WHAT IS GOOD FOR THE ENVIRONMENT IS GOOD FOR HEALTHCARE

HOW TO CONSIDER GREEN SUSTAINABILITY IN VALUE ASSESSMENTS AND PURCHASING DECISIONS

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ISPOR EUROPE 2018 (BARCELONA)

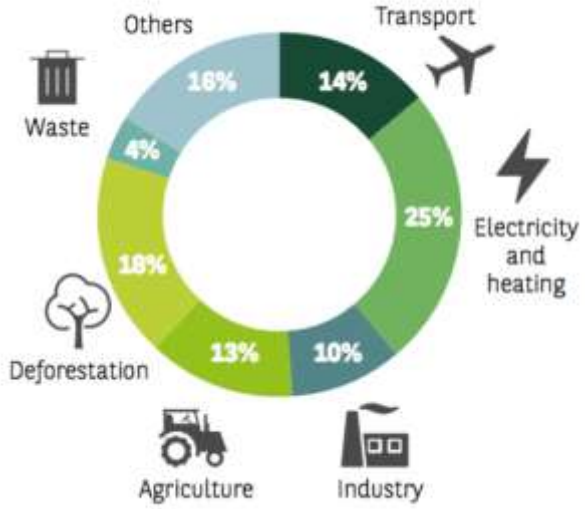
Workshop Panel

- Prof Mark Sculpher
  - Professor of Health Economics at York University and Director of the Program on Economic Evaluation and Health Technology Assessment. He is also Deputy Director of the Policy Research Unit in Economic Evaluation of Health and Care Interventions (EEPRU).
- Jerome Baddley
  - Head of the NHS Sustainability Development Unit. He was the CEO of the environmental consultancy NetPositive. Over 10 experience with sustainability work
- Mike Baldwin
  - Market Access Director at Boehringer Ingelheim
- Dr. Carolin Miltenburger
  - Independent consultant, after 25 years in the industry

CLIMATE CHANGE HAS A NEGATIVE IMPACT ON THE ENVIRONMENT AND ON HEALTH

Major drivers of global warming

Main drivers:
-energy sector
-agriculture
-transportation



1 = Malik A et al . The carbon footprint of Australian health care. Lancet Planet Health 2018,2: e27-35

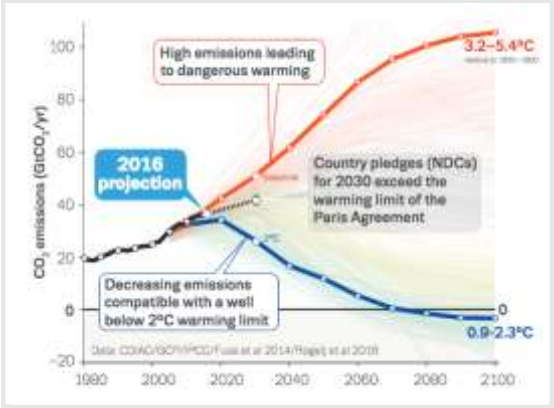
Countries and organizations commited to reduce CO_2 emissions

167 PARTIES SUBMITTED THEIR INTENDED LEVEL OF CO_2 REDUCTION TO THE UNFCC

- The EU intends to reduce their CO_2 emissions (tCO_2e) to ≥40% below 1990 levels by 2030 and by ≥ 80% by 2050

THE NAZCA GLOBAL PLATFORM (LAUNCHED IN 2014) TRACKS COMMITMENTS OF 12,500 ENTITIES

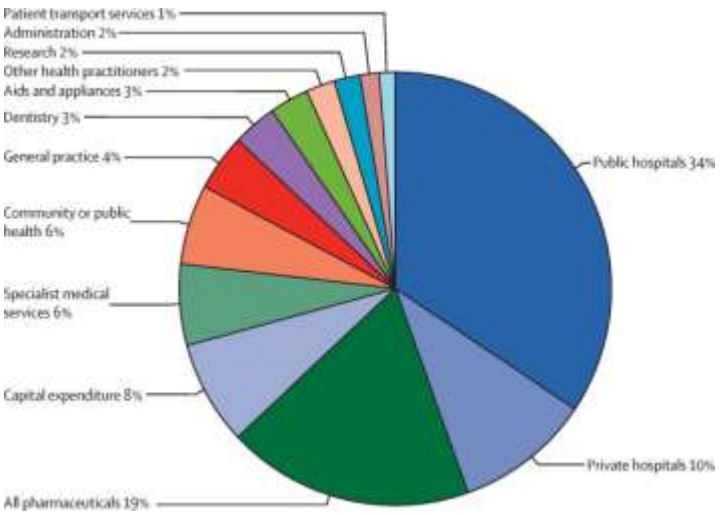
- Cities, Regions, Organizations, Companies and Entire Countries, among them 52 Life Science Companies[1]



1 = Merck KGA and Bayer from Germany

The healthcare sector contributes 5-10% to global CO_2 emissions

Main drivers:
-hospitals
-industry
-procurement



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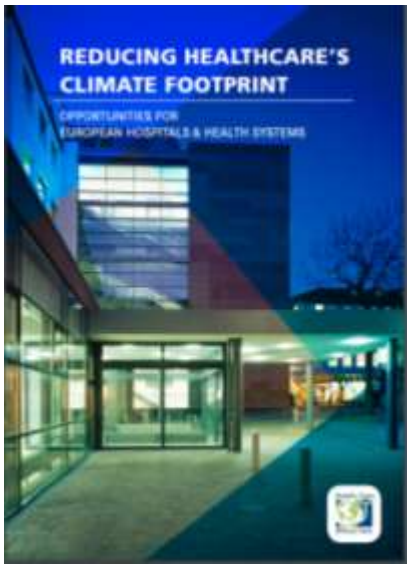

- CO2 Tax (e.g. Finland)
- National Action Plans
- Green Procurement
- Sustainability Strategies
- Organisations
  - CleanMed Europe
  - SDU NHS (UK)
  - Expertise Centre (NL)
  - CSPM (UK)
- Reporting
  - Health Check (NHS)
  - Carbon Disclosure Project
  - Dow Jones Sustainability Index
  - WBCSD
- CO2e Mapping
  - Skane Region (SE)

CSPM = Coalition for Sustainable Pharmaceuticals and Medical Devices; WBCSD = World Business Council for Sustainable Development
https://noharm-europe.org/sites/default/files/documents-files/4746/HCWHEurope_Climate_Report_Dec2016.pdf

… but *sustainability* is currently not considered in national / regional pricing and reimbursement processes for drugs or devices

And there are no established methods how to quantify the value of environmental impact or carbon footprint

Method

ENVIRONMENTAL IMPACT ASSESSMENT OF A HEALTH TECHNOLOGY: A SCOPING REVIEW

The ecological impact of products and services can be quantified through Life Cycle Assessment

… but there is no consensus how to quantify the societal value of a better carbon footprint or waste reduction

Why are we here ?

- Healthcare sector is part of the problem
  - Global contribution of 5-10% of the total green-house gas emissions (GHGE)
- There is a sense of urgency
  - Many countries failing to meet their carbon reduction commitments to the UN
- Providers, but not payers starting to consider carbon footprint
  - National healthcare payers do not recognize ecological benefits of health technologies when making funding and purchasing decisions
- The issues are
  - Low awareness with all stakeholders
  - No incentives for a better product carbon footprint
  - Should sustainability be included in societal perspective of economic analyses ?
  - How to quantify the value of a better carbon footprint (carbon intensity[1], SCC)?

1 = eg. Marsh K et al 2016, 2017

Thesis: Efforts to reduce CO2e by more eco-friendly technologies should be incentivized by decision making in healthcare

- Value Assessment should consider ecological impact
- Life cyle analyses on ecological impact should be done routinely
- Consensus on methodologies and use of PCF data needed

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Have you ever seen carbon footprint data of a healthcare product?

Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Should value assessment frameworks include the product carbon footprint?

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Poll: What may be the impact of a better carbon footprint on price and reimbursement ?

Questions to the Audience

What may be the impact of the addedd value on price and reimbursement, use ?

Short term the impact should be on "preferred product". Once a scenario with ecological data can be presented at societal level it should have an impact on price. (NL)

Should be included in the pricing submission highlighting that it is cost-neutral but an additional benefit. Reward should be through market share. Physicians are an important stakeholder. (FR)

Should be reflected in preferred choice, e.g. tiered scheme or fully reimbursed product (SE)

NICE currently only considers costs, outcomes and wider economic benefits (e.g. productivity). The question is which trade offs will be made. Climate vs health ? Which products to displace. Who should bear the costs of waste / eco burden? Consumers pay for plastic bags but here manufacturers should pay (UK)

Questions to the audience

- How much does the healthcare sector globally contribute to CO2e?
  - Don't know
  - 1%
  - 5 %
  - 10%
- **Have you seen data on the carbon footprint of a health technology, a drug or device**
  - **No**
  - **Yes**
  - **Not sure**

Questions to the audience

- Should sustainability, i.e. carbon footprint be systematically included in value assessment frameworks for pricing and reimbursement?
  - Yes
  - No
- What may be the impact of a better carbon footprint on price and reimbursement ?
  - None
  - Should be reflected in the price
  - Should be reflected in preferred choice, e.g. tiered scheme or fully reimbursed product