

# Healing the Harm

## Eliminating the Pollution from Health Care Practices

### Section Six: Creating a Materials Policy to Minimize Pollution

# Healing the Harm

## Purchasing

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"Purchasing is the key to the kingdom," according to Hollie Shaner, R.N., a leading hospital waste prevention consultant. As Shaner's reference suggests, purchasing is an essential component of an aggressive waste and pollution prevention program. In fact, the "Three Rs -- Reduce, Reuse and Recycle," all involve opportunities to prevent waste in the process of deciding what to buy. From eliminating unnecessary packaging or seeking substitutes for mercury or PVC containing products to establishing purchasing preferences for easily recyclable materials, purchasing decisions can have a major impact in helping provide health care without harm.

### Decision-Making

However powerful they are, the "purchasing keys" may not be so simple to find, much less use. Decision-making authority may not lay solely in the hands of one person, and the process for procurement may vary according to the product. The person you talk to about buying recycled, non-chlorine bleached office paper may not be the person (or people) to discuss non-PVC intravenous (IV) bags. In addition, your concerns -- the endocrine disrupting potential of dioxin, mercury-contaminated fish, etc. -- may not be their concerns -- buying what is cheap and readily available.

As indicated, the decision-making process for purchases can vary according to the product. Take the possible scenarios for buying paper: Toilet paper may not be purchased by the hospital's purchasing department, but by the environmental services department. If the hospital has its own print shop, office paper may be purchased by the printing staff. And letterhead may be ordered by the public relations office.

In addition, most hospitals have a product standard and evaluation committee. Any new product cutting across all divisions is discussed by this committee.

### GPOs

Many product/ purchasing decisions have been 'out-sourced' to a central buying organization called a "group purchasing organization". GPOs operate on the hallowed principle of bulk purchasing: By aggregating the buying power of many hospitals, GPOs can negotiate large pricing discounts from medical product manufacturers. The size of the discount is directly related to the volume of sales it can guarantee the manufacturer.

Many GPOs are organized geographically, in single states or regions; many religious-based hospitals belong to GPOs organized along denominational lines; there are GPOs that specialize in serving hospitals connected with universities. You can find out what GPOs hospitals in your community belong to by looking them up in the Directory of Healthcare Group Purchasing Organizations, part of the Medical Device Register series published by a group called Medical Economics, which can be found at most business reference or university libraries.

As is true of trends in the healthcare system generally, larger GPOs are becoming dominant. Premier, a company formed in a merger of three smaller GPOs, has 1,800 member hospitals and buys \$10 billion worth of medical products annually; VHA has 1,300 members. A large membership is one way to increase the sales volume a GPO can guarantee manufacturers. Another method is to insure that, as much as possible, members buy only those items which are offered by the GPO on contract. This is known as the degree of member "compliance," and the largest GPOs are raising their target compliance levels to as high as 95 percent for pharmacy items and 85 percent for medical equipment. GPOs offer a number of incentives to their members in order to insure high compliance levels. Hospitals typically pay a participation or membership fee -averaging from \$5,000 to \$10,000 -to obtain access to contract prices. They also pay fees ranging from 1 to 2.5 percent of their total purchase amounts to cover various aspects of contract administration. These fees are rebated back to the member institutions according to their level of compliance. Members are free to purchase products outside of the contract, but they will receive lower rebates and could be threatened with cancellation of their contract.

Some hospitals are members of three or four GPOs and shop around for the best deal. While some GPOs supply almost all of the products used in a hospital, others supply just medical products, not office or janitorial supplies.

To learn more about your health care facility's relationship with GPOs, ask them some questions (keep in mind that you may not get the answers at your first meeting).

- ⇒ Does this facility belong to any GPOs? If so, which ones?
- ⇒ What items are purchased as part of these contracts? (It may be useful to begin product change discussions for items not currently under contract)
- ⇒ When do the contracts with GPOs expire? (This lets you know how much lead time you have to influence their renewal of the contract or work on them to encourage the GPO to change the products they offer.)
- ⇒ Will they supply you with not only the types of products offered in the contract, but also the manufacturers and brand names?

There are other ways a hospital's flexibility may be restricted. Hospitals may negotiate long term contracts with suppliers. If a hospital is part of a larger chain, purchasing policies may be dictated by a national office. For example, Columbia HCA and Kaiser have national purchasing policies.

## Approach

There are other factors to consider in your approach to influencing a hospital's purchasing decisions:

It is important to recognize that the job of an institutional purchasing agent is to focus like a laser beam on what's least expensive, what works, and what's available. Factors like the endocrine disrupting potential of the byproducts of combustion have not historically been on the list for consideration.

That's not to say these and other concerns can't be added to the criteria, but *their* criteria must always be added to your approach in order to be successful. If a 'green' alternative is astronomically expensive, frowned upon by the surgeons, or only available from one small manufacturer in Anchorage, it is unlikely to meet with the purchasing agent's approval.

When scheduling a meeting with purchasing staff, you should frame it as a information gathering or information sharing opportunity. Suggest that you would like to learn about how purchasing decisions are made in the hospital, and that you have some information which may be useful for them.

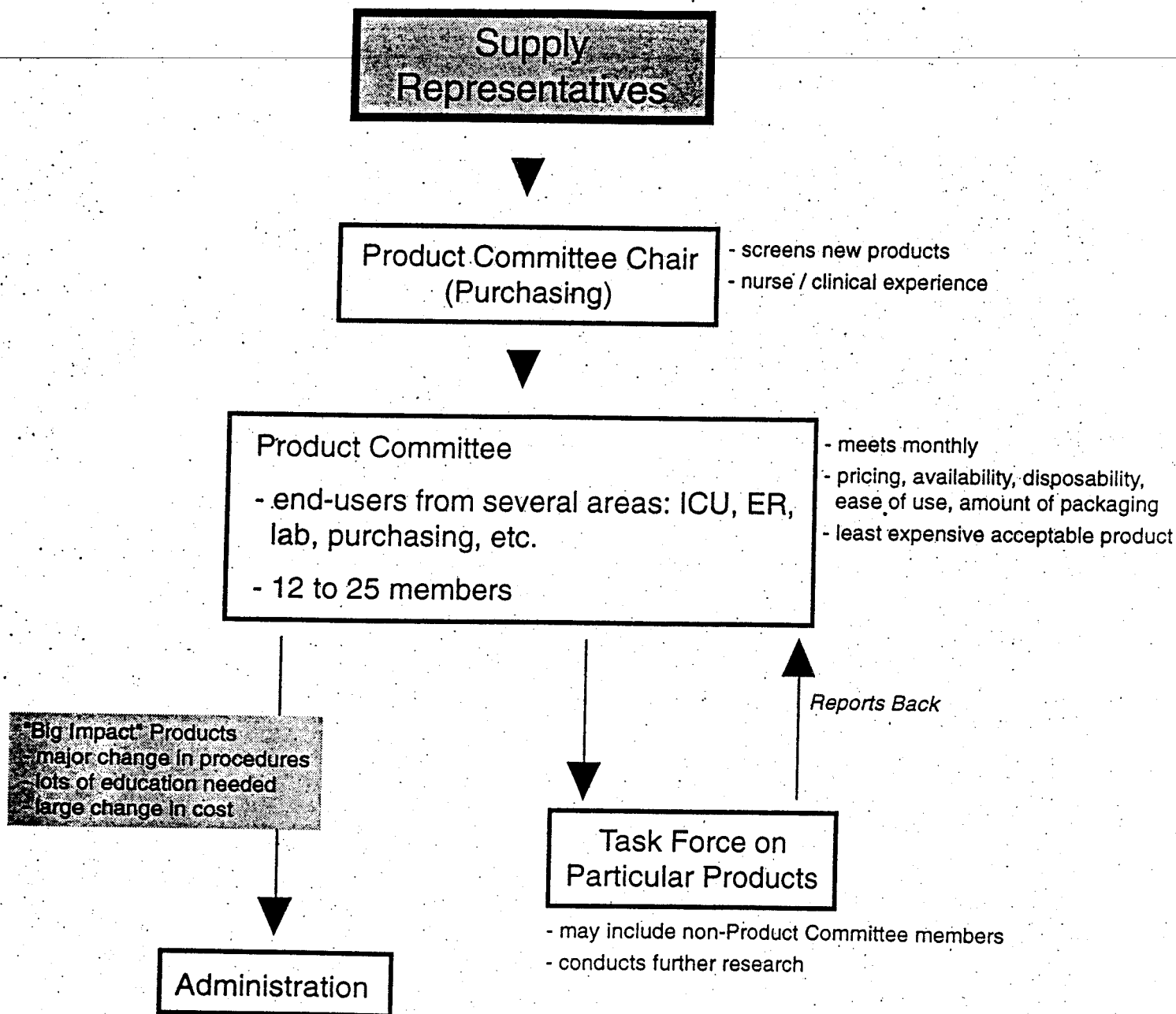
It is important to stress that your concerns are reducing both the volume and toxicity of hospital waste. To make that distinction. It may be useful to two frames of reference which are likely to be familiar to them: cutting back on unnecessary packaging and phasing out mercury.

You should also emphasize, where possible, that the alternatives are in use elsewhere. No one likes to be the first to try out a new product, much less one used in patient care. For example, when discussing non-PVC IV bags, you should mention that the Veterans Administration is using them at all their hospitals. You should also bring samples, for example, of the recycled, processed chlorine-free paper in this handbook or green cleaning products.

It is also important to recognize that hospitals may not know what products are made with PVC (since they are generally not labeled) or even what products contain mercury. A good first step for the hospital may, in fact, be writing to suppliers and asking for this information.

Finally, you shouldn't discuss purchasing with just the purchasing staff. In meetings with other hospital officials, whether with the president or the head of environmental services, you should emphasize the importance of the purchasing part of the solution.

# County Hospital Not Belonging to GPO



**VHA Contracts for Products Nationally**

*no conflict with hospital's product choice*

- Materials management
- Purchasing

*conflict with hospital's product choice*

**Value Analysis Team**  
- chaired by buyer

- identifies products in conflict
- gathers affected end-users
- considers price, quality, availability
- resolves conflict

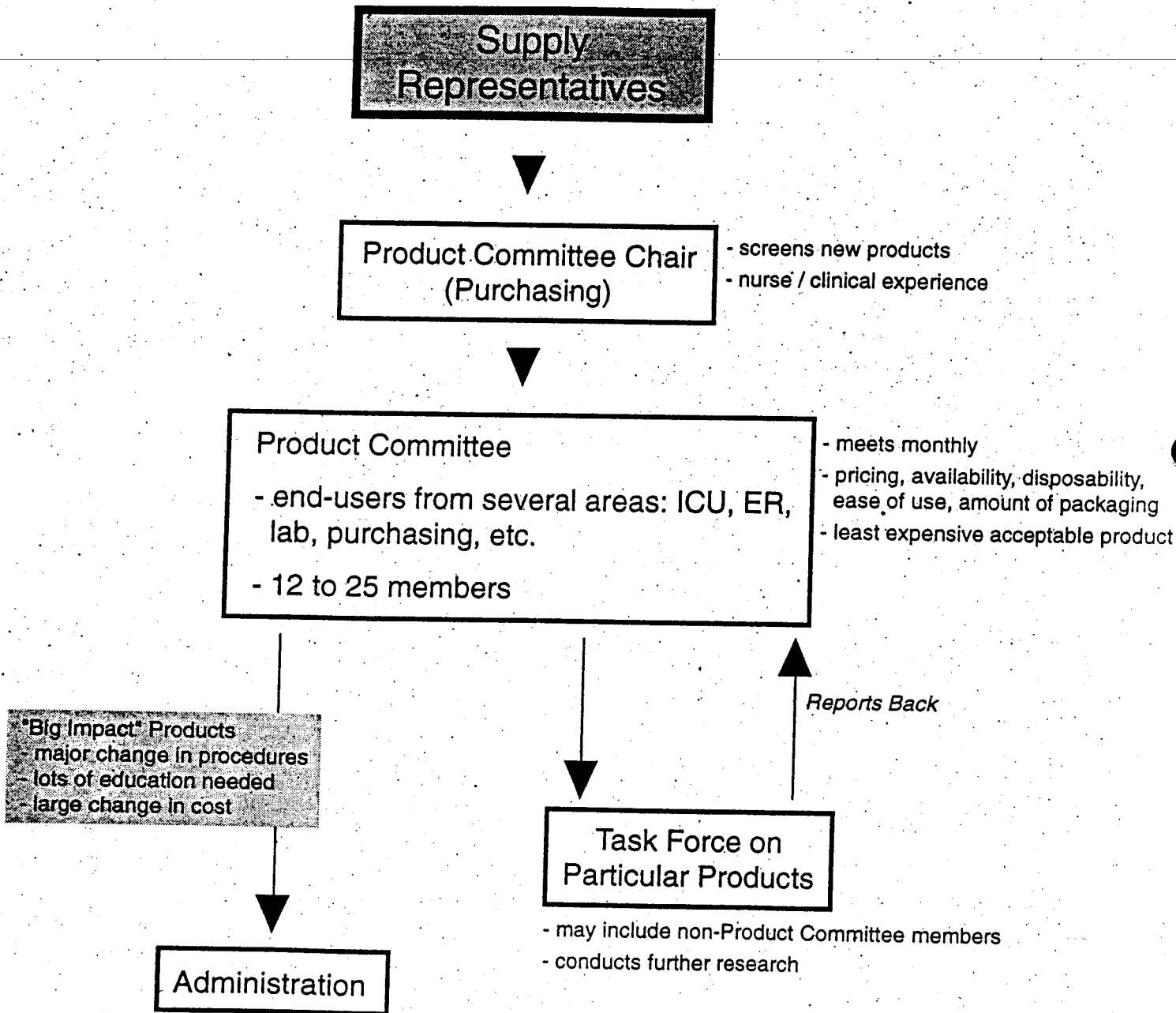
**No VHA Contract for Product**

**Value Analysis Team**

**Regional Value Analysis Team**

- meets bi-monthly
- 8 members: buyers from hospitals
- serves as "mini-GPO"

# County Hospital Not Belonging to GPO



# Healing the Harm

## Sample Materials Audit

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1. Does your institution have procurement policies that promote the purchase of products in recyclable containers and packaging and are you recycling these materials? Some of these products include:

- boxboard
- aluminum
- cardboard
- glass
- #1 PETE
- #2 HDPE
- #5 Polypropylene
- #6 Polystyrene

2. Does your institution have a procurement policy that mandates a preference for purchasing paper and other products that are made from recycled materials? Is there a policy that encourages two-sided copies? Are you recycling office paper, computer paper, newspaper and magazines?

3. Does your institution have a procurement policy that prohibits new purchases of products and devices containing mercury or PVC when alternatives exist?

4. Does your institution have procurement policies that prefer reusable products over disposable products when the health and safety of staff and patients will not be compromised? These products would include:

- Rechargeable batteries
- dishware, pitchers and cups
- ventilator circuits
- resuscitation bags
- gowns
- underpads
- toner cartridges
- hypothermia blankets
- urinals and bedpans,

- emesis and wash basins
- packaging totes
- sterilization trays
- decubitus care mattresses
- pulse oximetry probes
- diapers
- sharps containers
- regulated medical waste containers
- pillows