



Health Care CSO's Case for Climate Change

***About the authors:** Dr Elizabeth Baca, Michael Johnson, and Sarah Wiley are leaders within Deloitte's Health Care Strategy practice. This editorial represents their perspective on how health care leaders should approach prioritizing sustainability within their organizations.*

Introduction: Call to Action

Climate change is a public health crisis and a universal risk to human health and well-being.¹ The World Health Organization estimates that between 2030 and 2050, at least 250,000 additional deaths will occur each year as a result of climate change, and research shows that climate change disproportionately affects the most vulnerable populations.² Health care organizations have begun to recognize the effect of climate change on their patient populations and the impact their own operations have on the environment and climate. If the global health care industry were a country, it would be the fifth-largest greenhouse gas emitter on the planet.¹

Although most organizations recognize climate change is a problem, few organizations have started to act to reduce direct GHG emissions and plastic waste and build sustainable and environmentally resilient facilities and operations.

The impact of climate change is getting more recognition across both public and private sectors. In April 2022, the Department of Health and Human Services (HHS) and White House launched a historic pledge initiative to mobilize health care organizations to commit to specific actions to reduce emissions.³ However despite increased attention,

addressing climate change is still just one issue on a long list of priorities facing Health Care CSOs today. But even as other priorities may be more pressing, CSOs can begin to address the impacts of climate change by integrating a lens of climate resiliency to all decision-making. This change will enable CSOs to make incremental progress around sustainability and climate impact while maintaining momentum on other initiatives.

Strategic First Steps

Health Care CSOs have several competing priorities – COVID, staffing and workplace morale, evolving technology and regulations, health equity, and so on. While each of these issues requires significant focus, there are interdependent decisions related to climate change. While optimizing for climate resiliency is a significant undertaking, organizations should focus on an initial set of strategic steps to jumpstart the integration of climate-resiliency into the organizational culture:

1. **Create a Climate Baseline.** Assess current environmental vulnerabilities and footprint, starting with a few core areas:
 - **Patient Population and Drivers of Health:** Start by identifying the climate-related health challenges of your patient populations. Understand what climate risks (e.g., deteriorating air quality, increasing droughts, more extreme heat) will exacerbate and increase the prevalence of health conditions (e.g., respiratory and cardiovascular conditions and illnesses.) Furthermore, analyze how climate change could disproportionately affect under-resourced patients, thus magnifying health inequity
 - **Supply Chain:** In the health care ecosystem, a large majority of emissions—over 70% for the global health care sector—originates from supply chain processes.⁴ CSOs can partner with supply chain and procurement colleagues to understand and quantify the environmental consequences of the organization’s supply chain operations and how climate risks (such as wildfires and rising sea levels) could threaten the current supply chain model
 - **Balance Sheet:** Amongst other severe consequences, climate change is already driving financial losses and will continue to do so without action. Climate change and air pollution already generate >\$800B in health costs for the U.S. each year⁵, and they are likely to continue to increasingly drive up the total cost of care unless addressed. Utilizing a combination of financial, health, and environmental data, analyze what percentage of the organization’s current health costs are connected to climate

conditions and predict how these costs will evolve over the coming decades

- Other potential areas to analyze for the climate baseline include energy consumption, construction, and waste generation

2. Integrate a climate lens into the enterprise strategy and business case templates.

- Leverage other elements of the enterprise strategy, such as care model innovation or digital transformation to build climate resilience while also realizing financial and operational synergies
- Incorporate climate-specific considerations into the decision-making process through business case templates. Consider how choices will impact the organization's current climate impact and require decision-makers to consider whether there is an option that is more sustainable and environmentally friendly
- Look for opportunities to locally partner. Whether it's working with nearby suppliers, partnering with the local waste management organization, or facilitating rideshare options for patients / employees, there are plentiful opportunities for initiatives which could lead to incremental and significant improvements for the organization's climate impact
- Finally, find sustainability champions across business units. Dedicated leaders will be responsible to drive the climate resilience and sustainability agenda within their teams' operations, while also addressing the causes and impacts of climate change. These leaders can also promote organic and bottoms-up initiatives to support a climate resilient culture

Conclusion

Start with small strategic steps. Begin by understanding the organization's climate impact baseline and the areas of risk facing patients and communities. Then, leverage the baseline to integrate climate into the enterprise strategy and decision-making process. These steps will lead to making sustainability a habit, driving progress in reducing climate impact, and creating conditions which foster the health and wellness of patient populations.

Please reach out to Dr. Baca, Michael, or Sarah with any questions.



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