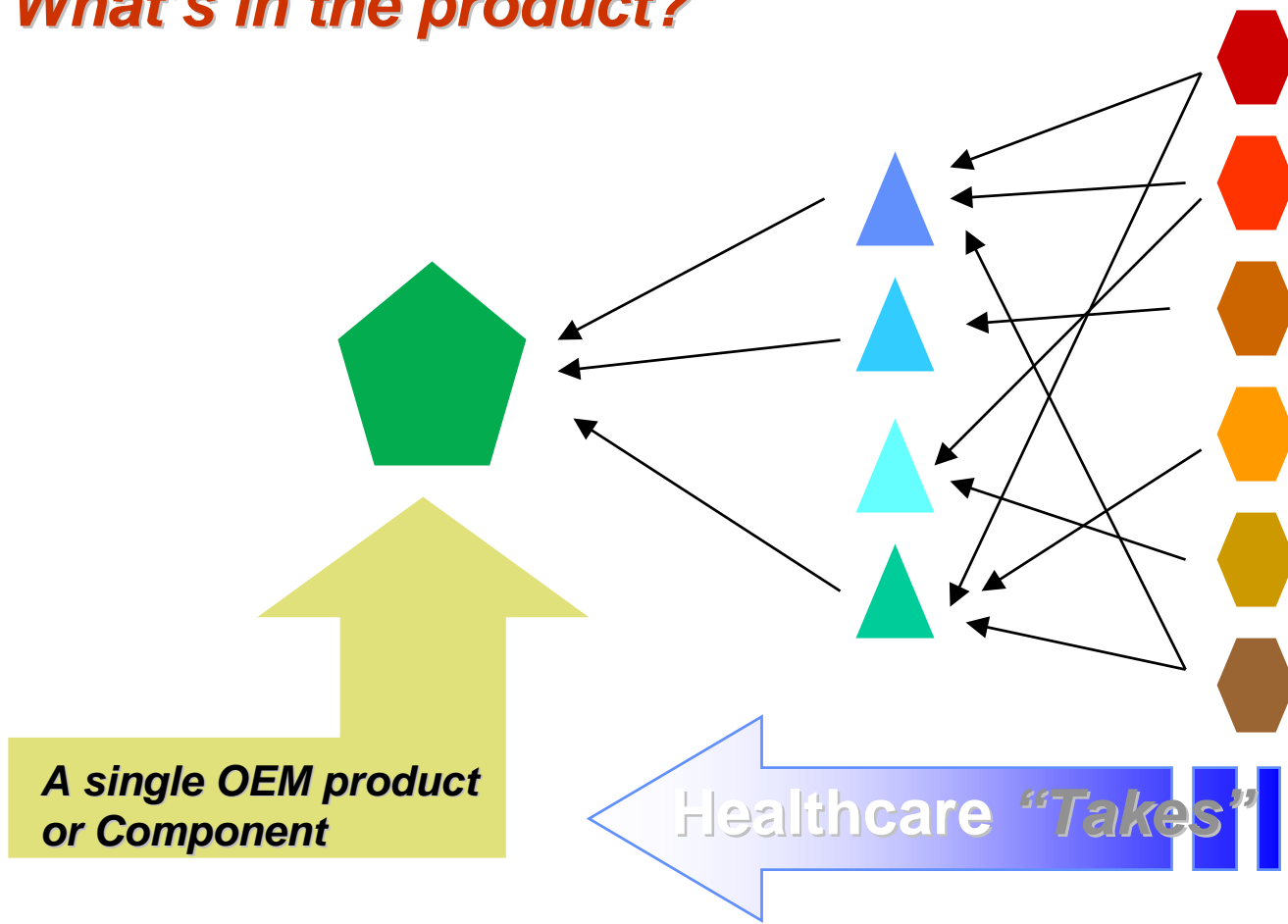


"We Want it Green"

Consorta Draft Chemicals Policy

...One of the Challenges

What's in the product?

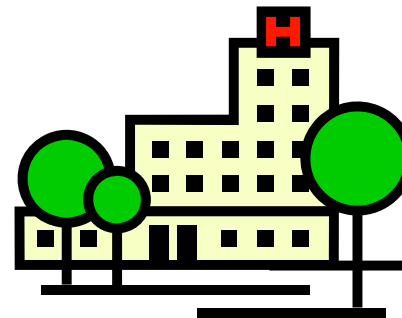


Consorta Draft Chemicals Policy

- **Consorta is committed to adopting a company-wide chemicals policy.**

***Chemicals
Are not
Adequately
Regulated
In the
USA***

**Example:
Brominated
Flame Retardants**



**Problems are Left to the Health
Care Provider to Solve.**

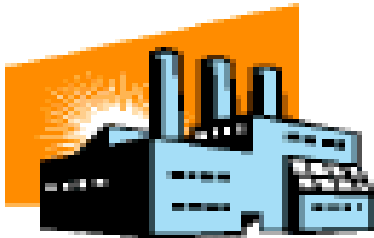
Consorta Draft Chemicals Policy

An Example of One Supplier's Response



#1 Are seller's Products free of latex, Mercury, PVC, Etc.? Explain

#2 Does Seller's Products Contain Hazardous Materials?



No.
[Nothing Further.]

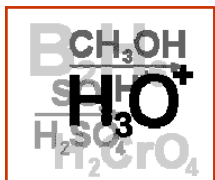
No.

But...



Consorta Draft Chemicals Policy

DRAFT Company-Wide Chemicals Policy



Develop a Comprehensive List of Chemicals of High Concern



Cross-Reference to Health Care Products of High Concern



Prioritize, Starting with the Worst Chemicals by Volume, Toxicity, Persistent, Biocumulative Toxic Compounds (PBT)



Consorta Draft Chemicals Policy

DRAFT Company-Wide Chemicals Policy



**Work with Suppliers to Seek Disclosure
Of Product Content and Eventual Disclosure
and Elimination of Priority Chemicals**



Develop Metrics to Measure Progress

- ***Percentage/Number of Products Reviewed for Chemical Content***
- ***Percentage of Suppliers Providing Partial Data***
- ***Percentage of Suppliers Providing Full Data***
- ***Percentage of Products Containing Priority Chemicals***
- ***Number of Products where Substitutions/Reformulations Encouraged***
- ***Number of Products where Safer Substitutes are Offered***
- ***Number of Products Containing Priority Chemicals no Longer Offered***

Consorta Draft Chemicals Policy

DRAFT Company-Wide Chemicals Policy



Require Suppliers to Report Safety Testing for Safer Substitutes when Substitutes are Offered



Urge Suppliers to Require Upstream Suppliers To Provide Full Materials Disclosure for Products With Data Requirements...



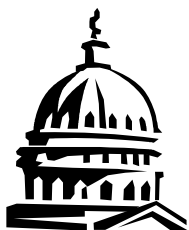
Increasing Over Time



Advocating Labeling of Products Containing Priority Chemicals

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Advocating in the Public Arena for Policy Changes to Advance a National Chemicals Policy

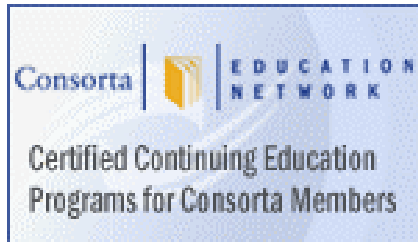


Reporting Publicly on Progress in an Annual Report, Such as Actions Related to:

**Mercury
PVC
BFRs**

Consorta Draft Chemicals Policy

Accredited Member Education



**Offer Continuing Education Accredited
Programs for Members**

“Mercury in Healthcare: Reducing the Risk, Part 1 – Mercury Characteristics, Sources and Risks”

**Accredited for: Pharmacy and Nursing
Parts II and III are in Development**

“PVC and DEHP in Medical Devices: Problems and Solutions”

Accredited for: Healthcare Executives, Laboratory Sciences, and Nursing

Opportunities to Advocate for EPP



- ✓ *“The Source”* Articles
- ✓ Executive Publications
- ✓ Educational Conferences
- ✓ Board & Contracting Meetings
- ✓ Shareholder Leadership Meetings
- ✓ Supplier Newsletter & Meetings
- ✓ Expert Guest Speakers
- ✓ Consortia Members-Only Web Portals
- ✓ Partnerships: H2E, HCWH, CHA