

Total revenue \$86,092,341
 Operating expenses \$80,031,994

Three ways your climate change inaction will hurt...

Labor expenses \$33,710,634
 Miscellaneous \$28,091,775

...your bottom line

Climate change significantly impacts the global population's health; it increases exposure to environmental disasters and infectious diseases, exacerbates non-communicable conditions, and worsens mental health, among other consequences.

Most health care leaders know they should act against climate change. But little urgency exists to make organizational changes in large part because leaders believe that climate change problems are too big for any one actor to solve. Sadly, this belief causes leaders to overlook the many additional climate change consequences that will significantly impact their business operations. If inaction in these areas continues, organizations will experience negative impacts on their long-term bottom lines. Operating costs will rise and it will be harder to attract and retain staff and consumers.

This infographic explores three major consequences that climate change inaction will have on health care organizations' bottom lines. It translates the systemic, global problem of climate change into the business priorities of individual organizations. Localizing the problem is the first step to making the actionable and sustainable changes necessary to prepare for the climate change challenges ahead.



Consequence 1: Operating your business will become more costly.

Cost growth baseline already on shaky ground

Health system expenditures

- US health care costs are projected to increase **6.5%** in 2022.¹

Supply chain costs

- 80%** of US health systems saw significant supply chain price increases in 2021.²

Energy costs

- Total energy costs for UK public hospitals increased by **7.5%** from 2018–2019.³

Emerging climate change trends poised to worsen the problem

- US hospitals will lose out on **\$15B** of savings over 10 years if they don't reduce energy and water consumption or commit to more efficient OR purchasing.⁴
- The average US neurological department uses **\$2.9M** annually in savings because it uses and wastes unnecessary items in surgery.⁴
- Authorities such as the US Department of Health and Human Services are proposing new requirements for hospitals to cut emissions and may penalize poorly-performing facilities.⁵

Organizations can act to alleviate the problem

Hospitals are operating on increasingly slimmer margins because of the Covid-19 pandemic and other world events, spiraling health care costs, and burgeoning reforms. Governments, regulatory agencies, and payers will increasingly require providers to hit emissions targets and will levy financial penalties on facilities that don't meet goals.

Organizations that invest broadly in sustainability initiatives, whether at the local level or within the wider supply chain, will likely see dividends through financial incentives and will be more likely to be accepted for green financing funding. They will also see significant cost savings through environmentally sustainable operations and purchasing.



Consequence 2: Staff will leave to work for a more active employer with a better record of action against climate change, hurting your ability to win the race for future talent.

Staff retention already on shaky ground

Retention

- 20.6%** of Australian ED nurses indicated that they intended to leave the nursing profession within five years.⁶

Satisfaction

- Only **32%** of US nurses are completely satisfied with their occupation, compared to **52%** prior to the pandemic.⁷

Engagement

- Only **35%** of US employed physicians were engaged with their work in 2019.⁸

Emerging climate change trends poised to worsen the problem

- 75%** of US millennials said that they would take a pay cut to work at a company with strong environmental values.⁹
- Nearly **40%** of US millennials—who will make up three-quarters of the workforce in six years—have chosen a job because of company sustainability.¹⁰
- 70%** of US workers said that if a company had a strong sustainability plan, it would affect their decision to stay with that company long term.¹⁰

Organizations can act to alleviate the problem

Problems with employee retention are exacerbated by employers' limited action against climate change. We know from other industries that, when given the choice between similar employers, potential recruits—especially millennials and Gen Z—will favor employers with a better climate change record.

Organizations that commit to ambitious sustainability goals and involve employees in the sourcing, planning, and execution of these goals will outcompete laggard organizations for staff.



Consequence 3: Patients will opt for providers who take a stand against climate change, especially as regulators require reporting of environmental impact data.

Patient loyalty already on shaky ground

Patient loyalty

- 40%** of US health care consumers are not loyal to a hospital or health system. An attrition rate of **7%-10%** can cost a US hospital up to **\$100M** in lost revenue per year.¹¹

Patient choice

- In the US in 2021, there was a **53.7%** increase in the use of health care review sites to find a provider.¹²

Emerging climate change trends poised to worsen the problem

- The UK NHS' Health and Care Bill will require NHS buildings to adapt to climate impacts, protecting biodiversity within hospital estates, decarbonizing energy sources, and impacting the wider supply chain¹³
- The US Securities and Exchange Commission has discussed requiring all publicly traded companies to publish their greenhouse gas emissions.¹⁴
- 94%** of US patients consider a hospital's sustainability programs to be important.¹⁵
- 70%** of consumers in the US and Canada think it is important that a brand is sustainable or eco-friendly.¹⁶
- 75%** of US millennials are willing to pay more for an environmentally sustainable product, compared to **57%** of baby boomers.¹⁷

Organizations can act to alleviate the problem

Patients still opt for convenience and low costs when selecting goods and services, but social and environmental consciousness is progressively factoring in their decisions. And with patient loyalty already waning, the negative impacts of climate change inaction on consumer behavior will be increasingly felt when millennials and Gen Z become the dominant health care generations.

Organizations that commit to environmentally sustainable practices can highlight those behaviors in marketing material. Environmental sustainability can become a competitive differentiator to attract patients.

Footnotes

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