

# Environmental Report



**OUR COMMITMENT TO THE ENVIRONMENT**



# Catholic Healthcare West

## FY 2004 ENVIRONMENTAL ANNUAL REPORT

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## A MESSAGE FROM CHW PRESIDENT/CEO LLOYD H. DEAN



Catholic Healthcare West (CHW) is proud to present our 8th annual environmental report detailing overall efforts towards our environmental commitment and continued work with Ceres. CHW — its sponsors, physicians, and employees — are committed to a mission of healing. Vital to this mission is ensuring that our operations do not in themselves cause harm. Our endorsement of the Ceres Principles and ongoing efforts in protecting the environment are rooted in our value of stewarding Earth’s resources.

Today our mission and values are secure, and our family of hospitals stronger than we have been for many years. We completed our 2004 fiscal year with improving patient satisfaction scores, a record of clinical excellence, employee confidence 32 percent higher than four years ago, and a net income of \$246 million. Today, two thirds of our hospitals are first or second in their service areas; two of our hospitals are recognized among the top 100 in the nation; and our hospitals in San Francisco, San Bernardino, and Phoenix are acknowledged as “Best Places to Work” in their communities. For any organization this would be wonderful news – for a faith-based, not-for-profit health care provider in these challenging times, it means our ministry of healing will live on and be strengthened.

Because of our system’s strength we are able to reinvest in our ministry. In 2004 we provided more than \$566 million in community benefits and free care for those who are poor. We expanded our financial assistance policy to extend discounted care to individuals and families without means to purchase insurance with incomes up to 500 percent of the federal poverty level. We also offer an

employer-paid dependent care coverage option to our employees to ensure that both employees and their families have adequate health care coverage. In addition, over the next seven years, we plan to invest \$200 million in information systems that will enhance how we manage and deliver care.

### **We continue to make significant progress in environmental responsibility:**

- ❖ We have achieved our long time goal of reducing total waste (solid waste plus medical waste) to less than 15 pounds/adjusted patient day (14.4 pounds/adjusted patient day actual)!
- ❖ We remain committed to reducing the toxicity of our waste. In support of this commitment, CHW has (1) issued a mercury elimination policy to guide our efforts to rid our facilities of mercury; (2) undertaken programs to reduce PVC from our facilities and; (3) implemented programs to responsibly deal with computers and other e-waste.

- ❖ We have adopted a sustainable design policy to guide facility siting, design, construction and reconstruction.
- ❖ We have joined the California Climate Action Registry, committing to assess, report and reduce greenhouse gas emissions that contribute to global warming and climate change

Despite these successes, many economic and operational challenges remain ahead of us. For example, as part of California's mandatory seismic upgrade program, CHW must invest more than \$800 million in our facilities between now and 2013. We also face inadequate reimbursements for the care we provide and rising numbers of uninsured and underinsured individuals in the states we serve. Providing care to the uninsured is an economic challenge for our hospitals and a moral challenge to our nation. An important part of our ministry is advocating for and with these people so that health care truly is a right for all, not a privilege for the few.

Despite these challenges, I am so very optimistic about our future. Our greatest resource has always been the innovation, expertise and devotion of the many wonderful people within Catholic Healthcare West. Thank you for your contribution. Without you the progress CHW has made would not have been possible. We look forward to working with our employees, customers, and stakeholders, to continue making unique and much needed contributions toward a healthier environment.

Sincerely,



Lloyd H. Dean  
President/CEO

# I. Executive Summary of Key Issues and Strategies

CHW has been a supporter of Ceres since its inception in 1989. While many positive environmental activities are occurring at our facilities, we continually develop new tools and resources to achieve our goals for environmental excellence. Our eighth annual report, for fiscal year July 1, 2003 to June 30, 2004, demonstrates our efforts to implement meaningful programs and recognizes our opportunities for improvement. This report represents our first attempt to integrate components of the Global Reporting Initiative Standards for Sustainability Reporting (GRI). (See <http://www.globalreporting.org/>) We have included a GRI Content Index in Section VIII. We reviewed a draft of this report with a Ceres Stakeholder Team of coalition representatives and peer reporters and have made an effort to integrate feedback from their review in this published version. We welcome additional feedback from all reviewers to help us improve our ongoing performance and future sustainability reporting.

Hospitals face many environmental issues common to other businesses, and some that are unique to health care. Common issues include reduction of waste volumes through improved purchasing, reuse, and recycling, reduction of energy and water usage, and construction of sustainable buildings. Some unique issues include the need to properly manage and reduce medical waste and to eliminate particularly hazardous components of our waste stream, such as mercury and PVC. This section of our report will address key issues, strategies and goals for the coming year.

## Strategies and Goals

### A. Reporting

This report is based on reporting from 95% of our facilities. Our goal is to ensure 100% of our facilities report their environmental data next year in support of our completion of this report.

### B. Purchasing Guidelines

CHW has developed guidelines for the purchase of all goods and services. CHW's Supply Chain Management Team has taken the lead in setting the industry bar for incorporating environmental principles into health care supply chain management. By carefully selecting goods



and services at the front end, members of the Supply Chain Management Team significantly reduce CHW's waste stream and its negative impact on the environment. The team has reached beyond CHW to influence the purchasing policies of Premier, a hospital group purchasing organization in which CHW holds membership. CHW's contract requires Premier to consider the environmental impact of a product or service when selecting goods and services and to support the campaign to reduce the volume and toxicity of the medical waste stream.

### C. Reducing Toxicity of Our Waste Stream

**MERCURY:** Removal of mercury from all of our facilities has been a goal of CHW for several years. We have removed all significant mercury from our facilities, and instituted purchasing policies to ensure no new mercury is introduced. While we expect to find trace amounts of mercury in the future, we consider this goal to be essentially complete. See our Mercury Elimination Policy, Appendix B, for additional information.

**E-WASTE:** The improper disposal of electronic waste (primarily computers) is of great concern to us. We are in the process of developing a comprehensive electronics management program to address improved procurement and end-of-life management practices, which protect data and comply with federal, state and local regulations. Working with the computer industry, our Information Technology Consultant, and other interested groups, we hope to have a system-wide program in place by Fiscal Year 2006.

**PVC/DEHP:** CHW's endorsement of the Healthcare Without Harm Campaign (HCWH) has committed us to develop a plan for the reduction and ultimate phase-out in the use of PVC. PVC, a commonly used chemical in many medically used plastics, such as IV bags, releases dioxins to the environment during production and disposal. Finding a suitable replacement has been challenging. CHW is working with its suppliers to accomplish the removal of PVC from our facilities. We hope to have a system-wide solution to this problem in place by Fiscal Year 2006.

# Transition To PVC/DEHP Free Products

In order to reduce risk to patients and the environment, Catholic Healthcare West is transitioning to PVC/DEHP-free bags for I.V. solutions, pumps and drug delivery.

## What is dioxin?

- Dioxin refers to a family or group of persistent, very toxic, polluting chemicals.
- It is the most potent carcinogen the EPA has ever studied.
- Dioxins are not deliberately manufactured but are the unintended byproducts of industrial processes that involve chlorine, or processes that burn chlorine with organic matter.
- When products containing chlorine are manufactured or burned, dioxin is created. If there is no chlorine, there are no dioxins.

## What is PVC?

- PVC (polyvinyl chloride) is a chlorinated plastic that can contribute to the formation of dioxin during manufacture and when incinerated.
- PVC (polyvinyl chloride) plastic is a major source of chlorine in hospital waste, found in items such as IV bags, blood bags, tubing, and packaging.
- When hospitals incinerate waste containing polyvinylchloride (PVC) dioxin is released.

## What is DEHP?

- DEHP (di-ethylhexyl phthalate) is a plasticizer used to soften and impart flexibility in PVC products.
- DEHP can migrate in varying degrees (depending on the liquid, storage and other factors) from the intravenous bags that deliver blood, medication and fluids to patients.
- Based on such studies, the EPA has classified DEHP as a "probable human carcinogen."

## What is the relationship between PVC and DEHP?

- DEHP is found in flexible PVC products. By transitioning to PVC/DEHP -free products we could eliminate two sources of pollution: DEHP which is harmful to people directly and PVC which is harmful to people and the environment when it is manufactured and burned.

## What are the risks to patients?

- Some of the adverse health effects of dioxin include cancer, birth defects, immune system damage, infertility, and reproductive abnormalities.
- Animal studies suggest that phthalates can damage the liver, heart, kidneys and reproductive system, and may cause cancer.

## What are the pathways of dioxin to the patient?

- 90% of human exposure to dioxin occurs through our diet of meat, dairy, eggs and fish.

- Dioxin comes out of the smokestack, falls from the air onto the land and the cow's food. The cow eats the food and stores the dioxin it eats in its body fat and milk. When we drink the cow's milk or eat beef, we ingest the dioxin.
- The average American has accumulated enough or almost enough dioxin to be at or near the level that has been found to cause adverse health effects.

## What have the regulatory agencies said about PVC/DEHP?

- In the last few years, a number of expert panels and government agencies have reviewed the safety of DEHP. Each of these agencies and expert panels has found that exposure to DEHP as a result of some medical procedures could pose a risk to patients.
- In the United States, the Food and Drug Administration has issued an FDA Safety Assessment and a Public Health Notification urging health care providers to use alternatives to DEHP-containing devices for certain, vulnerable patients. DEHP is listed as a reproductive toxicant on Proposition 65. The Proposition 65 listing followed warnings from the Food and Drug Administration, National Toxicology Program, and Health Canada that DEHP may cause birth defects and other reproductive harm.
- FDA warned health care providers that they should protect certain vulnerable patients from DEHP and has said DEHP-free alternatives should be used for some medical treatments, particularly in Neonatal Intensive Care Units (NICUs).
- In Canada, an expert advisory panel to Health Canada has recommended that health care providers not use DEHP containing devices in the treatment of pregnant women, breastfeeding mothers, infants, males before puberty and patients undergoing cardiac bypass hemodialysis or heart transplant surgery.

## How is this decision a reflection of CHW's mission, values and environmental commitment?

- CHW's mission requires that we act as responsible stewards of environmental resources and partner with others to advance ecological initiatives.
- Our value of "stewardship" calls us to cultivate the resources entrusted to us to promote healing and wholeness.
- CHW is committed to providing health care services in a way that optimizes patient and employee safety while minimizing environmental impact.
- As health care providers we understand our relationship with Earth and the healing it brings. We know persons can never be healthy without a healthy planet.



#### *D. Reprocessing Practices*

CHW has contracted with Vanguard, a company that specializes in reprocessing “single use” items to allow for multiple uses. Items range from surgical instruments to scrubs. The goal for June 2003 was to achieve 30% of the best-demonstrated national practice for the savings tied to purchase of reprocessed single use devices. Our actual CHW results for FY 2003 were \$1.26 million saved and a system aggregate of 31% of the best-demonstrated practice. In FY 2004 CHW logged in 90 tons of medical devices reprocessed with savings of \$1.9 million dollars or 45% of the best-demonstrated practice. The goal for the coming year is to achieve 60% of the best-demonstrated national practice and a savings of \$2.4 million.

#### *E. Reusable Sharps Containers*

CHW has signed a 3-year agreement with Stericycle, Inc., for a Reusable Sharps Containers Management Program. The program (known as Bio Systems) is designed to increase safety, ensure compliance and mitigate the impact of sharps container use on the environment. Full reusable sharps containers are picked up at each facility by a Bio Systems technician and replaced with empty ones. The full containers are taken to Stericycle’s medical waste transfer station where they are opened by a robotic mechanism and the contents emptied for processing as medical waste. The emptied containers are then washed and sanitized before being sent back to the hospital for reuse. The containers are designed to be simple and easy to use. Each container can be re-used at least 500 times.

#### *F. Food Service*

We plan to develop a CHW Food Policy to include ecological issues such as:

- ❖ Purchasing meat, chicken and fish that do not contain unnecessary antibiotics
- ❖ Purchasing dairy products without added growth hormone
- ❖ Increasing purchase of locally-grown and organic produce
- ❖ Increasing purchase of environmentally responsible flatware and tableware

Few things are as basic to life as food. What we eat is closely related to our health, which is in turn part of a larger whole. How food is grown, distributed, and made accessible can profoundly influence human health - directly or indirectly - through impacts on ecosystems on

which people depend. We note the escalating rates of obesity, diabetes, food-borne illness, certain cancers and other food-related diseases in the US population. We are concerned that routine feeding of antibiotic growth promoters to food animals contributes substantially to antibiotic resistance in bacteria that are human pathogens. Non-sustainable methods of food production deteriorate soil, water and air quality. In order to help our food system evolve in a more sustainable direction, we are exploring opportunities to support and develop food systems that are ecologically sound, economically viable and socially responsible.

A new and exciting initiative has been the addition of an organic garden at Dominican Hospital Santa Cruz. The pesticide-free crops (tomatoes, basil, carrots, bell peppers, beets, onions, gourmet salad blend, arugula, radishes, summer squash, lavender, thyme, rosemary and tarragon) are served in the cafeteria. Students from Soquel High School Life Skills Class and Special Day Class look forward to “Weed and Water Wednesday.” They learn about seed saving, sun drying tomatoes, building and maintaining a garden, creating stucco foot pathways, releasing of beneficial insects and crop rotation. The Dominican Hospital Garden project will be highlighted at the 2005 Premier Regional Food Service meetings scheduled at 26 sites across the country. Information on the organic garden will be presented in a video format that has been produced by Premier (GPO) in collaboration with the Dominican Hospital staff.

#### *G. Tracking Greenhouse Gases*

Catholic Healthcare West joined a key group of environmental leaders as a new member of the California Climate Action Registry (Registry). As a participant in the Registry, CHW will voluntarily measure and report all emissions of greenhouse gases, the main contributors to global warming. By joining the Registry, CHW becomes the first healthcare provider in the country to commit to publicly measure and report greenhouse gas emissions.

The California Climate Action Registry is a non-profit public/private partnership that serves as a voluntary greenhouse gas (GHG) registry to protect, encourage, and promote early actions to reduce GHG emissions. Over 40 major companies, cities, government agencies and NGOs measure and publicly report their GHG emissions through the Registry. More information is available at [www.climateregistry.org](http://www.climateregistry.org).

The Registry was created by California law as a private nonprofit corporation that helps companies and other organizations track, publicly report and reduce their emissions of the gases that can lead to global warming. The results are certified by independent organizations to ensure accuracy. The State of California will work to ensure that participants receive appropriate consideration in any future state, federal or international regulatory scheme governing greenhouse gas emissions.

The Registry, which is supported by businesses, government and environmental organizations, provides companies the opportunity to keep pace with their counterparts throughout the world, where greenhouse gas emissions are becoming subject to mandatory reductions, with credits traded on an open market. Participants in the Registry are provided a place to protect their early actions in anticipation of future credit trading opportunities or regulation.

Our goal is to complete pilot reporting projects for the California Climate Action Registry at two CHW facilities in FY 2005 and to develop a plan in FY 2005 to include additional facilities into the reporting program by FY 2006. Then we will set targets for reduction of greenhouse gas emissions.

**“Climate change may contribute to serious health risks such as poor air quality and vector-borne diseases. In joining the Registry, Catholic Healthcare West has committed to not only protect the health of their patients, but to protecting the health of all of California’s people and environment ”**

Terry Tamminen, Chair of the Registry Board of Directors and Secretary of the California EPA.

#### H. Water Usage

For the first time this year, we have requested that all facilities report on the amount of water used at their facilities. About 60% of the facilities were able to provide this data. This data indicates that our water usage from 2003 to 2004 was essentially the same. While all of our facilities have taken action in past years to reduce water usage, through retrofitting of existing fixtures, improved landscaping choices, and implementation of water saving

technology in the x-ray film developing process, this is the first year we have attempted to track water usage on a system-wide basis. This year’s data will begin to provide a baseline for analyzing changes in the coming years. Our goal for the coming year is obtain complete data from all facilities, and then to determine in the following year if a specific numeric goal is needed in this area.

#### I. Sustainable Design

CHW is constantly creating new facilities and upgrading its existing facilities to meet the changing needs of health care. Additionally, because California is highly susceptible to seismic (earthquake) activity, the State of California has enacted legislation requiring that all health care facilities upgrade the structural integrity of their facilities to meet new seismic safety requirements (see <http://www.oshpd.cahwnet.gov/SB1953/> for additional details).

Because of the need to meet new seismic safety requirements, as well as the constantly changing needs of health-care, CHW faces over \$800 million in construction costs in the next decade. We are committed to turning this challenge into an environmental positive. We have developed and adopted a Sustainable Design Policy and Project Delivery Model to guide purchasing design, engineering, and construction services in this building program. Our goal is to ensure that these guidelines are applied on all major design/construction contracts that are issued this year.

#### J. Normalized Waste Disposal Volumes

A key indicator for CHW is our normalized waste disposal volume. Normalized waste disposal volume (defined as solid waste plus medical waste divided by adjusted patient days) has shown a steady decrease since we began tracking this data, as shown in the chart below.

Year	Total Waste*	Percent Decrease From 2000
2000	18.5	N/A
2002	17.6	5%
2003	15.5	19%
2004	14.4	28%

\* Pounds/adjusted patient days

In 2004 we achieved our long time goal of reducing normalized waste disposal volume to less than **15 pounds per adjusted patient day (#/apd)**. Our goal for the upcoming year is to maintain waste at or below 15 #/apd, while analyzing whether a lower goal is practically achievable.

#### *K. Storage and Disposal of Hazardous Chemicals*

In past years we have worked hard to ensure proper disposal of various chemicals used in our laboratories. This effort has been successful, but as an outgrowth of this effort we also identified deficiencies in our methods of storing hazardous wastes at various facilities. No external impacts occurred as a result of storage deficiencies. Past problems have been corrected, and an ongoing training program was instituted. A goal for this year is to conduct a random audit of 10 facilities to determine our current compliance situation.

#### *L. Summary of Goals (Core Indicators)*

- 1 Achieve 100 percent submission of all CHW facilities Ceres data gathering report input to CHW Corporate, which will include complete data on all questions asked.
- 2 Maintain normalized waste disposal volume at or below 15 pounds per adjusted patient day.
- 3 Implement by FY 2006 a program to significantly reduce PVC from the CHW hospital environment.
- 4 Implement by FY 2006 a program to responsibly manage the disposal of e-waste from CHW facilities.
- 5 Ensure Sustainability Guidelines are applied to all major design/construction contracts issued in FY 2005.
- 6 Conduct a re-audit of ten facility's hazardous waste storage areas to determine compliance with storage regulations in FY 2005.
- 7 Using the Vanguard reprocessing system, achieve 60% of the best-demonstrated national practice and savings of \$2.4 million in FY 2005.
- 8 Implement reusable sharps containers in at least 10 CHW facilities by the end of FY 2005.
- 9 Complete pilot reporting projects for the California Climate Action Registry at two CHW facilities in FY 2005. Develop a plan in FY 2005 to include additional facilities into the reporting program by FY 2006. Then set targets for reduction of greenhouse gas emissions.
- 10 Explore opportunities to support and help create food systems that are ecologically sound, economically viable and socially responsible.

January 27, 2005

## Sowing seeds of love: Dominican garden teaches life skills, provides healthy food

Big things are happening in a small garden at Dominican Hospital Catholic Healthcare West. Employees, volunteers and students from Soquel High School are growing healthy food, teaching life skills through gardening and sowing seeds of health. Their recipe for success consists of soil, seeds, sun, water and a lot of community support.

### From dreams into reality

Early in 2003 Michael Raciti, storeroom coordinator for Dominican Food Services, and James Ortiz, grill chef for Dominican Food Services, spent an evening dreaming of how nice it would be to create a garden to beautify the cafeteria area while providing organic herbs for use in the kitchen.

The idea was approved, and a 1000 square-foot piece of ground separating Dominican Oaks from the hospital grounds near the Behavioral Health Unit was chosen in April.

The original soil and 10 cubic yards of added compost blended to form a rich fluffy soil that began producing healthy crops for the cafeteria last summer. Tomatoes, bell peppers, summer squash, carrots, onions and gourmet lettuce were a few of the items made available to the kitchen. Edible flowers such as bachelor buttons, zinnias and calendula were used as garnishes for special catering events. Perennial herbs, including sage, rosemary and lavender, were used at the grill. Rainbow chard, carrots, radish, leeks and onions were all planted for winter harvest after each bed was refreshed with several wheelbarrows of compost.

### Life skill lessons

J.R. Wolf, a neighbor of Raciti's, volunteered one weekend to help work in the garden. Wolf caught Raciti's enthusiasm and immediately saw how garden projects could benefit the students he teaches in the functional life skills class at Soquel High.

Wolf had been looking for community volunteer projects that would help students see how their education could transfer out of the classroom while giving them vocational experiences for their resumes. The garden and Wolf's enthusiasm formed a synergistic combination igniting the students' interest in learning.

During "Weed and Water Wednesdays," vocational students work in the garden, building horticultural skills such as how to create a compost pile, layout a garden, sow seeds, harvest and thin crops, save seeds and prune. The skills learned at the Dominican garden are carried back to the high school where the students are creating their own organic garden.

"The garden project allows students to see how classroom lessons transfer into real-life. Students value their education more when they understand the purpose of what they are learning," says Wolf.

"We are trying to give them job skills necessary for their future independence; or at the least, they can grow their own food. At the end of the year, students will have their own garden journal chronicling their lessons from the garden project," Wolf says.

Wolf utilizes each part of a growing cycle to teach.

The cooking class incorporates the harvest into menus teaching students the benefits of choosing fresh produce over processed foods. A number of harvested tomatoes were set aside for a lesson in seed saving teaching students how to collect, dry and store seeds properly for the next season.

Students experienced taking the responsibility of caring for plants by plantings and caring for an avocado seedling. After a few months, students were able to see how different amounts of care had resulted in different amounts of plant growth.

### Community involvement

While the organic crops were making their debut in the cafeteria, Sister Mary Ellen Leciejewski, ecology program coordinator, began to notice some unexpected ripples of health from the garden.

Dominican Oaks residents and hospital employees began extending their walks to include a pass by the garden to see the progress. During the warmer months, some employees found relaxation tending the garden during work breaks.

"For me, the import fact is that is that we recognize the connection between a healthy Earth and healthy human beings," she says. "If we don't have a healthy planet, we won't have healthy human beings."

Dominican Hospital has long been known as an environmentally responsible member of the community with its extensive program to recycle, reduce and redesign.

*Abbie Blair, a member of the California Native Plant Society, has a degree in horticulture and has spent 25 years in plant and cut flower production, at one point operating a nursery in Gilroy. She lives on Mount Madonna and is waging hand to vine combat against the ivy and vinca displacing the native plants. Contact her at [svreeken@santacruzwsentinel.com](mailto:svreeken@santacruzwsentinel.com).*

February 16, 2005

## Chef finds the cure to bland hospital food

The Wednesday lunch special is Roasted Garlic and Tomato Soup, Pork Loin with Cider Gravy and Herb roasted Red Potatoes.

It's the kind of meal power brokers might ink a deal over, or the kind socialites might lean across to whisper a piece of particularly delicious gossip to each other.

Instead, you'll find this lunch being eaten at long Formica tables in the cafeteria of Dominican Hospital, where new executive chef Deane Bussiere is turning the world of bland, institutionalized hospital food upside down.

That's because the Culinary Institute of America-trained chef has decided there's no reason harried nurses and doctors can't eat organic, sustainably grown, in-season food that tastes good enough to be in a restaurant.

Or that patients have to eat Salisbury steak and instant mashed potatoes.

Wander through the cafeteria and the changes are evident.

Of the 70 menu items offered, 40 are vegetarian and 20 are vegan. "ER" was nothing like this.

But probably nothing is more startling than the fact Dominican Hospital's cafeteria now features a selection of locally grown, organic produce.

### Farm fresh

Bussiere started buying produce from a nonprofit, community-based organic farm program in Salinas called ALBA (Agriculture and Land-Based Training Association).

What the program does is train farm workers to be organic farmers by giving them their own plot of land and teaching them to practice sustainable farming methods.

...

It's part, he says, of Dominican Hospital's commitment to bettering the community as well as healing the sick. ...

## II. Our Mission, Vision And Values

Catholic Healthcare West (CHW) is a system of 40 hospitals and clinics whose employees and physicians have a long and rich tradition of caring for persons who are sick, poor and disadvantaged. In addition to providing health care, CHW seeks to address the underlying causes of illness, including environmental dangers. CHW is proud to be the first health care system in the nation to endorse the Ceres Principles, a model code of environmental conduct. <http://www.ceres.org/>

### Our Mission

Catholic Healthcare West is committed to furthering the healing ministry of Jesus Christ. We dedicate our resources to:

- ❖ Delivering compassionate, high quality, affordable health services;
- ❖ Serving and advocating for our sisters and brothers who are poor and disenfranchised;
- ❖ Partnering with others in the community to improve the quality of life.

### Our Vision

Catholic Healthcare West, serving the western United States, strives to be a spiritually oriented and community focused health care system, passionate about improving patient care, enhancing work life quality and collaborating with others to create a just health system.

### Our Values

Above all else we value:

- ❖ **DIGNITY**—respecting the inherent value and worth of each person.
- ❖ **COLLABORATION**—working together with people who support common values and vision to achieve shared goals.
- ❖ **JUSTICE**—advocating for change of social structures that undermine human dignity and demonstrating compassion for those who are poor.
- ❖ **EXCELLENCE**—exceeding expectations through teamwork and innovation.
- ❖ **STEWARDSHIP**—accountability for the human, financial and ecological resources entrusted to our care as we promote healing and wholeness.

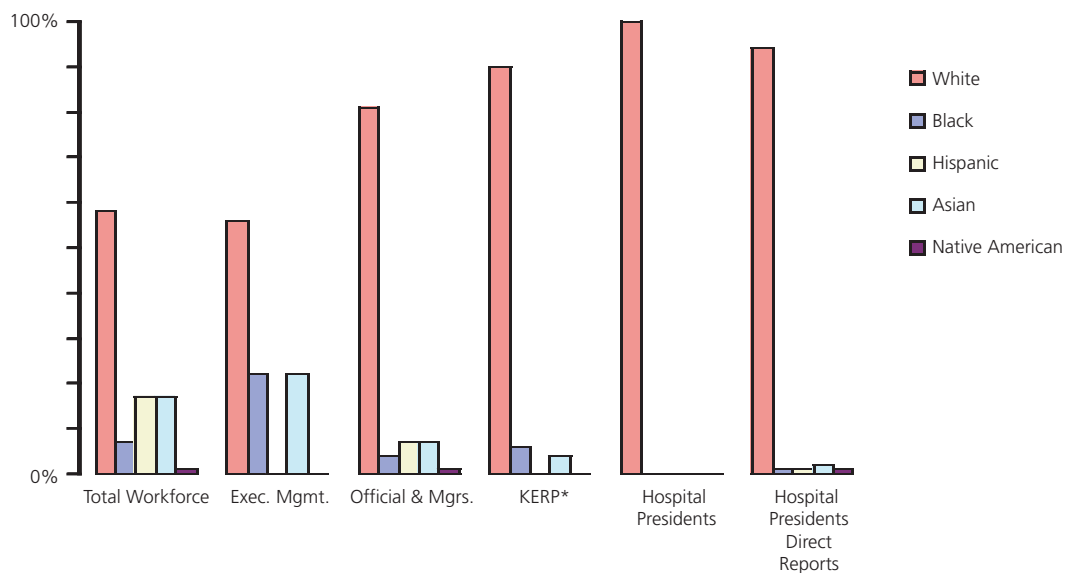
Embedded in our core values is a belief in the sacredness of all life forms and caring stewardship of a renewable Earth for the enhancement of all life. Recognizing the interdependence of all things great and small, we move toward choices that honor our partnership with the whole of creation.

### III. Our Profile

#### CHW Statistics

	2001	2002	2003	2004
Assets	\$5.3 b	\$5.3 b	\$5.4 b	\$6.4 b
Net Operating Revenue Annualized	\$4.2 b	\$4.5 b	\$4.9 b	\$5.4 b
Net Income Annualized	(\$116.7 m)	(\$54 m)	\$50.1 m	\$246m
Acute Care Beds	7,088	6,758	6,741	6,969
Skilled Nursing Beds	1,175	1,415	1,330	1,197
Physicians	6,500	7,033	7,033	7,475
Full-time Equivalent Employees (FTEs)	36,000	35,266	36,111	36,889
% Workforce Unionized	27%	53%	56%	60%
Acute Patient Care Days	1.3 m	1.6 m	1.7 m	1.7 m
Community Benefits & Care of the Poor	\$366 m	\$368 m	\$422 m	\$567 m

#### Workplace Diversity



\* KERP = Key Employee Retention Program



Recognizing that our workforce must be representative of the communities we serve, we are focusing our recruitment efforts on increasing the racial, ethnic, and gender diversity of our candidates.

### CHW Medical Foundations

- MedClinic of Sacramento
- St. Joseph's Medical Associates, Stockton

### CHW Acute Care Facilities, June 30, 2004

- Arroyo Grande Community Hospital, Arroyo Grande, CA
- Bakersfield Memorial Hospital, Bakersfield, CA
- California Hospital Medical Center, Los Angeles, CA
- Chandler Regional Hospital, Chandler, AZ
- Community Hospital of San Bernardino, San Bernardino, CA
- Dominican Hospital, Santa Cruz, CA
- French Hospital Medical Center, San Luis Obispo, CA
- Glendale Memorial Hospital & Health Center, Glendale, CA
- Marian Medical Center West, Santa Maria, CA
- Marian Medical Center, Santa Maria, CA
- Mark Twain St. Joseph's Hospital, San Andreas, CA
- Memorial Center, Bakersfield, CA
- Mercy General Hospital, Sacramento, CA
- Mercy Hospital of Folsom, Folsom, CA
- Mercy Hospital, Bakersfield, CA
- Mercy Medical Center Mt. Shasta, Mt. Shasta, CA
- Mercy Medical Center Redding, Redding, CA
- Mercy Merced Medical Center Community Campus, Merced, CA
- Mercy Merced Medical Center Dominican Campus, Merced, CA
- Mercy San Juan Hospital, Carmichael, CA
- Mercy Southwest Hospital, Bakersfield, CA
- Methodist Hospital of Sacramento, Sacramento, CA
- Northridge Hospital Medical Center, Northridge, CA

- Oak Valley Hospital District, Oakdale, CA
- Saint Francis Memorial Hospital, San Francisco, CA
- San Gabriel Valley Medical Center, San Gabriel, CA
- Sequoia Hospital, Redwood City, CA
- Sierra Nevada Memorial Hospital, Grass Valley, CA
- St. Bernardine Medical Center, San Bernardino, CA
- St. Elizabeth Community Hospital, Red Bluff, CA
- St. John's Pleasant Valley Hospital, Camarillo, CA
- St. John's Regional Medical Center, Oxnard, CA
- St. Joseph's Behavioral Health Center, Stockton, CA
- St. Joseph's Hospital and Medical Center, Phoenix, AZ
- St. Joseph's Medical Center, Stockton, CA
- St. Mary Medical Center, Long Beach, CA
- St. Mary's Medical Center, San Francisco, CA
- St. Rose Dominican Hospital, Henderson, NV - Rose de Lima Campus
- St. Rose Dominican Hospital, Henderson, NV - Siena Campus
- Woodland Healthcare, Woodland, CA

*Arroyo Grande Community Hospital in Arroyo Grande, CA, and French Hospital Medical Center in San Luis Obispo, CA, joined the CHW system after the data-gathering period for this report. Mercy Westside in Taft, CA and Northridge Hospital Medical Center, Sherman Way, in Van Nuys, CA were closed. St. Dominic's Hospital in Manteca, CA was sold to Kaiser.*

### Contact

Sister Susan Vickers, RSM, is CHW's Vice President for Community Health and the systemwide point of contact for our participation in Ceres. Sister Susan can be reached at 415.438.5511 or [svickers@CHW.edu](mailto:svickers@CHW.edu). More information on CHW can be found at <http://www.chwHEALTH.org/>.



## IV. Governance Structure

### A. Corporate Members, Board of Directors, Executive Management

The governance and leadership of CHW is comprised of three groups: Corporate Members, Board of Directors and Executive Management.

The Corporate Members represent the top level of our governance structure. They are a group of Sisters representing each of the Sponsoring Congregations who, in conjunction with the Board of Directors and management, safeguard the legacy and traditions of all hospitals operated by CHW.

The Board of Directors is appointed by the Corporate Members and includes Sisters from our Sponsoring Congregations and healthcare and business leaders. Together, they are responsible for approving major decisions affecting our health care ministry, such as long-range strategic plans, allocation of capital, joint venture and major acquisitions or sales.

The Executive Management team is charged by the Corporate Members and Board of Directors to provide leadership and organizational management in the areas of operations, mission integration, finance and support services, as well as leadership in the strategic direction of the organization.

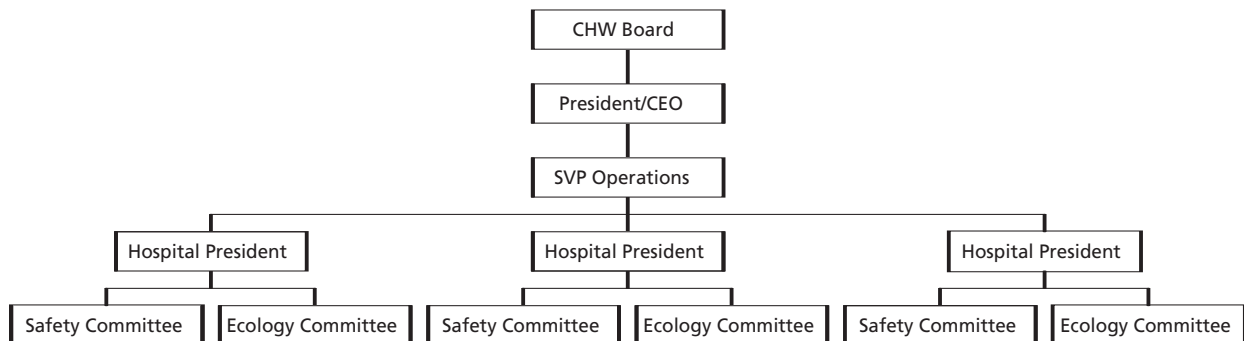
Learn more about CHW's Corporate Members, Board of Directors and Executive Management at [http://www.chwHEALTH.org/stellent/websites/get\\_page\\_cache.asp?nodeId=5005409](http://www.chwHEALTH.org/stellent/websites/get_page_cache.asp?nodeId=5005409).

### B. Organizational Structure for Ecology

Implementation of our environmental policy is handled at our local hospitals by cross-functional teams known as Environmental Action Committees (EACs), which are responsible for coordinating the overall Ceres efforts and are the cornerstone of our success. Meeting no less than bimonthly, these committees are responsible for overseeing a hospital wide comprehensive environmental health and safety program that evaluates all environmental health and safety issues. These committees ensure that effective programs are in place and monitored. The EACs develop action plans to ensure continued compliance, document trends and report performance to the facility's Senior Management. An EcoContact appointed by the Hospital President chairs each EAC. The CHW Ecology Coordinator regularly convenes EcoContacts from all the facilities by telephone conference to share best practice and to participate in educational sessions.

In addition to our commitment to Ceres and other voluntary efforts, CHW hospitals are required to comply with external licensing and certification regulations of county, state and federal governments. Organizations such as the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO), Department of Health Services (DHS), Occupational Health and Safety Administration (OSHA), and many others mandate compliance with environmental standards. Every CHW hospital has appointed individuals responsible for compliance programs.

#### Environmental Reporting Relationships



## C. Policies

### *Environmental Principles and Policies*

In 1996, CHW's Board of Directors issued our first environmental policy based on the Ceres Principles ([www.ceres.org](http://www.ceres.org)). Key personnel from each of CHW's hospitals received education and training on this policy, and were directed to incorporate these environmental principles into their hospital's day-to-day operations. The systemwide policy is reviewed annually and was last updated in 2002. The CHW Board has also issued a mercury elimination policy and a sustainable design policy. (See Appendix A & B & E for environmental, mercury elimination and sustainable design policies.)

### *Policy on Correcting Mistakes*

In 2000, Catholic Healthcare West's Board of Directors approved a philosophy statement regarding the way CHW's core values of dignity, collaboration, justice, stewardship and excellence would be realized in the wake of a mistake.

The Philosophy of Mistake Management is accompanied by a Disclosure Policy that documents the organization's expectation that patients who experience an outcome different from the one they or their care team anticipate will receive:

- ❖ A clear explanation of the unanticipated adverse outcome to the patient and, when appropriate the family
- ❖ A clear explanation of the investigation that will take place to learn as much as possible about the event, and plans to discuss the matter further with the patient or family as more facts become known
- ❖ An explanation of the impact of the unforeseen occurrence on the patient's treatment, and steps taken to correct or mitigate any injury
- ❖ Information regarding resources available to support and comfort the patient and/or family
- ❖ Expressions of empathy to include as appropriate an expression of sympathy for the patient's inconvenience, distress or discomfort
- ❖ An apology as appropriate for the circumstances

A companion policy delineates requirements regarding the internal reporting of events that have resulted in harm or might have resulted in harm to patients or others. The Internal Event Reporting Policy details the way a worker should report an untoward event, even one that

does not result in harm (the "near miss"). This policy contains one very important and somewhat controversial provision: if an employee reports an error or a near miss within 48 hours, no matter what the outcome, the employee will not be disciplined. This "safe harbor" does not apply if the employee

- ❖ Was under the influence of drugs or alcohol
- ❖ Was not within his or her scope of practice
- ❖ Demonstrated "willful, reckless disregard for safety" (a legal term that is only applied with the help of the legal department)
- ❖ Manifests an inability to practice safely even after repeated coaching or training

If most mistakes, as we believe, are the result of multiple systems failing, then no single employee is the "cause" of a mistake. An accident waiting to happen should not be blamed on an individual. If employees are afraid of disciplinary action they will be reluctant to report a system failure for fear of personal reprisal, and yet the information they hold about the circumstances of the event are the clue to improvement in the system that failed. The "safe harbor" provision is an effort to put that insight into policy.

*The CHW Philosophy of Mistake Management* and its companion document *Working Together* appear in Appendix D.

## V. Management Systems

### A. Health, Safety and Environmental Audits

CHW continues to monitor our environmental health and safety (EHS) programs. Five key components are measured to assess compliance:

- 1 Implementation of our systemwide environmental policy
- 2 Establishment and operation of Environmental Action Committees
- 3 Setting specific, measurable goals and objectives toward environmental excellence
- 4 Collecting key data to enable us to measure our progress
- 5 Status of regulatory compliance

Internal audits take on different configurations at each hospital. However, all hospitals ensure that a formal internal audit is conducted at least twice a year. Audit results are reported to the hospital safety committee or the Environment of Care (EOC) committee, deficiencies are documented and corrective action is taken.

Many of our hospitals shape their audit efforts around the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) Environment of Care inspection program and use an interdepartmental team comprised of the safety officer, employee health nurse, infection control nurse, environmental services manager, biomedical technician, and engineering to review all hospital areas. Audits cover:

- ❖ Proper storage of sterile, clean, dirty, and hazardous materials
- ❖ Universal health precautions
- ❖ Hand washing
- ❖ Infection control
- ❖ Work environment
- ❖ Medication security and storage
- ❖ Chemical usage and storage
- ❖ Area security
- ❖ Fire procedures
- ❖ Emergency preparedness

- ❖ Biological, chemical and nuclear terror preparedness
- ❖ General safety
- ❖ Ergonomics
- ❖ Medical equipment
- ❖ Waste storage and disposal
- ❖ Utility
- ❖ General condition of facility

The wide range of subjects covered in CHW's audit review shows that concern for an excellent hospital environment overlaps with CHW's concern for environmental considerations in the larger scheme. Both are addressed as the Environment of Care team scores inspection results on a written form, which is reviewed by department managers. Corrective actions required within certain periods are specified.

### B. CHW Risk Services

CHW's Risk Services group conducts comprehensive 2½ day audits that evaluate a hospital's compliance against JCAHO, Department of Health Service, OSHA, NFPA and Environmental Protection Agency standards. This assessment consists of a formal review of the hospital's management plans, policies and procedures, training records, drills and exercises, safety committee activities, performance improvement measures, and a physical inspection of the facility. At the end of the assessment senior leadership, directors, managers, and staff are presented with the finding. Any areas that need improvement, along with areas that are found to be in non-compliance, are noted. The hospital is requested to design an action plan that specifies the necessary measures to ensure all identified deficiencies are addressed and plans for improvement are developed. A total of 38 CHW hospitals were surveyed in FY2004.

### C. Hazardous Waste Audits

A system-wide hazardous waste audit was conducted in FY 2003, using the audit tool shown in Appendix C. One third of the facilities audited found no deficiencies. The other two thirds reported a range of problems, which fell into three categories:

- ❖ Materials not properly labeled
- ❖ All required inspections not performed
- ❖ Hazardous waste storage area not properly outfitted or maintained

None of the identified deficiencies rose to the level of requiring reporting to regulatory agencies, and all deficiencies were quickly corrected. Ten facilities will be re-audited in the coming year.

### D. Employee Involvement

An ecology newsletter, EARTHCARE, is developed by and disseminated to employees systemwide. CHW hospitals use newsletters, bulletin boards, staff meetings and safety fairs to educate employees on environmental issues. Employees are encouraged to identify and correct environmental deficiencies or errors as they see them. To ensure that our staff is qualified to carry out their environmental responsibilities, all hospitals conduct annual competency reviews of all key personnel. Management is responsible to ensure that employees receive the required training and are competent in performance of their duties. An annual program tests employee knowledge and documents their competency.

## Awards

We have been fortunate to be recognized for a number of awards, which could only be achieved through the efforts of our employees.

<b>Facility</b>	<b>Award</b>	<b>Program Area of Award</b>
<b>Catholic Healthcare West</b>	H2E Champion Award	<i>Leadership in waste management and recycling</i>
<b>Dominican Hospital, Santa Cruz, CA</b>	H2E Pioneer Award	<i>Early recognition and action on mercury removal</i>
	1999-2004 WRAP Awards	<i>Leadership in waste management and recycling</i>
	2002 through 2004 H2E Partner for Change Award	<i>Leadership in waste management and recycling</i>
<b>Glendale Memorial Hospital, Glendale, CA</b>	National Safety Council	<i>Exemplary safety record</i>
<b>Marian Medical Center, Santa Maria, CA</b>	WRAP of the Year Award from the CA Integrated Waste Management Board	<i>Leadership in waste management and recycling</i>
	Completing the Cycle Award	<i>Aggressive recycling program</i>
<b>Mercy General Hospital, Sacramento, CA</b>	H2E Partner Award	<i>Leadership in waste management and recycling</i>
<b>Sequoia Hospital, Redwood City, CA</b>	WRAP Award	<i>Leadership in waste management and recycling</i>
<b>St. Bernardine Medical Center, San Bernardino, CA</b>	WRAP Award	<i>Leadership in waste management and recycling</i>
	H2E Partner Award	<i>Leadership in waste management and recycling</i>
<b>St. Elizabeth Community Hospital, Red Bluff, CA</b>	H2E Pioneer Award	<i>Early recognition and action on mercury removal</i>
	2002 through 2004 H2E Partner for Change Award	<i>Leadership in waste management and recycling</i>
	2002 through 2004 WRAP Award	<i>Leadership in waste management and recycling</i>
	2003 EPA Outstanding Achievement Award	<i>Outstanding Achievement in waste reduction for region for region 9</i>
	Candidate for Governor's Economic and Environmental Leadership Award	<i>Leadership in waste management and recycling</i>
<b>St. John's Regional Medical Center/ Pleasant Valley Hospital, Oxnard, CA</b>	WRAP Award	<i>Leadership in waste management and recycling</i>
<b>St. Joseph's Hospital, Phoenix, AZ</b>	Wastewater Management	<i>Ninth consecutive year of 100% compliance with waste discharge requirements</i>
<b>St. Mary's Medical Center, San Francisco, CA</b>	H2E Partner Award	<i>Leadership in waste management and recycling</i>
<b>St. Rose Dominican Hospital, Henderson, NV</b>	Desert Landscaping Award	<i>Water conservation</i>

## VI. Stakeholder Engagement

### A. Coordinating With Others

CHW has joined other voluntary environmental efforts, such as Health Care Without Harm, an international coalition working to reform the environmental and public health practices of the health care industry. In collaboration with the campaign, CHW plans and participates in educational conferences and advocacy initiatives to reduce the volume and toxicity of waste generated in the provision of health care services.

We are also working with the California Climate Action Registry. This organization provides tools to help us monitor our greenhouse gas emissions, and provides a repository for emissions data from CHW and many other California companies.

### B. Leveraging Memberships

CHW has regular contact with other hospital systems, trade associations, and vendors to share best practices and ideas. Examples include:

**American Hospital Association:** In 1998 CHW was instrumental in promoting a MOU between the American Hospital Association and the Environmental Protection Agency to reduce the volume and toxicity of the waste produced through the delivery of health care services. The MOU, which provided leadership and direction for American hospitals in addressing environmental issues, has led to creation of HOSPITALS FOR A HEALTHY ENVIRONMENT (H2E). In 2004 CHW was awarded the H2E Champion for Change Award celebrating CHW successes in improving healthcare's environmental performance. Five CHW facilities, St. Elizabeth Community Hospital - Red Bluff, St. Bernardine Medical Center - San Bernardino, Dominican Hospital - Santa Cruz, St. Mary's Medical Center - San Francisco, and Mercy General - Sacramento were honored as Partners for Change in recognition of their efforts to engage in meaningful and sustainable environmental improvements.

**Catholic Health Association of the United States:** At CHW's urging, CHA-US has announced its endorsement of the Health Care Without Harm Campaign and CHW staff has joined a planning team for member education on environmental issues in health care.

**California Healthcare Association (CHA):** At CHW's

urging, the California Healthcare Association (CHA) and the California Medical Association (CMA) have issued a joint letter advising their respective members to consider using alternatives to products that contain DEHP (a phthalate plasticizer used to make vinyl medical equipment flexible) in the treatment of male neonates.

### C. Community Investments

CHW's Community Investment Program was created to expand access to capital for the historically underserved. Community Investments are below-market interest rate loans to nonprofit organizations working to improve the health and quality of life in their communities. CHW borrowers develop affordable housing for low-income families and seniors, provide job training for unemployed or underemployed persons and create wealth in low-income and minority neighborhoods.

The Community Economic Initiatives Subcommittee reviews loan proposals from prospective borrowers. The Subcommittee evaluates the business plan of the organization, the risk potential of the project, the amount of local support for the project, and any available collateral before it formulates a recommendation for the CHW Board of Directors Investment Committee.

Since 1992 Catholic Healthcare West has lent more than \$50 million in 111 loans to nonprofit organizations. 66.8 percent of those loans have been repaid; \$16,243,999 is outstanding. In addition, CHW has made seven guarantees amounting to more than \$23 million and equity grants totaling 42.9million to Mercy Housing, Inc., Seton Institute for International Development, and the Northern California Council for the Community. CHW's Community Investments include a \$300,000 EcoDeposit in ShoreBank Pacific, whose mission is to conserve the environment while improving the economy by encouraging business practices that respect and sustain the natural resource base. We maintain a \$1,000,000 CD at South Shore Bank in Chicago and \$100,000 CD at ShoreBank Detroit. ShoreBank is a community development financial institution that successfully combines finance, development and conservation objectives. Furthermore, CHW owns a \$100,000 Environmental Certificate of Deposit from the Self-Help Credit Union. These funds directly support the growth of locally owned small businesses that create jobs and preserve our natural resources.



## Achievements

*CHW approved Community Investments to four new borrowers in fiscal year 2004:*

- ❖ Alliance for West Oakland [AWOD]: Participation loan with Northern California Community Loan Fund, San Francisco, CA, for \$600,000 to continue pre-development work in conjunction with Bay Area Rapid Transit [BART] and City of Oakland for the development of the West Oakland Transit Village (a mixed-use project including approximately 100 for sale affordable housing units, commercial retail and office space and a commuter parking lot).
- ❖ Episcopal Community Services of San Francisco [ECS]: Loan for \$200,000 to cover pre-development expenses associated with a 140 –unit supportive housing development for formerly homeless adults in San Francisco, CA
- ❖ Asian Youth Center [AYC]: Loan of \$300,000 to cover the costs of rehabilitating and furnishing a youth center in San Gabriel, CA
- ❖ Community Financial Resource Center [CFRC]: Loan of \$50,000 for Capital Partners Revolving Loan Fund (micro-loan program) in Los Angeles, CA.

*Approved three Community Investments to previous CHW borrowers*

- ❖ Bay Area Video Coalition [BAVC] San Francisco, CA: \$100,000 line of credit renewal.
- ❖ Kern Bridges Youth Homes, Inc. [KBYH] Bakersfield, CA: Loan for \$385,000 to purchase property for a group home.
- ❖ Low Income Housing Fund [LIIF] Oakland, CA: Renewal of loan for \$3 million.

*Renegotiated terms on existing loans*

- ❖ Standing Against Global Exploitation [SAGE] San Francisco, CA: Revised payment schedule for current loan balance of \$595,081.
- ❖ Cabrillo Economic Development Corporation, Saticoy, CA: Extended maturity date to March 31, 2004.
- ❖ Japanese American Religious Federation Assisted Living Facility, Inc. [JALFI] San Francisco, CA: Extended maturity date to August 1, 2005.

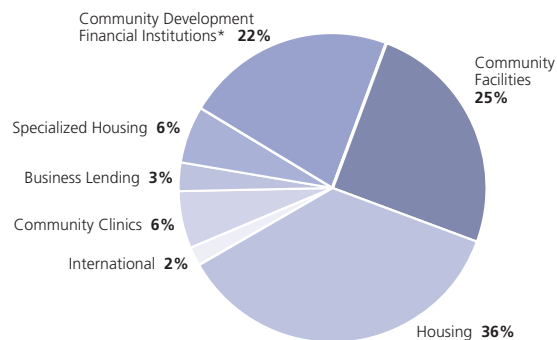
*Loans paid in full [Organization, Location, Amount borrowed, Date paid in full]*

- ❖ Cabrillo Economic Development Corporation, Simi Valley, CA, \$200,000, April 1, 2004
- ❖ Cabrillo Economic Development Corporation, Oxnard, CA, \$250,000, April 12, 2004
- ❖ Children Receiving Home of Sacramento, Sacramento, CA, \$1,000,000, February 28, 2004
- ❖ Mercy Properties, Inc. (Quinn Cottages Pavilion), Sacramento, CA, \$133,500, May 5, 2004

The types of borrowers and the geographic distribution for CHW's Community Investments from 1992-2004 are depicted in the following charts:

### Type of Borrowers

*Repaid and Outstanding Loans: 1992 - 2004*



\* *Community Development Financial Institutions. CDFIs are financial intermediaries (community loan funds, community credit unions, and community development banks) that channel private investment capital to benefit low-income communities. They are organized and governed by people representing diverse constituencies: investors, community development borrowers and professionals with technical skills. They receive investments from individuals or institutions and provide capital and technical assistance to low-income people.*

**Achievements** (continued)

**Lending Activity**

*FY 1992-2004*

Number of Outstanding Loans .....	42
Number of Loans Paid in Full .....	69
Total Amount Lent .....	\$50.4 M
Total Amount Outstanding .....	\$16.3 M
Total Amount Written Off .....	\$40,000
Total Amount of Guarantees .....	\$23.4 M
Total Amount in Equity Grants .....	\$2.9 M

**Geographic Distribution**

*Repaid and Outstanding Loans: 1992 - 2004*

<b>GEOGRAPHIC AREA</b>	<b>TOTAL AMOUNT OF INVESTMENTS</b>	<b>PERCENTAGE OF TOTAL INVESTMENTS</b>
Arizona, California and Nevada	\$13,100,000	26.0%
Metropolitan Sacramento	7,781,364	15.4%
San Francisco/San Mateo Counties	8,451,000	16.8%
Alameda and Contra Costa Counties	5,996,335	11.9%
Outside Arizona, California and Nevada	4,236,000	8.4%
San Jose	2,000,000	4.0%
Ventura County	2,402,526	4.8%
Santa Cruz	1,473,000	3.9%
Arizona	1,431,500	2.9%
Kern County	300,000	0.6%
International	1,239,000	2.5%
North State	1,480,000	2.9%
Central Los Angeles	410,000	0.8%
San Diego	100,000	0.2%
<b>Total – Repaid and Outstanding Loans @ 6/30/04</b>	<b>\$50,400,725</b>	<b>100.0%</b>



## D. Community Grants

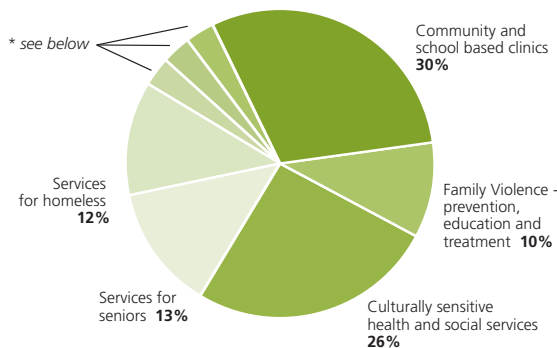
The Community Grants Program advances our mission through the work of non-profit organizations in communities we serve. Every CHW hospital has conducted a community health assessment and has identified strategic priorities based on this assessment. CHW's Community Grants Program awards grants to nonprofit organizations whose proposals respond to the priorities identified in the health assessment and/or community benefit plans of each CHW hospital.

CHW's Community Grants Program is funded by contributions (.05% of total expenses for the last audited year) from its member hospitals. Typically, grant awards range from \$5,000 to \$25,000, and projects funded must involve collaboration with others. Since 1990 when this program began, CHW has made grant awards to 1026 projects totaling approximately \$17 million.

### Achievements

Through the 2004 Community Grants Program, CHW hospitals contributed \$2,026,285 million to make grant awards to 150 projects. Even though these are financially trying times, Catholic Healthcare West hospitals have not faltered in their support for this program.

#### 2004 CHW Community Grant Award Categories



\* Services for persons and their families affected by HIV/AIDS 3%  
 \* Coalition sponsored health services 3%  
 \* Services for cancer/terminally ill patients and their families 3%

- ❖ Access to health care services is a priority health need in each of the communities we serve. Not surprisingly, persons of color represent a disproportionate share of those who lack access to care. These same persons have a need for care that is delivered in ways that are both culturally and linguistically sensitive. This year 26% (\$445,372) of CHW Community Grant funding supported community based initiatives to provide culturally sensitive health and social services. Some examples include:

*Esperanza Community Housing Corporation*  
 Los Angeles, CA

The community Health Promoter Program provides 6 months of health training to community residents and links program graduates with internships, continuing education, and employment in health fields. The promoters work to increase area residents' access to health care and facilitate their use of preventive health measures.

*Sacramento Healthcare Decisions Inc.*  
 Rancho Cordova, CA

CHW's grant will be used for training in end-of-life care for families/caregivers of Chinese and Mandarin-speaking communities.

*Southeast Asian Assistance Center*  
 Sacramento, CA

CHW funds will be used to hire interpreters (Mien, Russian, Cambodian and Hmong) to provide transportation and translation services regarding mental health services.

*The Way of the Heart*  
 Nogales, AZ

CHW funds will provide funding for the Nutrition and Physical Activity components of Corazon Contento, a cardiovascular program with a focus on Hispanic females who have a family or personal history of cardiovascular disease and have not had a regular exercise program in the last year.

*Native Directions Inc.*  
 Manteca, CA

CHW funds will be used to fund a substance abuse prevention program for Native American youth.

## E. Shareholder Advocacy Program

CHW has developed a multi-billion dollar investment program that effectively integrates its mission and values in investment decisions and leverages its investment portfolio to promote corporate social responsibility and accountability on a range of issues that affect the broader health of the community. Through dialogue with corporate management, education, proxy voting and shareholder resolutions at company annual meetings, CHW uses its rights as a shareholder to raise issues of social and/or environmental concern.

CHW's Investment Policy directs that CHW address portfolio companies on a range of social and environmental issues consistent with CHW's advocacy priorities:

- ❖ Expand access to needed healthcare services and products
- ❖ Partner with others to improve the quality of life in communities
- ❖ Advance ecological initiatives

CHW engaged 29 corporations on 19 social and environmental issues during the 2004 proxy season. Again this year, the program exceeded its benchmark (80% of proposals receiving sufficient support to be refiled the following year or 80% of companies agreeing to requested action) with an overall success rate of 86.2%. All 9 proposals that were included in company proxies received enough shareholder support to be returned to the proxy next year. A proposal at Tyco received an unprecedented 97% favorable vote when the board declared its support for developing and reporting on environmental management systems and initiatives. Proposals on equal employment and promotion opportunity received notably strong votes at both WalMart and Bed, Bath & Beyond (16.10% and 11.2% respectively). Shareholders also gave significant support to proposals regarding access to treatment for persons with HIV/AIDS in developing countries.

In the case of ten proposals, after dialogue with corporate executives, companies agreed to develop specific policies in response to shareholder requests or took incremental steps to address shareholder concerns. CHW then withdrew the proposals. Noteworthy is Hasbro's agreement to develop a code of corporate conduct based on the United Nations International Labor Organization's Conventions on Workplace Human Rights.

Regular dialogues continue at seven companies to ensure steady progress toward established goals. A recent meet-

ing with executives from Washington Mutual indicated that the bank's subprime subsidiary has developed and implemented effective policies and procedures to prevent predatory tactics in lending to persons with little or poor credit history.

## F. Stewardship In The Community

Each CHW facility collaborates with community partners to assess community health assets and needs. Based on that assessment, each facility identifies community health priorities and develops programs to meet specified health outcomes.

CHW is acutely aware that, while our hospitals provide a vital service to the community, they also have an impact on that community by their very presence. Our means of reducing those impacts are discussed elsewhere in this report, but a few of those efforts are listed below.

- ❖ Management and reduction of solid, medical, and hazardous waste
- ❖ Removal of mercury, and reduction of PVC, from our waste streams
- ❖ Implementation of Environmentally Preferable Purchasing and Sustainable Building programs
- ❖ Energy and water reduction programs
- ❖ Removal of equipment which contains ODCs
- ❖ Donation of usable equipment and commodities to charities at home and abroad

We also strive to improve the environment around us. Examples of activities with an ecological focus include:

### *Mercy Healthcare Sacramento*

- Sponsored a thermometer exchange to remove mercury from the community

### *St. Joseph's Hospital and Chandler Regional Medical Center*

- Assisted in developing city-wide hazardous spill response plans and hazardous materials removal campaigns;
- Directed a \$205,000 CHW low-interest loan to Homebase Youth Services in Phoenix, Arizona enabling the organization to help fund low-income housing for runaway or homeless youth.

### *Glendale Memorial Hospital & Health Center*

- Worked with City Community Services to look for employment for challenged individuals. This year one of the individuals, hired by City Community Services is now employed by Glendale Memorial.

### *Saint Francis Memorial Hospital*

- Named one of the Bay Area's "Best Place for Commuters"

### *Mercy Medical Center Redding*

- Donated older cellular phones to the elderly for 911 emergency use
- Sponsored a "fun Run" to raise funds to create a new park
- Donated funds for a new slide for the community pool
- Donated funds to support the new Shasta County Library
- Contributed \$20,000 per year for a three-year program to reduce youth violence.

### *St. Elizabeth Community Hospital*

- Sponsored a community-wide Health Faire, Earth Day recognition event, and anti-smoking events. Initiated a collection of eyeglasses and books for donation to local charities and our troops in Iraq.

### *Sequoia Hospital*

- Donated about \$2,000 worth of furniture to Samaritan House, a free clinic servicing the uninsured in Redwood City.
- Supported anti-smoking campaigns for children

### *St. Joseph's Medical Center Stockton*

- Participated in planning and implementing a city sponsored domestic preparedness program (Metropolitan Medical Response System—MMRS). An exercise was conducted to assess the status of our county and region's readiness in the event of a "Weapons of Mass Destruction Effort."

### *St. Rose Dominican Hospital*

- Launched a program to provide healthcare services to underserved local public school children of the working poor.

### *Northridge Hospital Medical Center*

- Launched a program to provide 24-hour, seven-days-a-week access to free clinical assessments, emergency intervention and/or referral services to nearly 10,000 persons annually throughout Los Angeles County.

### *Numerous Facilities*

- Participated in local area litter and graffiti removal programs
- Collected used needles from anyone in the community to ensure proper disposal
- Send old but usable medical equipment to communities and countries in need of such equipment
- Excess food is delivered to homeless assistance programs
- Participate in Habitat for Humanity housing construction projects

## **G. Emergency Preparedness**

Each CHW hospital maintains an Emergency Preparedness Committee that works with civil authorities and local Emergency Medical Service organizations to ensure we coordinate our efforts when responding to community disasters. These committees monitor training and conduct drills with emergency response agencies to assure that a well planned and efficient response is carried out in times of emergency. Newly developed policies and procedures provide for certain accommodations to the community during disasters, such as providing medical support to people in the community and working with the local chapter of the Red Cross to provide shelter and care.

CHW emphasizes emergency preparedness through a high level of coordination among hospital departments, involving Security, Housekeeping, Engineering, and Environmental Services. Many of our hospitals have arrangements in place with response contractors in the event that extra assistance is needed for a larger emergency. By nature of being medical facilities, CHW hospitals have close relationships with fire, ambulance, police, and rescue services. Many facilities invite outside agencies to participate in their internal disaster meetings. CHW builds on these relationships with regularly scheduled joint training exercises and drills.

All facilities have practiced various levels of responses to terrorist attacks using chemical, biological and nuclear agents. California facilities have participated in statewide drills, which included a radiation (dirty bomb) terrorist event.

The hospital emergency response plans include procedures for chemical spills. Each hospital has developed and trained staff, or contracted with vendors to respond to both large and small chemical spills. Staff is taught to safely identify and isolate a spill and then to notify appropriate authorities. Hospitals maintain up-to-date information on chemicals and other materials that emergency personnel may encounter in an emergency response. CHW hospitals annually update their chemical inventories with the appropriate local agency identifying locations and average on-hand daily quantities. Material Safety Data Sheet binders, or electronic databases, are maintained for all required chemicals.

## VII. Performance

### A. Purchasing Programs And Guidelines

CHW is using its purchasing power to work with and influence our vendors to achieve environmental goals.

#### *Purchasing Guidelines*

CHW's environmental purchasing guidelines, implemented through its Supply

Chain Management department, cover many elements, including evaluation of a product's:

- ❖ Energy and water efficiency
- ❖ Durability
- ❖ Packaging
- ❖ Manufacturing process (e.g. use of hazardous materials or ODCs)
- ❖ Hazardous materials and Recycled content
- ❖ Recycling Potential/Disposal options
- ❖ Ergonomics
- ❖ Ease of Maintenance

Our Materials policy pursues several environmental goals. First, we seek to reduce waste at its source by redesigning processes and purchasing practices to reduce the amount of virgin materials purchased. Second, once a procurement need is identified, we try to purchase goods with recycled content that can specifically be recycled, and have a low life cycle impact on the environment. Once our purchases reach the end of their initial use, we focus on recycling, reuse within the hospital, transfer to another user (such as the community or needy organizations), and finally to proper waste disposal. A cross-functional decision making group, the "Value Analysis Committee," at local facility level implement and report the results of these purchasing decisions.

*Some examples of CHW's environmentally sensitive purchases follow:*

- ❖ CHW has contracted with Vanguard, a company that specializes in reprocessing "single use" items to allow for multiple uses. Items range from surgical instruments to DVT compression device garments. The goal for June 2004 was to achieve 60% of the best-demon-

strated national practice for the savings tied to purchase of reprocessed single use devices. Our actual CHW results for FY 2004 were \$1.9 million saved and a system aggregate of 45% of the best-demonstrated practice. The goal in FY05 is to sustain & improve CHW facility's level of participation at 60% of the best-demonstrated national practice for "Single Use" reprocessing savings. By utilizing reprocessed Single Use Devices and the "End of Life Product Disposal Plan" available with our 3rd party reprocessing company, the CHW Red Sharps waste reduction in the operating rooms is tracking at 96 tons annually. The goal for FY 05 is continued tracking and reporting, with the assistance of our third party reprocessing company, of each facility's monthly Medical Waste Weight Reduction through the use of reprocessed medical/surgical supplies and reduced utilization of red sharps containers.

- ❖ CHW contracted with a reusable sharps container vendor following a product analysis and competitive bid process by a collaborative team of CHW hospital and system employees. CHW hospitals began the process of eliminating disposable sharps containers that would reduce solid waste by 248 tons.
- ❖ Under Supply Chain Management's tutelage, CHW's textile supplier provided resources to better manage hospital linen, thereby reducing utilization by 2 million pounds annually, and conserving more than 4 million gallons of water, 180 thousand kilowatts and 56 thousand therms of natural gas as well as \$700K in direct cost.
- ❖ Nearly 15% of CHW's office supplies / minor equipment purchases met recycled content or other environmentally preferred product criteria.

### B. Sustainable Building Programs

CHW is in regular discussion with the Healthy Building Network and the American Society of Healthcare Engineering (ASHE), to investigate sustainable building practices for our facilities. Efforts include designing for patient health and recovery, choosing building materials wisely to provide for future disassembly, and minimizing use of natural sources.

CHW has developed a sustainable design policy and project delivery model that is used to ensure all new building construction is done under a Sustainable Building framework. These standards are required to be applied to any large (\$5 million and greater) project and are recommended for smaller projects as well. These cradle to grave guidelines address a wide range of issues from construction debris recycling, to materials selection, water and energy efficiency, and ultimate disassembly and recycling of the built facility. We are proud of this tool and are happy to share it with other hospital facilities should they be interested.

### C. Computer Purchasing and Disposal Guidelines

CHW currently possesses nearly 20,000 computers, all of which have a defined life. Disposal of these computers has become not only a CHW issue, but also a community-wide problem. CHW is working directly with computer manufacturers, such as Dell, and with the Silicon Valley Toxics Coalition to encourage computer manufacturers to

- ❖ Produce computers with fewer hazardous materials
- ❖ Create a manufacturer take-back program
- ❖ Take responsibility for the disposal of the large volume of existing computers

In parallel, we are working with our information technology vendor (PEROT Systems) to ensure that patient privacy is ensured and that the computers we dispose of are handled only by reputable disposal companies, who will protect the environment and their employees during the recycling/disposal process.

### D. Waste Management

In conjunction with our efforts to reduce, reuse and recycle materials, we manage our waste streams to ensure that all waste is properly captured, recycled, and treated or disposed. Such material, including medical, hazardous, non-hazardous, and construction debris, originates from a myriad of activities that we conduct in the course of providing health care services.

#### *Non-Hazardous Waste*

Many non-hazardous waste streams are generated from hospital operations, among them food, beverage and office wastes. Many of these waste materials are recycled, including aluminum cans, metals, paper, cardboard, plastics, bottles and “universal wastes” such as batteries and fluorescent tubes.

CHW has determined that we generate 13.0 pounds of non-hazardous waste and 1.4 pounds of medical waste for a total of 14.4 pounds of total waste per adjusted patient day. This represents a 9% decrease from last year and a 28% decrease since the year 2000. Our longtime goal of reducing this number to 15 pounds per adjusted patient day has finally been met.

Year	Total Waste*	Percent Decrease From 2000
2000	18.5	N/A
2002	17.6	5%
2003	15.5	19%
2004	14.4	28%

\* Pounds/adjusted patient days



## Reducing Waste Across the System

Our facilities are creative in their methods of reducing waste. For instance, when Marian Medical Center, Santa Maria, discovered that there was no greenwaste (landscaping)-recycling program in their community, they created their own. The greenwaste is now being sent to a local company for composting. When this composted material is applied on the agricultural fields, the farmers use less water, fertilizer, and pesticides. 25,500 lbs./year of greenwaste has been diverted from the Santa Maria landfill. Other facilities have developed similar programs.



Blue Sterile Wrap is a plastic used in many hospital processes that in the past has been a large landfill contributor. CHW is now working with a company that procures a wide range of polyethylene and polypropylene plastic film waste, including the blue wrap, as well as plastic bags, stretch and shrink wraps used to encase durable goods or palletized merchandise, heavier weight packaging, and even bubble wrap. Since the inception of the program, we have diverted on average 3000 pounds of plastic/facility/year from entering our landfills. Roughly half of our facilities are participating in this program, resulting in a 60,000-pound savings this year. This year CHW has become concerned about the appropriateness of the final destination of this waste stream. We will be investigating these concerns and will determine appropriate actions based on the results of our investigations.

To improve our operations, meet changing demands, and respond to new safety and building codes, CHW constantly is renovating, demolishing, and building facilities. This activity generates construction debris. Through its contractors, CHW ensures as much of this debris as feasible is recycled. Examples of materials include steel studs, aluminum, copper, and cardboard. Old concrete is segregated, crushed, and used as backfill material. Additionally, CHW requires that

new facilities be built, to the extent possible, with recycled materials and with an eye toward proper deconstruction when the facility reaches its end of life, ensuring that the facilities we build today can be properly reclaimed many years from now.

CHW has implemented a system-wide program for recycling inkjet and printer cartridges. In agreement with AAA Environment Inc. postage paid envelopes are available in each

facility. Cartridges are simply dropped in the mail and a \$1.00/cartridge refund is sent to CHW, which is held in a fund for each facility to pay for future environmental programs.

Every facility has investigated methods of reducing waste in their food service areas. Such innovative programs as using cornstarch utensils, eliminating Styrofoam coffee-cups, donating excess food to charities, and making maximum use of washable dishware, are being implemented in various areas throughout the system.

### *Medical Waste*

“Medical waste” refers to materials generated as a result of patient diagnosis, treatment, or immunization of human beings or animals. “Infectious waste” refers to that portion of medical waste that could transmit infectious diseases. CHW hospitals work towards medical waste reduction through a variety of programs. The most successful programs involve improving training and implementing procedures to ensure non-medical waste is properly segregated from true medical waste. There are also parts of the medical waste stream, such as sharps (i.e. needles), that can be recycled.

CHW is attempting to reduce the amount of sharps produced by moving to needleless technology where possible. Also, CHW has signed a 3-year Agreement with Stericycle, Inc., for a Reusable Sharps Containers Management Program. The program (known as Bio Systems) is designed to increase safety, ensure compliance and mitigate the impact of sharps container use on the environment. Full reusable sharps containers are picked up at each facility by a Bio Systems technician and replaced with empty ones. The full containers are taken to Stericycle’s medical waste transfer station where they are opened by a robotic mechanism and the contents emptied for processing as medical waste. The emptied containers are then washed and sanitized before being sent back to the hospital for reuse. The containers are designed to be simple and easy to use. Each container can be re-used at least 500 times.

Use of the reusable sharps containers eliminates the need for millions of single use disposable sharps containers to be manufactured and disposed. In addition, they significantly reduce the medical waste stream by removing the weight of the single-use container. A BioSystems study showed that a 250-bed hospital would reduce its medical waste stream by 13 tons per year from just the weight of the single-use containers. This elimination of plastic reduces the burden on our landfills and contributes to the reduction of hazardous emissions where containers are incinerated. Bio Systems containers have no packaging, which translates into the elimination of thousands of cardboard boxes annually.

Sterilization renders 98% of all medical waste non-hazardous. Medical waste with higher biological hazards, such as pathological waste, is required by law to be incinerated. CHW uses only the best commercial incineration vendors and does not operate any of its own incineration facilities. We are also working with our vendor, Stericycle, to develop processes to eliminate all incineration from the medical waste disposal process.

### *Hazardous Waste*

Hazardous waste disposal volumes decreased by 12% from 685 pounds/facility in FY 2001 to 612 pounds/facility in FY 2002. We continued this decline to 496 pounds per facility in FY 2003, a further 23% decline. In FY 2004, hazardous waste volumes remained essentially flat as compared to the previous year. This volume is the equivalent of less than two 55-gallon drums of hazardous waste per facility per year. This waste consisted primarily of small amounts of chemicals used in our hospital laboratories, such as gluteraldehyde, formaldehyde, and stains and dyes used in medical analyses. In addition, we continue to generate small amounts of asbestos from remodeling projects at our older facilities.

We have achieved these reductions through substitution of some hazardous materials with non-hazardous substances (where such alternatives exist), and innovative recycling of formalin, xylene, and other laboratory chemicals. Asbestos waste will continue to be generated at a similar volume in the future as ongoing remodeling of older facilities continues. Although our facilities are virtually mercury-free, small amounts of mercury will continue to be disposed of in the coming years due to our facility’s outreach activities in which we offer the general public free digital thermometers in exchange for mercury thermometers.

All chemicals used in hospitals are labeled and stored in proper storage containers. Hazardous chemical waste areas are inspected weekly by the Haz-Mat coordinators, and licensed treatment facilities dispose of hazardous waste. Many of our facilities have programs in place to audit their waste disposal vendors.

In addition, several of our facilities, including Marian Medical Center in Santa Maria, Dominican Hospital in Santa Cruz, St. John’s Regional Hospital and Medical Center in Oxnard, Saint. Francis Memorial Hospital in San Francisco, and St. Elizabeth’s Community Hospital in Red Bluff, operate “Reusable Stores”. These stores are areas where any clean, but not needed hospital materials are placed. Hospital employees and community members are welcome to come and take items for free. Items may range from plastic containers and dressing gowns to furniture and older, but usable, computer equipment. In this way thousands of pounds of useful items find new life, instead of heading for the landfill.



Some examples of our facilities' progress in reducing waste follow:

*Marian Medical Center, Santa Maria, CA*

- With the City and County, sponsored and promoted an electronics disposal day. Usable equipment was donated to the Amateur Radio Emergency Service and the rest was recycled.

*Mark Twain St. Joseph's Hospital, San Andreas, CA*

- Recycles aluminum and donates proceeds to the local softball team to provide uniforms

*Mercy General Hospital, Sacramento, CA*

- Implemented cardboard, blue wrap, fluorescent tube, and alcohol recycling programs

*Mercy Medical Center Mt. Shasta, Mt. Shasta, CA*

- Increased paper and battery recycling by 2.5 times over last year

*Mercy & Mercy Southwest Hospitals, Bakersfield, CA*

- Changed to 3M cleaning materials that consume fewer amounts of cleaning chemicals, reduce the volume of water used, and reduce employee exposure to chemicals and injury due to weight lifting.

*Mercy Medical Center Redding, Redding, CA*

- Recycles paper, cardboard, plastic and wood pallets.

*Community Hospital of San Bernardino, San Bernardino, CA*

- Increased paper recycling by 33%

*San Gabriel Valley Medical Center, San Gabriel Valley, CA*

- Installed a dry laser digital camera that eliminated the use of fixer (a hazardous material) in the x-ray rooms. This also decreased the use of water to cool the now eliminated processors.

*Sequoia Hospital, Redwood City, CA*

- Increased paper and cardboard recycling;
- Replaced Gluteraldehyde (a hazardous material) with non-hazardous Cidex OPA;
- Donates surplus medical equipment, supplies, and office furniture.

*St. Bernadine Medical Center, San Bernardino, CA*

- Increased paper and cardboard recycling by 25%.
- Implemented the use of brown paper towels for the facility, that compost quicker than bleached towels in the landfill.
- Changed to 3M cleaning chemicals, allowing us to consume fewer amounts of cleaning chemicals

*St. Joseph's Hospital & Medical Center, Phoenix, AZ*

- Uses a solvent distillation system that recycles alcohol and xylene for laboratory use. Approximate savings of \$6000.00

*St. Joseph's Medical Center, Stockton, CA*

- Shipped \$200,000.00 of obsolete (but usable) medical equipment and supplies to organizations that could use the materials. The shipments benefited orphanages in Russia, Guatemala, and a new migrant clinic in Linden, California. The materials eliminated approximately 12,000 lbs. of materials which otherwise would have been sent to landfill.

*Dominican Hospital, Santa Cruz, CA*

- Installed a dry laser digital camera that eliminated the use of fixer (a hazardous material) in the x-ray rooms. This decreased the use of water to cool the now eliminated processors also.
- Sends used but operating medical equipment to overseas missions

## E. Energy Use And Climate Change

We are engaged in many programs to reduce energy and water consumption. While making strides in energy conservation, we also face continual challenges with increased patient loads, new clinical equipment requiring more heating, ventilation, and air conditioning than older equipment, and physical plant equipment nearing the end of its useful life. CHW is actively involved in a systemwide energy retrofit program aimed at reducing current utility consumption, shifting load to off peak periods and flattening the load profile during high demand time-of-use periods. The program, estimated to add approximately \$50M in new energy efficient infrastructure, kicked off in October 2001 and is scheduled for full implementation within 3-5 years. Although we have not completed full construction documents for all projects, \$48M in conservation opportunities has been identified at 22 hospitals with anticipated annual savings of \$12M, resulting in a 4-year return on investment. These projects are estimated to decrease electric consumption by 64M kWh (16%) and natural gas consumption by 119K MMBtu (7%). This program will significantly reduce “Greenhouse gases” through improved energy efficiency (and therefore decreased burning of fossil fuels) and ozone depleting substances through removal of the few ODC containing pieces of equipment remaining in the system.

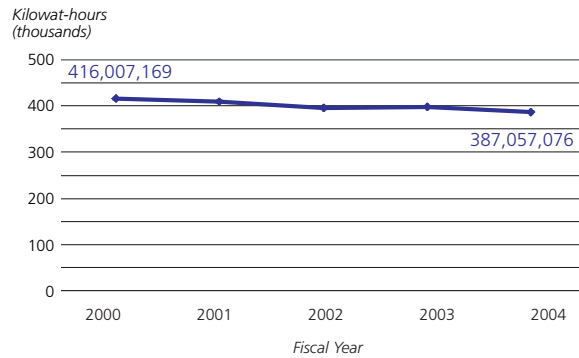
Cogeneration facilities, to produce electricity and capture waste heat using environmentally efficient fuels, are in place at California Hospital Medical Center in Los Angeles, Saint Francis Memorial Hospital in San Francisco, and St. Joseph’s Hospital in Stockton. Design efforts for a landfill gas fueled cogeneration plant are underway at Marian Medical Center in Santa Maria (using methane from a nearby landfill). Additionally construction is underway for natural gas drive cogeneration plants at Mercy Southwest in Bakersfield, St. Bernadine Medical Center in San Bernardino, San Gabriel Valley Medical Center in San Gabriel, and St. Mary Medical Center in Long Beach. Two additional cogeneration plants are being designed at Bakersfield Memorial Hospital and St. Mary’s Hospital and Medical Center in San Francisco.

We are also implementing 8 energy/water conservation projects replacing inefficient physical plant equipment. Equipment being replaced includes electric and natural gas chillers, pumps, motors, variable frequency drives, lights, boilers, building automation systems, and water devices.

The following graphs trend our electrical and natural gas consumption for the past five years. Consumption has been normalized to include consumption data from recent acquisitions and exclude consumption data from dispositions that have occurred during the past five years.

### Electric Consumption

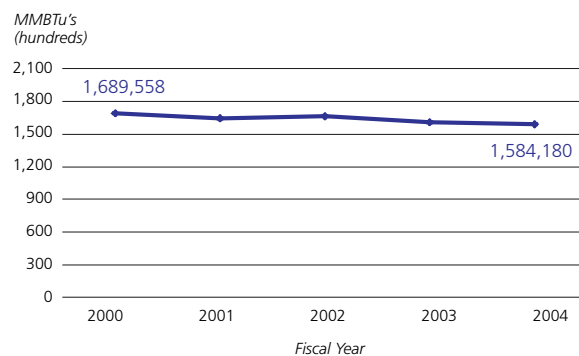
FY 200 to FY 2004



Electric consumption has decreased by 2.9% from FY 2003 to FY 2004 and decreased by 7.0% from FY 2000 to FY 2004. Five conservation projects scheduled to be completed in Fiscal Year 2005 will further decrease electric consumption.

### Natural Gas Consumption

FY 200 to FY 2004



Natural gas consumption has decreased by 1.6% from FY 2003 to FY 2004 and decreased by 6.2% from FY 2000 to FY 2004. Five conservation projects scheduled to be completed in Fiscal Year 2005 will further decrease electric consumption.

FY 2004 natural gas consumption equated to 93,688 metric tons of CO<sub>2</sub> and FY 2004 electricity usage equated to 121,516 metric tons of CO<sub>2</sub>.

## F. Water Reduction

CHW works to reduce water consumption in many ways. All of our facilities are undergoing retrofit to low flow plumbing devices (showers, toilets, etc.). Typically these water devices are replaced using internal resources when existing devices fail. Heating and cooling equipment and steam traps, which also consume large amounts of water, are also being retrofitted to more advanced, efficient models. Since many of our facilities are located in areas that are natural deserts, our landscaping is designed to meet state and local low water use requirements.

CHW is continuing the implementation of the Water Saver/Plus program and the sterilizer metering valve conversions to reduce water consumption and waste stream production. These two programs will purchase about 300 devices to attach to wet film processors to reduce the consumption of water needed to develop quality x-rays. Once fully implemented, this program is expected to save 140,000,000 gallons of water (about 90% of the total water currently used for x-ray production) on an annual basis and reduce wastewater production.

CHW also incorporates energy efficiency and building sustainability in all new construction projects. New construction over the next 10 years will grow to unprecedented levels with the need to meet regulatory requirements and continue to serve the public's healthcare needs. CHW strives to meet energy efficiency in new construction through adherence of the Energy Star Building Program and various guidelines contained in CHW's Project Delivery Model.

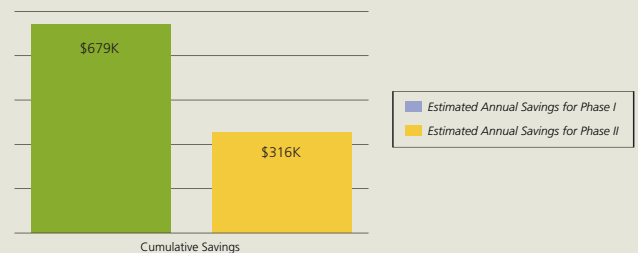
## Promoting Sustainable Design

In collaboration with CHW's Real Estate Department, St. Joseph's Hospital and Medical Center, Phoenix, Arizona completed a Phase I energy retrofit project that makes both environmental and economic sense.

On an annual basis the project is estimated to reduce electric consumption by 4.5 million kWh, natural gas by 740 thousand therms, and water by 23 million gallons. Using the Commercial Energy Consumption survey (CEC's) authored by the Department of Energy (DOE), these reductions equate to electricity sufficient to power approximately 400 homes, natural gas to heat 1,000 homes and water sufficient for 320 four-person households.

### Energy Conservation Project 2004

Annual Cost Savings for Phase One & Phase Two

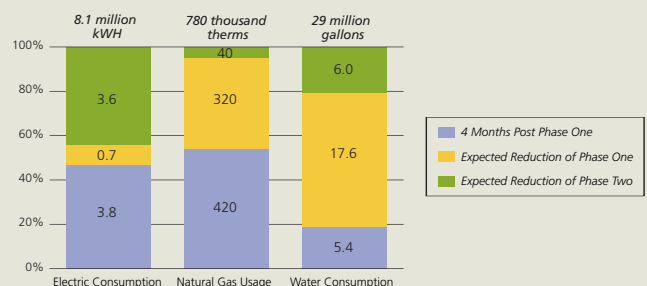


Equally attractive is the project's economics. This \$2.6M project was structured as a performance contract that guarantees minimum annual savings of \$678K. Equating to a 3.8-year simple payback, this project is a partnership between St. Joseph's and American Energy Assets whereby both parties work together to reduce energy consumption.

Four months post-construction cumulative savings are 17% greater than projections. Electric reductions for the four-month period through June 2004 are 3.8 million kWh; natural gas reductions are 420 thousand therms, and water savings amount to 5.4 million gallons.

### Energy Conservation Project 2004

Expected Reduction for Phase One & Phase Two



A second phase energy project, which will further reduce energy and water consumption, was approved in June 2004. When complete, the two projects are estimated to save \$994K per year and to decrease electric consumption by 8.1 million kWh (14.2% reduction), natural gas use by 780 thousand therms (45.9% reduction) and water consumption by 29 million gallons (22.3% reduction).

## G. Workplace Health And Safety

CHW is dedicated to ongoing efforts to provide a safe and healthy environment for our patients, employees and visitors. Efforts to maintain a clean, pleasant and hazard free physical environment will minimize the risk of injuries and adverse affects.

### *Employee Injury Prevention*

Each facility has made considerable efforts to promote healthy work habits for employees. Facilities have either formed task forces (or worked through the existing Safety Committee) to identify specific causation of injuries and formulate programs, procedures and equipment plans that will reduce injuries. In addition, the departments with the highest frequency of injuries have developed customized programs for reducing injuries. Corporate Risk Services developed two tools to support these efforts – How to Develop a Safety Promotion Program at a Department Level and the Safety Scorecard (monitoring departments’ success). Many facilities have implemented one or more of the following:

- ❖ Investment in patient lifting equipment
- ❖ Patient handling training
- ❖ Employee friendly lift and transfer policies
- ❖ Safety rewards programs
- ❖ Specialized department programs

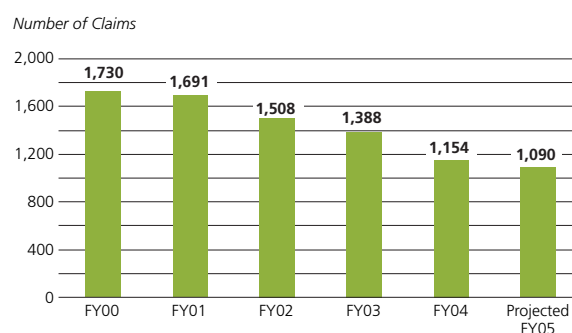
In FY 2005, Corporate Risk Services will partner with Glendale Memorial Hospital and Medical Center and Saint Francis Memorial Hospital to implement a “No Lift Policy” for patient handling. Each patient care provider will be trained on how to use specific equipment and no longer lift or transfer patients without the use of sophisticated, state of the art equipment. A “No Lift” policy will be developed and approved to support the newly learned behaviors for patient handling. Both facilities will implement their programs in FY 2005.

In addition to the efforts to identify opportunities to promote a safer workplace, CHW facilities are committed to accommodating injured employees with work restrictions during their healing process. Over the past four years CHW’s loss workdays have been reduced 33% (from over 30,000 to approximately 20,000 annually).

Below is a chart showing the reduction of frequency in indemnity (severe) injuries reported in Workers’ Compensation. The chart indicates the number of injuries to CHW employees that have occurred during the specific time period. This chart represents our success in reducing injuries in spite of our increase in employees.

### **CHW Workers’ Compensation**

*Frequency of Injuries - FY 2000 to FY 2005*



*Includes only indemnity injuries as reported to Workers’ Compensation*

### *Injury Severity Programs*

Employees who are injured receive prompt and appropriate medical treatment. Each facility has identified a qualified medical treater who will immediately see injured employees for evaluation and treatment. If a specialist is required, each facility has developed a list for referral. These specialists have the expertise as a physician as well as the understanding of compliance with the complicated workers’ compensation regulations and requirements.

CHW is self-insured for Workers Compensation, but a third party administrator manages the workers’ compensation claims. To assure appropriate medical treatment, a registered nurse with standardized treatment protocols is on site at each claims office working with the claims administrators to facilitate early recovery and return to work.

### *Benchmark and Medical Management Scorecards*

To support the efforts at each facility, Corporate Risk Services distributes monthly metrics that measure the facilities' efforts to promote health and safety in the workplace. The metrics, now in their third year, clearly show hospital and senior management the effectiveness of each facility's programs. Included in the metrics are the following:

- ❖ Reduction of indemnity injuries (i.e. employee injuries resulting in loss days and permanent limitations)
- ❖ Further reduction of loss days
- ❖ Limited growth in medical costs
- ❖ Timeliness reporting on injuries
- ❖ Injury investigation within 24 hours
- ❖ Percentage of employees treating with initial medical provider

### **H. Compliance**

CHW is committed to maintaining compliance throughout our entire system. We apply the same high standard of care to compliance as we do to our patients' health and wellness.

CHW is pleased to report yet another outstanding year in environmental regulatory compliance. No compliance issues that met the standard for reporting to outside regulators were identified at our facilities this past year.

Our California facilities have recently become subject to new regulations that control pharmaceutical waste in a more stringent manner. These regulations increase waste management costs and may result in increased waste volumes as well. Nonetheless, CHW has implemented these regulations as required by law. More information on these regulations can be found at: [http://www.dhs.ca.gov/ps/ddwem/environmental/Med\\_Waste/default.htm](http://www.dhs.ca.gov/ps/ddwem/environmental/Med_Waste/default.htm)

## VIII. Global Reporting Initiative (GRI) Content Index

This report represents CHW's first attempt to integrate components of the Global Reporting Initiative Standards for Sustainability Reporting. (See <http://www.globalreporting.org/>) The following content index indicates where GRI reporting components can be found in the CHW report.

GRI INDICATOR	DESCRIPTION	SECTION
<b>Vision &amp; Strategy</b>		
1.1	Vision and strategy statement	Ex. Letter
1.2	Statement from Executive Director	Ex. Letter
<b>Profile</b>		
2.1	Organizational profile	III
2.2	Major products	II./III
2.3	Operational structure	IV
2.4	Major divisions	
2.5	Countries of operation	
2.6	Nature of ownership	IV
2.7	Markets served	III
2.8	Scale of organization	III
2.9	List of stakeholders	VI
2.10	Contact person	III
2.11	Reporting period	Ex. Letter
2.12	Date of previous report	Ex. Letter
2.13	Boundaries of report	
2.14	Significant changes	III
2.15	Reporting on joint ventures	
2.16	Restatements	
2.17	Decisions not to apply GRI	
2.18	Criteria/definitions in cost/benefit accounting	
2.19	Changes in measurement methods	
2.20	Internal assurance	IV/V
2.21	Independent verification	IV/V

GRI INDICATOR	DESCRIPTION	SECTION
<b>Profile (continued)</b>		
2.22	Ways to get additional information	III
<b>Governance Structure &amp; Management Systems</b>		
3.1	Governance structure	IV
3.2	Percentage of independent, nonexecutive board	IV
3.3	Process for determining board expertise	
3.4	Board-level process	
3.5	Link to executive compensation	
3.6	Organizational structure	IV
3.7	Mission and value statements	II
3.8	Shareholder resolutions	VI
3.9	Stakeholder identification	VI
3.10	Stakeholder consultation	VI
3.11	Information generated from stakeholders	VI
3.12	Use of stakeholder information	VI
3.13	Precautionary approach	
3.14	External initiatives	VI
3.15	Business association memberships	VI
3.16	Upstream and downstream impacts	V/VII
3.17	Indirect impacts	
3.18	Major operations decisions	
3.19	Performance Programs	
3.20	Management system certification status	
<b>GRI Content Index</b>		
4.1	GRI content index	VIII
<b>Economic Performance Indicators</b>		
EC1	Net sales	
EC2	Geographic breakdown	III
EC3	Cost of goods, materials, services purchased	III
EC4	Percentage of contracts paid in accordance	
EC5	Total payroll and benefits	

GRI INDICATOR	DESCRIPTION	SECTION
<b>Economic Performance Indicators (continued)</b>		
EC6	Distributions to providers of capital	
EC7	Increase/decrease retained earnings	III
EC8	Taxes paid	
EC9	Subsidies breakdown by country	
EC10	Donations	III/V
<b>Environmental Performance Indicators</b>		
EN1	Total materials use other than water, by type	
EN2	Percentage of materials used that are wastes (external)	
EN3	Direct energy use	VII
EN4	Indirect energy use	VII
EN5	Water use	VII
EN6	Land owned, leased, or managed (biodiversity)	
EN7	Major impacts on biodiversity	
EN8	Greenhouse gas emissions	VII
EN9	Ozone-depleting substances	VII
EN10	Air emissions	VII
EN11	Waste	VII
EN12	Water discharges	VII
EN13	Significant spills	VII
EN14	Environmental impacts of products	
EN15	Percentage of products weight	
EN16	Noncompliance penalties	VII
EN17	Initiatives to increase energy efficiency	VII
EN18	Energy consumption footprint	
EN19	Other indirect energy use	
<b>Social Performance Indicators: Labor Practices and Decent Work</b>		
LA1	Geographic breakdown of workforce	
LA2	Employment creation and job turnover	III
LA3	Percentage of employees in unions	III
LA4	Employee involvement in operational changes	
LA5	Health and safety reporting	VII



GRI INDICATOR	DESCRIPTION	SECTION
<b>Social Performance Indicators: Labor Practices and Decent Work (continued)</b>		
LA6	Health and safety committees	V
LA7	Standard injury and lost day rates	VII
LA8	HIV/AIDS program	
LA9	Training	I/V/VI/VII
LA10	Equal opportunity	
LA11	Female/male ratio in management	III
<b>Social Performance Indicators: Human Rights</b>		
HR1	Human rights	
HR2	Consideration of human rights impacts	
HR3	Human rights within supply chain	
HR4	Nondiscrimination	
HR5	Freedom of association	
HR6	Child labor	
HR7	Forced labor	
<b>Social Performance Indicators: Society</b>		
SO1	Impacts on communities	IV
SO2	Bribery and corruption	
SO3	Political lobbying and contributions	
<b>Social Performance Indicators: Product Responsibility</b>		
PR1	Customer health and safety	Ex. Letter
PR2	Product labeling	
PR3	Policy/procedures for consumer privacy	

## **APPENDIX A: Environmental Policy And Statement Of Principles**

### **CATHOLIC HEALTHCARE WEST**

#### **POLICY & PROCEDURE**

**FROM:** CHW Board of Directors

**SUBJECT:** **Environmental Policy and Statement of Principles**

**ISSUED:** *July 16, 2002*

**EFFECTIVE:** *July 16, 2002*

**REPLACES:** CHW 6.50, March 19, 1996

#### **I. PURPOSE**

To articulate Catholic Healthcare West's commitment to respect and protect Earth and its endorsement of the CERES Principles for environmental protection and conservation.

CERES, the Coalition for Environmentally Responsible Economies, is a non-profit organization comprised of leading social investors, environmental groups and public entities. CERES promotes environmentally responsible economic activity for a just, healthy and sustainable future throughout the world. The CERES Principles provide a model corporate code of environmental conduct. Companies that endorse the CERES Principles pledge to monitor and improve their environmental practices. These companies conduct an internal environmental audit and complete an annual public report according to a standard format.

#### **II. POLICY**

Catholic Healthcare West manages its operations in a manner demonstrably protective of human health and the environment. CHW seeks new and better ways to meet its environmental goals through conservation, reduction, reuse and recycling programs. CHW is committed to improving environmental management in its hospitals and to partnering with others in its community to safeguard the environment.

#### **III. PRINCIPLES**

These principles, known as the CERES Principles, guide CHW's internal practices and its healthier communities initiatives. Adherence to these principles will ensure consistent, measurable progress in CHW's efforts to respect and protect Earth for all peoples and future generations.

- A. In an effort to minimize environmental damage to the air, water, earth or persons, we will:
- Use environmentally responsible products as much as possible, and

- Reduce and make continual progress toward eliminating the use of any substance that causes environmental damage or health or safety hazards.
- B. We will make sustainable use of renewable natural resources. We will conserve non-renewable natural resources through efficient use and careful planning.
  - C. We will reduce and, where possible, eliminate waste through product and packaging source reduction, re-use and recycling. All waste will be handled and disposed of through safe and responsible methods.
  - D. We will conserve energy and improve the energy efficiency of our operations. We will make every effort to use and promote environmentally safe and sustainable energy sources.
  - E. We will strive to maximize the health and safety of our employees through maintaining the health of the environment in which they work. We will maintain safe technologies, facilities and operating procedures and effective emergency preparedness programs.
  - F. We will promptly and responsibly correct conditions we might cause that endanger health, safety or the environment. To the extent feasible, we will redress injuries we might cause to persons or damage we have caused to the environment.
  - G. We will inform in a timely manner those persons who are adversely affected by conditions we cause and of the measures and safeguards we have implemented to guard health, safety and the environment. We will regularly seek advice and counsel through dialogue with persons in communities near our facilities.
  - H. We will make collaborative education and training programs available within our communities so that everyone has an opportunity to participate in implementing these principles.
  - I. We will develop processes for self-evaluation of our environmental practices and prepare an annual report on our progress in implementing this environmental policy.

*Disclaimer: These Principles establish an environmental ethic with criteria by which environmental performance can be assessed. In endorsing these principles, CHW pledges to go voluntarily beyond the requirements of the law. The terms may and might are not meant to encompass every imaginable consequence, no matter how remote. Rather, these Principles obligate CHW to behave as prudent persons who are not governed by conflicting interests and who possess a strong commitment to environmental excellence and to human health and safety. These Principles are not intended to create new legal liabilities, expand existing rights or obligations, waive legal defenses, or otherwise affect the legal position of CHW.*

#### **IV. PROCEDURES**

- A. ENVIRONMENTAL ACTION COMMITTEE - An Environmental Action Committee, appointed by each hospital's President, is responsible for:
  1. Establishing annual goals for improved environmental performance,
  2. Monitoring progress toward those goals,

3. Submitting quarterly and annual reports to the hospital community board and the CHW board of directors,
4. Overseeing implementation of the environmental policy,
5. Educating employees on environmental issues, and
6. Seeking opportunities to partner with others in the community in support of ecological projects and advocacy initiatives.

The Environmental Action Committee (EAC) may be an independent committee or a sub-committee of the Health and Environment of Care/Safety Committee. Optimally, the EAC includes representation from:

- Patient Services
- Mission Services
- Community Benefit
- Risk
- Purchasing
- Engineering
- Maintenance
- Housekeeping
- Dietary
- Pharmacy
- Infection control
- Laboratory
- Safety and security
- Administration
- Employees who show a particular interest or desire to assist

The EAC meets regularly, keeps minutes of its meetings and reports to the Community Advisory Board on key environmental issues.

- B. ENVIRONMENTAL LEADERSHIP - CHW and its hospitals will work to become environmental leaders among health care providers. We will establish and maintain environmental programs that will be viewed as state-of-the-art within the health care industry and the healthier communities' movement.
- C. LEGAL COMPLIANCE - Each hospital will comply with all applicable environmental laws. Upon discovery of any issue of non-compliance, the facility shall act immediately to remedy the situation and notify the CHW Legal Department.
- D. RISK CONTROL - Each hospital will actively avoid unacceptable risks to the environment and will minimize risk to the System from previous, existing and potential environmental conditions.
- E. WASTE MINIMIZATION - Each hospital will pursue systematically opportunities to minimize the quantity and degree of waste that results from its activities. Each hospital will initiate processes to achieve applicable percentages and timelines for reducing solid waste generation.
- F. ENERGY USE MINIMIZATION - Each hospital will monitor and evaluate its energy usage and will implement goals and procedures for increased energy efficiency.
- G. ENVIRONMENTAL COORDINATORS AND MANAGERS - The Environmental Action Committee, Product Review Committee, and Environment of Care/Safety

- Committee shall seek input and provide direction, guidance, and resource recommendations to the hospital President for approval which are designed to assure successful implementation of hospital and system goals and objectives in environmental health.
- H. The director/manager and supervisors of each department will assure successful implementation of hospital/system goals and objectives in support of a healthy environment as well as compliance with laws directly associated with his/her particular functions and services.
  - I. TRAINING AND AUDIT - Each hospital will participate in environmental training, awareness, and audit programs.
  - J. BENCH MARKING/SHARING OF BEST PRACTICES - Opportunities for systemwide sharing of best practices will be provided on a regular basis.
  - K. ENVIRONMENTAL REPORT - As part of the commitment to this Policy, each hospital will submit quarterly and annual environmental reports to its Community Board of Directors and to the CHW Board of Directors. Hospital reports will be compiled in a systemwide report that will be available to the public.

## **APPENDIX B: Elimination Of Mercury**

### **CATHOLIC HEALTHCARE WEST**

#### **POLICY & PROCEDURE**

**FROM:** CHW Board of Directors

**SUBJECT:** Elimination of Mercury

**ISSUED:** *January 29, 2001*

**EFFECTIVE:** *January 29, 2001*

#### **I. PURPOSE:**

To align CHW operations in a manner demonstrating accountability for human and ecological resources and to protect human health and its environment. To enable CHW hospitals to meet mercury level standards established by the U. S. Environmental Protection Agency and the American Hospital Association.

#### **II. POLICY:**

Products and processes containing mercury shall not be used in any manner on CHW property, including within CHW hospital buildings and medical office buildings, unless no reasonable alternatives as determined by CHW are available. When use of a mercury- containing product is permitted, measures shall be taken to inventory the product or device and its location within the facility and to take proactive actions to mitigate environmental exposure. Compliance with this policy and its procedures is a condition of employment and a condition of the exercise of clinical privileges or the use of any CHW property. CHW supports retirement of mercury and mercury compounds as the long-term elimination process.

#### **III. BACKGROUND:**

Elemental mercury and some mercury compounds are listed in state and federal regulations as hazardous wastes, known to cause certain health problems in humans and animals. Mercury is a liquid metal that is environmentally persistent and bioaccumulates in the food chain. Therefore, CHW is implementing this policy to prevent mercury from entering the environment through wastewater or other waste streams, and eliminate its use wherever possible in healthcare.

In June 1998, a Memorandum of Understanding (MOU) between the U. S. Environmental Protection Agency and the American Hospital Association established goals of virtually eliminating mercury-containing waste from the healthcare industry waste stream by the year 2005, and reducing total waste generated by hospitals 33 percent by year 2005 and 50 percent by year 2010. It is CHW's goal to purchase, whenever feasible, mercury-free products that do not compromise patient care.

#### **IV. Procedure:**

1. CHW Hospitals shall identify an organizational structure, responsibilities, practices, procedures, processes, and resources for developing, implementing, and maintaining a mercury elimination policy.
2. CHW Hospitals shall perform a systematic, documented, periodic and objective review of facility operations and practices related to meeting mercury elimination policy requirements.
3. Each CHW Hospital's Departments of Engineering, Environmental Services, Purchasing, Pathology, Radiology, and its Safety Committee shall work together to identify products or processes containing mercury currently in use on the Hospital campus and to identify acceptable alternatives. A list of such products/processes and their alternatives shall be presented to the Safety Committee, which shall arrange for its distribution throughout the Hospital community. The Safety Committee shall assign a coordinator to oversee that this assignment is completed, documented and tracked.
4. When mercury containing products or processes are identified, the Hospital Safety Officer or manager(s) for the department(s) using such products/processes shall develop a plan to include:
  - a. timeframe for the elimination of the use of these products/processes or,
    - in the alternative, the rationale for continued use of such products/processes.
    - the location of (mercury) -containing devices within the facility
  - b. employee training covering risks and hazards, personnel exposure response notification, spill clean up procedures and compliance requirements,
  - c. proper labeling, storage, transportation and disposal procedures,
  - d. procedures for the prevention of mercury environmental exposure,
  - e. procedures for handling mercury spills.
5. The Safety Committee shall review all mercury use plans and may approve the plans as submitted or with modification.
6. CHW Hospitals should recycle mercury whenever possible.

#### **V. Reporting Requirements:**

1. The initial mercury inventory from an audit of the facility and efforts of mercury elimination and related costs, including the initial mercury facility audit and inventory, the cost of spills, shall be part of each Hospital's annual environmental report.
2. CHW shall request its suppliers to represent and warrant in the submission of any proposal or purchase agreement that the products represented in the proposal or purchase agreement do not contain mercury, except as identified and listed in an exhibit. The Supplier shall specify the amount of mercury contained in any products listed in its exhibit and indicate in its Proposal or Purchase Agreement if a feasible mercury-free alternative is available. Materials management staff shall request the same warranties for all substitute or "like" products offered by suppliers.

#### **VI. Record Keeping:**

1. Managers of departments using mercury-containing devices, products, or processes shall maintain a readily retrievable log of the mercury-containing devices, products, or processes, the approved use(s), the alternatives considered, the reasons such alternatives were deemed unacceptable, and a time frame for reconsideration of available alternatives.
2. In the event of a mercury spill, employees and physicians shall follow the procedures of the Hospital Policy "Handling of Mercury Spills". Managers shall report such spills to the Safety Committee for review.



MERCURY Appendix A

**Hospital products containing mercury and available alternatives and contracted suppliers.**

<b>CATEGORY</b>	<b>APPLICATION</b>	<b>ALTERNATIVES</b>
ANALYTICAL INSTRUMENTS (mercury chloride as reagent)	Sequential Multi-Channel Auto-analyzer (SMCA) AU 2000	Ion Selective Electrode
AUTO-ANALYZERS	Autodelfia Iris Cotter Technicon H2 Hitachi Chem-Array Chem-IMX-1 Chem-IMX-2 Chem-654 Chem-Autodelfia Chem-SEC 6 HEME MDA	
<b>CATEGORY</b>	<b>APPLICATION</b>	<b>ALTERNATIVES</b>
BAROMETERS	weather condition	Bourdon tube gauge
BATTERIES mercuric oxide silver oxide in: alkaline, zinc carbon, silver oxide, zinc air, mercury zinc batteries	hearing aids pacemakers defibrillators fetal monitors holter monitors pagers picker calibers spirometer alarms telemetry transmitters temperature alarms blood analyzers	mercury-free lithium, zinc, alkaline
BLOOD GAS ANALYZER REFERENCE ELECTRODE	Radiometer (brand)	equipment without a mercury reference electrode
DC WATT HOUR METERS	E.g., Duncan, no longer made but may still be in use	
DISPLACEMENT/PLUNGER RELAY	power supply switching lighting electric commercial appliances	
ELECTRON MICROSCOPE	mercury used as vibration damper	
ESOPHAGEAL DILATORS (Maloney/Hurst Bougies) CANTOR TUBES MILLER ABBOTT TUBES FEEDING TUBES	mercury used as a weight	tungsten, water- used as weight, Anderson Tube can replace Cantor tube
FLAME SENSOR/SAFETY VALVE stainless steel bulb, capillary tube, bellows/control device	main gas burners w/ standing pilot or elec. ignition pilot <ul style="list-style-type: none"> <li>some infrared heaters (component supplied by Robert Shaw and</li> </ul>	Non-mercury sensors

	Harper-Wyman) <ul style="list-style-type: none"> <li>• Some furnaces (components supplied by White Rodgers)</li> <li>• Commercial kitchen appliances</li> </ul>	
HITACHI CHEM ANALYZER	Hitergent Reagent has 65 ppb mercury	
LAMPS	fluorescent bilirubin blue gen. purpose high output germicidal lamps cold cathode hot cathode slimline metal halide high pressure sodium vapor mercury vapor ultra-violet (for TB) spectral lamps	high intensity discharge, low mercury fluorescent
LEAD ANALYZER ELECTRODE	ESA (brand) model 3010B	
MANOMETERS	commercial, industrial & laboratory	Bourdon and electronic gauges
SPHYGMOMANOMETERS	blood pressure	electronic vacuum gauge, expansion, aneroid
RELAYS and SWITCHES	TILT SWITCHES: <ul style="list-style-type: none"> <li>• airflow/fan limit control</li> <li>• building security systems</li> <li>• chest freezer lid switches</li> <li>• fire alarm box switches</li> <li>• fluid level controls</li> <li>• laptop computer screen shutoff</li> <li>• pressure control</li> <li>• silent light switches</li> <li>• temperature controls</li> <li>• thermostats (rooms &amp; refrig's)</li> <li>• washing machine lids</li> </ul>	<ul style="list-style-type: none"> <li>• mechanical and solid state relays</li> <li>• mechanical switches</li> <li>• positive beam limitation switches</li> </ul>
THERMOSTATS	<ul style="list-style-type: none"> <li>• ovens (laboratories)</li> <li>• nursing incubators</li> <li>• room temperature control</li> </ul>	<ul style="list-style-type: none"> <li>• thermostat with bi-metallic strip</li> <li>• electronic</li> </ul>
THERMOMETERS	<ul style="list-style-type: none"> <li>• blood bank</li> <li>• Clerget sugar test</li> <li>• body temperature</li> <li>• incubator/water bath</li> <li>• min/max</li> <li>• tapered bulb (armored)</li> </ul>	<ul style="list-style-type: none"> <li>• electronic (digital)</li> <li>• non-mercury filled</li> </ul>

Source: <http://www.epa.gov/region01/steward/neeat/mercury/invent.html>

Complied from Minnesota, MASCO, Terrene Institute October 13, 1998

Modified by California DHS Environmental Management Branch, 2001

**MERCURY APPENDIX B:**

**Licensed/permitted mercury retorters/recyclers in CA, NV & AZ.**

**AERC Com, Inc.**  
**30677 Huntwood Avenue**  
**Hayward, California 94544**  
**1-800-628-3675, 1-510-429-1129, Fax #: 1-510-429-1498**

Hayward California Facility  
Servicing the West Coast

Account Representative:  
Miguel Gutierrez  
E-mail mgutierrez@aerc-mti.com

Customer Service Representative:  
Brienne Crawford  
E-mail bcrawford@aerc-mti.com

1-800-628-3675, 1-510-429-1129, Fax #: 1-510-429-1498

**AERC Acceptable Materials**

Fluorescent Lamps (intact & crushed)  
High Intensity Discharge Lamps  
Arc Lamps, Ultra-Violet Lamps  
Compact Fluorescent Lamps  
High Pressure Sodium Lamps  
Mercury Vapor Lamps  
PCB, Non-PCB and DEHP Ballast  
Ignitron Tubes  
Neon Lamps  
Batteries (ALL types)  
Mercury Contaminated Soil  
Mercury Solutions  
Debris Containing Mercury  
Esophageal Bougies  
Intestine Miller Abbott Tubes  
Mercury Contaminated Glassware  
Thermometers, Manometers  
Regulators, Thermostats  
Metallic Mercury  
Metallic Mercury and Water  
Mercury Switches and Relays  
Mercury Salts and Compounds  
Phosphor Powder (profile requested)

## APPENDIX C: Hazardous Waste Management Self Evaluation

To  
CHW Hospital Presidents

Date  
February 7, 2003

From

Copies to  
Sr. Susan Vickers, Mike Leone

Group Vice Presidents, Operations

Subject

Action Requested: Hazardous Waste Storage Concerns

memorandum

Recent audits at several CHW facilities have brought up concerns in how we are storing our hazardous waste. We are asking each CHW facility to review its hazardous waste storage practices and take actions to correct any findings.

Please have a designee complete the attached Hazardous Waste Locations Self-Assessment Checklist. Forward the completed checklist to Sr. Susan Vickers at [svickers@chw.edu](mailto:svickers@chw.edu) no later than February 28, 2003. Please provide corrective actions of findings and completion dates for unfinished items. It is expected that the designee completing the checklist will include the facility President and Laurie Schwartz in the e-mail response.

If more time is needed to complete the checklist contact Sr. Susan Vickers at (415) 438-5511.

For questions on the checklist contact Mike A. Leone, Loss Prevention Specialist at [mleone@chw.edu](mailto:mleone@chw.edu) or call him at (415) 438-5569

Thank you for your attention to this matter.

### **HAZARDOUS WASTE LOCATIONS** **SELF-ASSESSMENT CHECKLIST INSTRUCTIONS**

The following Self-Assessment Checklist is designed to assist you in evaluating your hazardous waste locations for regulatory deficiencies. Objective completion of the checklist should provide you with a good understanding of the regulatory requirements and an evaluation of your hazardous waste locations against these requirements. The checklist is a series of questions derived from the regulatory standards. "NO" answers should serve as "red flags" and can be viewed as opportunities for improvement. "Yes" answers indicate compliance.

Please remember that once you are aware of deficiencies in your hazardous waste locations, you must resolve issues identified within a reasonable time frame. The most preventable deficiencies are often administrative in nature (i.e., placing correct hazardous waste labels on containers, correct waste area signs, writing in accumulation start dates, etc.).

After you complete the checklist, with the corrective actions annotated, forward it by e-mail to the facility President, Laurie Schwartz ([lschwartz@chw.edu](mailto:lschwartz@chw.edu)), Sr. Susan Vickers ([svickers@chw.edu](mailto:svickers@chw.edu)) and Mona Boboc ([mboboc@chw.edu](mailto:mboboc@chw.edu)) no later than **February 28, 2003**. If more time is needed to complete the checklist contact Sr. Susan Vickers at (415) 438-5638.

If you have any questions on this Self-Assessment Checklist feel free to contact Mike Leone, Loss Prevention Specialist, at [Mleone@chw.edu](mailto:Mleone@chw.edu) or (415) 438-5569.

Facility Reporting: \_\_\_\_\_ Date: \_\_\_\_\_

Name of person completing checklist: \_\_\_\_\_

## Hazardous Waste Locations

### Self-Assessment

#### Inspections and Tours

Tour and inspect all hazardous waste generating departments, satellite collection areas, and waste accumulation areas to answer the following:

**Yes   No   N/A**

#### **Waste Generating Departments**

- |     |     |     |   |
|-----|-----|-----|---|
| ___ | ___ | ___ | 1. Have all wastes in each generating department been classified as hazardous or non-hazardous? |
| ___ | ___ | ___ | 2. Is all waste generating departments maintaining appropriate spill equipment and supplies?    |
| ___ | ___ | ___ | a. Are spill kits appropriately maintained for wastes accumulated in the departments?           |
| ___ | ___ | ___ | b. Are spill kits sized appropriately?  |
| ___ | ___ | ___ | c. Has staff been trained on correct spill clean-up procedures?                                 |
| ___ | ___ | ___ | d. Is there a written departmental spill response procedure?                                    |
| ___ | ___ | ___ | e. Does it correspond with the facility's spill response plan?                                  |

#### **Satellite Collection Areas**

- |     |     |     |   |
|-----|-----|-----|---|
| ___ | ___ | ___ | 3. All satellite collection areas are maintained as follows:  |
| ___ | ___ | ___ | a. Wastes are under the direct control of the generating departments?   |
| ___ | ___ | ___ | b. Waste collection point is at or near the point of generation?  |
| ___ | ___ | ___ | c. Satellite collection waste area is limited to one 55-gallon drum or 1 quart of acutely or extremely hazardous waste? |

\_\_\_ \_\_\_ \_\_\_

d. Containers, once full, are transferred to main accumulation area within 3 days and **re-labeled with new accumulation date?**

\_\_\_ \_\_\_ \_\_\_

e. Satellite collection areas are inspected daily?



4. Containers are properly labeled with the following:

- \_\_\_ \_\_\_ \_\_\_ a. The words “ Hazardous Waste”?
- \_\_\_ \_\_\_ \_\_\_ b. Accumulations start date? (Note: containers must be re-labeled with new start date once moved to main accumulation area. **DO NOT just cross-out old date and write in new date. RE-LABEL**)

5. Containers are maintained in good condition:

- \_\_\_ \_\_\_ \_\_\_ a. Containers are compatible with wastes stored in them?
- \_\_\_ \_\_\_ \_\_\_ b. Containers are kept tightly closed during storage, except when adding or removing waste?
- \_\_\_ \_\_\_ \_\_\_ c. Containers, once full are transferred to main accumulation area within 3 days and re-labeled with new accumulation start date?

**Primary Accumulation Area(s)**

6. Accumulation areas are maintained as follows:

- \_\_\_ \_\_\_ \_\_\_ a. Area is secured and protected from the elements?
- \_\_\_ \_\_\_ \_\_\_ b. Secondary containment system is in-place?
- \_\_\_ \_\_\_ \_\_\_ c. Waste is stored on-site for no longer than 90 days from accumulation start date? **NOTE: If small quantity generator (i.e., less than 1000 kg/260 gallons of waste per month or less than 1 kg/1 qt of acutely hazardous waste per month) this time limit is extended to 180 days from accumulation start date.**
- \_\_\_ \_\_\_ \_\_\_ d. Area is located at least 50 feet from the property if ignitable (flammable) or reactive waste is stored?
- \_\_\_ \_\_\_ \_\_\_ e. Signage, visible from 25 feet, in *English, Spanish, and any other language predominant in the area reading:*

“Danger: Hazardous Waste Storage Area”  
“Unauthorized Personnel Keep Out”

\_\_\_ \_\_\_ \_\_\_

f. Means for emergency communications (e.g., telephone, two-way radio)

\_\_\_ \_\_\_ \_\_\_

g. Emergency eyewash station and deluge shower if appropriate (i.e., waste formalin handling, etc.)?

\_\_\_ \_\_\_ \_\_\_

h. Fire suppression equipment on hand?

\_\_\_ \_\_\_ \_\_\_

i. Spill clean-up materials on hand and appropriately sized for potential spills or leaks?

7. Containers are properly labeled with the following: **(use indelible ink only)**

\_\_\_ \_\_\_ \_\_\_

a. the words "Hazardous Waste"?

\_\_\_ \_\_\_ \_\_\_

b. name and address of generator?

\_\_\_ \_\_\_ \_\_\_

c. composition and physical properties of waste (e.g., solid, liquid, gaseous)?

\_\_\_ \_\_\_ \_\_\_

d. hazardous properties of the waste (e.g., flammable, corrosive, toxic, reactive)?

\_\_\_ \_\_\_ \_\_\_

e. Accumulations start date?

8. Containers are maintained in good condition:

\_\_\_ \_\_\_ \_\_\_

a. containers are compatible with wastes stored in them?

\_\_\_ \_\_\_ \_\_\_

b. containers are kept tightly closed during storage, except when adding waste?

\_\_\_ \_\_\_ \_\_\_

c. adequate aisle space is maintained (min. 24") to allow for inspection of containers?

\_\_\_ \_\_\_ \_\_\_

d. flammable containers are properly grounded?

\_\_\_ \_\_\_ \_\_\_

e. Berms or other effective means separates incompatible wastes?

\_\_\_ \_\_\_ \_\_\_

f. storage area is inspected weekly with proper documentation maintained?

## **APPENDIX D: CHW Philosophy Of Mistake Management**

Catholic Healthcare West strives to provide the highest quality of care to patients and is committed to developing and maintaining excellent relationships with the physicians, nurses, and others who render that care. The CHW Philosophy of Mistake Management challenges us to accomplish our goals by implementing management practices that are driven by the CHW core values of dignity, collaboration, stewardship, justice and excellence.

Inherent in the CHW management processes, including good faith claims management, effective loss prevention and care management is the recognition that sometimes, in spite of our best efforts, systems fail, individuals make mistakes and patients are harmed. Most often this injury will be the result of multiple factors; in some cases, doctors, nurses or other caregivers will be responsible; in others, the failure of our systems and processes may contribute to the mistake. Dedication to our core values requires that we work diligently to identify practices that may pose harm to our patients, and to implement systematic improvements that will ensure consistent, safe patient care. In the unfortunate event that a person under our care experiences harm, devotion to the CHW core values requires a full and honest disclosure to the patient or other appropriate parties. CHW is committed to full and timely disclosure in a manner that expresses our values and fair compensation to a patient or the family by the responsible parties, whether that is CHW, one of our partner health care providers, or both.

Quality improvement, fair and honest claims management and effective loss prevention can be achieved only through constant reflection on the meaning of the CHW core values and their impact on our daily actions.

### **DIGNITY**

Everyone we touch – patients, family members, physicians, other health care workers, and our own CHW team members – possesses an inborn dignity as a person worthy of respect. We respect each person when we realize that everyone is different, and that different cases may require us to seek creative, alternative resolutions of claims.

Respect for a person's dignity means that we are honest and direct in communicating to a person who may have been harmed while under our care. Together with the physician, we must promptly supply all information to a person that is rightfully his or hers, including his/her medical record, the circumstances which resulted in the harm, the extent of the damages and the right to fair compensation. Respect for the dignity of the person and good faith claims management compels us to advise an injured party about his/her right to obtain advice from legal counsel, and other information appropriate to the case. Respect for dignity means that, acting through our administrative and clinical leadership and as soon as the facts are fully known, we take responsibility for any mistake made and apologize for any harm that has resulted.

## **COLLABORATION**

Working together with physicians and other team members is at the heart of our service to patients. We are successful because of the work of an entire team. We strive to foster an atmosphere of trust, honesty, and transparency. We try not to blame one another. We work together to get to the bottom of problems and solve them. Our value of collaboration fosters the development of healthy relationships between system resources, such as the Risk Services, Legal, Ethics and Care Management Departments, and the facilities. Together we strive to deliver high quality health care in which the right resources are directed to the right persons at the right time. In the spirit of collaboration we will work with physicians to ensure respect for all individuals.

## **JUSTICE**

In the context of risk management, justice has a very particular application. First of all, it means that we treat everyone fairly and equitably regardless of rank or status. Whether a patient is well educated and assertive or is someone whose native language is not English or is someone who is simply not confident within the medical system, **all** are equally deserving of fair treatment. With physicians and other partners, justice requires that we take our fair share of the burden of a claim and expect the same of our partners. Moreover, despite the perceived or actual difference between the status of physicians and nurses, both will be treated equitably by CHW. CHW will seek justice in honoring the larger public systems and rules for reporting errors, whether to boards or to departments of the government charged with protecting the public.

## **STEWARDSHIP**

We hold precious assets of CHW – our human resources, our finances and the trust the public places in us. Sometimes protecting one may seem to jeopardize the others. In the management of mistakes, we believe no such conflict exists. From a risk management standpoint, it is axiomatic that patients are far more likely to seek legal representation if they believe that information has been concealed from them. Hence, timely disclosure of mistakes is cost effective. The trust the public gives to us, placing their health and often their lives in our hands, requires that we steward **ALL** of our resources with integrity. This means that we fairly compensate an injured party even when that involves the expenditure of CHW funds. At the same time, we are careful to share the burden of claims and suits fairly with those institutions and individuals that bear some responsibility for them. Faithfulness to the value of stewardship compels us to explore every avenue for a just settlement.

## **EXCELLENCE**

Always striving to do better requires a frank admission that we can always improve. With humility and determination, we seek constantly to improve the manner in which we provide care to avoid injury to patients, families or caregivers. In some instances, an individual is primarily responsible for a mistake. In many other cases, we know that errors occur because of the failure of systems to prevent them. As such, we seek to improve our care in an environment of learning rather than of punishment. Our dedication to improvement requires that we share claims information and other patient care data among all of our facilities and with other appropriate

partners so that we can study the causes of our failures and effectively structure systematic opportunities for improvement.

**January 2001**  
**Quality Committee**  
**CHW Board of Directors**

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## WORKING TOGETHER

For the last several years, CHW has undertaken a project aimed at bringing the way we handle our mistakes into congruence with the deeply held values at the core of CHW's identity. One of the basic insights underlying our philosophy of mistake management is that everyone at CHW works together with others constantly to improve care for patients in an environment of learning, not punishment. Because health care involves some degree of uncertainty and a great degree of stress, mistakes sometimes happen in spite of our best efforts to protect the safety of our patients. When mistakes do happen, they affect everyone they touch—patient and family above all, but also nurses, pharmacists, other therapists, and physicians. This document describes the values we hold with regard to what our employee colleagues can expect when any of us makes a mistake.

### DIGNITY

We understand that being responsible for or contributing to a mistake that harms a patient is among the worst experiences a health care professional can have. Our respect for those who work with us requires that we provide an environment of compassion where mistakes can be admitted honestly, so that systems to prevent future harms can be created or improved and so that the person who made or contributed to the mistake can be healed. When mistakes occur, they will be analyzed to find the system failure as well as how a practitioner's lack of knowledge or skill may have contributed. This investigation and analysis will occur in such a way as to protect the dignity of all persons involved in the mistake, avoiding blame or shame. When careful analysis reveals the need for training, such education will be provided to the worker respectfully. Since different people learn differently, every effort will be made to tailor education and training after a mistake to the person receiving it. If a need for repeated training is identified, special concern will be taken to evaluate the quality of the training and the means by which the training accommodates different learning styles.

### COLLABORATION

Because good medical care is successful due to the work of an entire team, when team breakdown occurs, mistakes sometimes happen. We believe that as part of our dedication to reduce errors caused by such breakdown, we are all responsible to work together to create effective teams by exercising discipline, respect, diligence and care in the way our individual and common tasks are carried out. We know that the individual work of each team member affects the others, and that our attitudes are essential to success. All team members are accountable for problem-solving that is marked by mutual respect and appropriate use of differing skills and expertise. We embrace opportunities to learn together from our mistakes to reduce the possibility that mistakes will happen again.

Collaboration is facilitated by good communication. Getting to the bottom of the reasons for a mistake requires honesty, openness and avoidance of blame. In order to contribute to a thorough investigation, we will utilize available legal protections, including peer review, to insure confidentiality of information whenever it is appropriate.

## STEWARDSHIP

Our human resources are a precious asset of CHW. We try to foster a healthy work environment where employee colleagues can do their best work, can contribute their voice to the way the work is done and can learn from mistakes that they or others make. Managers do their best to make time available for the growth and development of those who work with them and try to give honest and constructive feedback often enough to be helpful to workers. When performance of workers might be affected by workload volume, stress or other factors, honest communication between managers and workers is crucial to success.

## JUSTICE

In trying to fully understand a mistake or a system in which mistakes happen, all persons with relevant knowledge will be treated fairly. Systems to improve safety should not unfairly burden any one group, but responsibility for safety should be distributed equitably among all those—physicians, nurses and other caregivers—who participate in care.

CHW values an atmosphere of openness and collaboration. Often, the person who carries out an action later determined to be a mistake is simply the last person in a long causal chain of events leading up to the action that harms the patient. Therefore, thorough and deep processes designed to uncover the causes of a mistake advance not only solutions to real problems (instead of punishing the last person in a doomed sequence) but also serve justice in the way workers are treated.

In some cases, a thorough investigation will reveal a need for a process to be streamlined or a person to be educated in the observance of a particular policy, procedure or practice. If it becomes apparent that, in spite of efforts to retrain a person, that person continues to make mistakes, a discussion of alternatives will occur.

In justice, making a mistake will not be grounds for automatic dismissal. Lying about the event, attempting to undermine or failing to cooperate with an investigation or covering up the error, on the other hand, all stand in the way of a just resolution and will not be tolerated.

## EXCELLENCE

Every professional practice has the goal of excellence embedded within it. We are committed to helping workers realize excellence in practice by structuring timely opportunities for learning from system errors and improving systems to avoid mistakes. As we expect workers to come forward promptly to report errors and near mistakes in the spirit of improving quality, managers have a commensurate responsibility to take information yielded by such reports and use it to make our systems safer.



## APPENDIX E: Sustainable Design Policy

### CATHOLIC HEALTHCARE WEST

#### POLICY & PROCEDURE

FROM: Catholic Healthcare West Board of Directors

SUBJECT: **Sustainable Design, Construction, and Building Operation**

ADOPTED: September 16, 2003

EFFECTIVE: September 16, 2003

#### I. POLICY

Central to Catholic Healthcare West's mission is providing health care services that maximize patient and employee health and safety and minimize adverse environmental impacts. Recognizing the relationship between human health, environmental quality, and building related activities, CHW seeks to align building siting, design, and construction activities with our commitment to environmental protection and conservation. To further that commitment, CHW will consider the life-cycle impacts of our design and construction standards, selection of materials and equipment, and maintenance practices.

CHW will incorporate, where feasible, natural and renewable energy flows. Additionally, CHW will require its architects, engineers, and contractors to specify commercially available, cost-competitive materials, products, technologies, and processes, where appropriate, that have a positive impact, or limit any negative impact, on environmental quality and human health. Overall, CHW will strive to integrate sustainable design, operation, and maintenance practices in building, rebuilding, and/or retrofitting facilities to meet regulatory and/or community health needs.

#### I. PROCEDURE

CHW has incorporated sustainable design elements into the Project Delivery Model (PDM) in Section 16-Sustainable Design Guidelines. These guidelines provide a detailed approach to integrating, to the maximum extent practical, sustainable design elements into project planning, design, and construction activities. All major and minor capital construction projects are subject to compliance with the PDM Section 16 – Sustainable Design Guidelines.

Sustainable design is a process that recognizes the interdependence between human culture and natural ecosystems. It requires consideration for the creation of durable and safe objects of long-term value, and incorporates natural and renewable energy flows.

The key elements of sustainable design guidelines are: Site Planning, Water Efficiency, Energy & Atmosphere, Material and Resources, and Indoor Environmental Quality. Possible implementation measures in each of these categories will be formally reviewed with the

project team at each of the four CRE reviews scheduled into all major capital construction projects (over \$5M). Minor projects (less than \$5M) will utilize the PDM Section 16 checklists as an informal review of their success at implementing environmentally favorable project options.

The following are some of the benefits of sustainable design that CHW seeks to achieve by following this procedure:

- **Benefits to building occupants:** People who live and work in facilities designed and constructed with sustainable materials and methods have less illness, are more productive, and report higher satisfaction with their indoor environments.
- **Environmental benefits:** Habitat preservation, clean air and water, and resource conservation are some of the positive environmental results of sustainable design and development.
- **Financial benefits:** Decreased energy costs, increased valuation, improved durability, and increased tenant occupancy (where applicable) are all potential benefits to sustainable building owners and operators.

*Disclaimer: These principles establish an environmental ethic with criteria by which environmental performance can be assessed. In endorsing these principles, CHW pledges to go voluntarily beyond the requirements of the law. The terms may and might are not meant to encompass every imaginable consequence, no matter how remote. Rather, these principles obligate CHW to behave as prudent persons who are not governed by conflicting interests and who possess a strong commitment to environmental excellence and to human health and safety. These principles are not intended to create new legal obligations, expand existing rights or obligations, waive legal defenses, or otherwise affect the legal position of CHW.*



Catholic Healthcare West

CHW

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