

Saving Green by Going Green

By Daniel J. Vukelich, Esq., President, Association of Medical Device Reprocessors | May 9, 2013



In August 2012, *Forbes* ran an article by Richard Crespin entitled, “If Sustainability Costs You More, You’re Doing it Wrong.” Never before has this been more true for health care providers than it is *right now*. In fact, data shows that if hospitals put in place certain green initiatives, they would save a lot more green – to the tune of more than \$15 billion over the next 10 years. In this era of shrinking budgets, escalating health care costs, and the growing problem of medical waste, isn’t it about time that all hospitals explore these sustainable options?

Research from the Commonwealth Fund, with support provided by Health Care Without Harm and the Robert Wood Johnson Foundation, concluded in their report “Can Sustainable Hospitals Help Bend the Health Care Cost Curve?” that “the savings achievable through sustainable interventions could exceed \$5.4 billion over five years and \$15 billion over 10 years.”

One of the initiatives considered was the reprocessing of select “single-use” medical devices (SUDs). In the study, hospitals contracted with an FDA-regulated medical device reprocessor, which are firms that specialize in collecting medical devices – decontaminating, cleaning, repairing, and remanufacturing the devices for resale back to hospitals. Extrapolating on the data collected, the researchers estimate that “hospitals’ cost savings over five years was about \$57 per procedure and if hospitals nationwide adopted SUD reprocessing, cost savings would be \$540 million annually, or \$2.7 billion over five years.”

That’s billion with a “b,” it does not require any up-front hospital capital investment to get started, and is proven to provide patients with the same standard of care. With these reprocessing programs, hospitals are able to extend the life and value of the medical devices *they already own*, not only

dramatically reducing the amount of medical waste hospitals generate, but saving money as well.

The savings associated with reprocessing have been recently bolstered by other sources. According to Modern Healthcare, the Healthier Hospitals Initiative, comprised of about 700 hospitals and three non-profit organizations (Health Care Without Harm, Practice Greenhealth and the Center for Health Design), found that its members “saved a collective \$32 million in 2012 by reprocessing single-use medical devices,” a practice that was highlighted by the Healthier Hospitals Initiative (HHI) in its first milestone report.

HealthLeaders found in the report that “recycling, regulated medical waste reduction, energy management, and single-use device reprocessing were the four HHI Challenge areas with highest participation levels and represented the areas with the fastest financial rewards.”

Just two weeks ago, in an article from Becker’s Hospital Review, Huron Consulting Group issued a briefing entitled, “Ten Overlooked Opportunities for Significant Performance Improvement and Cost Savings.” The briefing lists reprocessing among the ways hospitals and health systems can save their organizations millions. Jim Gallas, managing director and Performance Solutions leader at Huron Healthcare, said, “As market pressures on hospitals and health systems continue to grow, a comprehensive yet granular approach to reducing expenses in every possible area creates a tremendous opportunity to make healthcare delivery more efficient, as well as fund the changes that reform is bringing.”

Of the 10 areas for performance improvement at hospitals and health systems, Huron experts identified medical device reprocessing as reducing device costs between 15 and 40 percent for an average 350 bed hospital, which saved \$175,000-\$315,000 a year.

Last week, Sterilmed, an affiliate of Ethicon-Endo Surgery, Inc. (a Johnson & Johnson company) and Stryker Sustainability Solutions (a division of Stryker Corporation), the nation’s leading two medical device reprocessors, were awarded Practice GreenHealth’s 2013 “Champions for Change Award” for Environmental Excellence. This commitment to environmental sustainability measures is an example other hospitals can follow to save costs and reduce expenses.

Today, it seems the demand for everyone in health care is to do more with less. Device reprocessing doesn't require hospitals to make tough sacrifices, but allows hospitals to use existing resources in a safe, FDA-regulated manner.

If the immediate cost-savings opportunities aren't enough to persuade hospitals to reprocess, the long-term impacts should. As the Commonwealth report found, "hospitals create 6,600 tons of waste per day and use large amounts of toxic chemicals. Reducing such pollution and greenhouse gas emissions would reduce the incidence of human disease, thereby saving money for the health care system and society as a whole."

Going green saves green now, and helps decrease demands on the health care system later.

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