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Embracing Environmental Sustainability in Healthcare

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Examining the growing importance of sustainability in the pharmaceutical sector, providing insights into how sustainability is being integrated into healthcare decision-making.

Traditionally, healthcare decisionmaking has revolved around three key dimensions: efficacy, safety, and cost-effectiveness. While costeffectiveness was once seen as a barrier to reimbursement, it has now become an integral part of the evaluation process. As the environmental impact of healthcare practices becomes increasingly apparent, it is time to recognize Environmental Sustainability (ES) as the fourth dimension of healthcare decisionmaking. ES should not be viewed as an obstacle but as a crucial factor in evaluating the holistic value of healthcare interventions.

Healthcare companies must integrate ES principles across all operations to align with global commitments, regulatory requirements, and evolving stakeholder expectations. Companies that embrace ES as a strategic priority will not only mitigate environmental impacts, but also enhance their reputation, attract investors, and gain a competitive edge.

Redefining Healthcare's Role in ES

Healthcare holds a profound paradox: the noble pursuit of healing often comes at an unseen environmental cost. The industry strives to save lives and improve well-being, yet some actions contribute significantly to environmental degradation. Globally, the healthcare sector was responsible for around 4.6% of total greenhouse gas emissions in 2020. The pharma industry alone generates approximately 52 megatons of CO2 emissions annually.[1,2]

This tension challenges the healthcare ethos and demands a re-evaluation of practices. While transformation of the regulatory landscape is a catalyst for change, global frameworks like the Paris Agreement, the Sustainable Development Goals (SDGs), and the Greenhouse Gas Protocol provide the structure and urgency needed to tackle healthcare's environmental impact. The Corporate

Sustainability Due Diligence Directive (CSDDD) is a game-changer, particularly for the pharmaceutical sector. It aims to promote corporate sustainability and responsible business practices by mandating comprehensive due diligence on environmental and human rights risks throughout supply chains for:

- Large EU companies with over 1,000 employees and €450 million+ worldwide turnover
- Non-EU companies with €450 million+ turnover generated in the EU
- Companies receiving over €22.5 million in royalties from EU franchising/licensing agreements

Beyond regulatory compliance, embracing ES principles is both an ethical and financial imperative. Sustainable practices can lead to better patient outcomes and long-term value creation, as evidenced by the 20% of cancers attributable to environmental risks in 2012.[3] Investors demand greater clarity on the direct links between ES and financial performance in healthcare, increasingly prioritize ES factors, and are willing to pay a premium for companies with strong ES performance. Companies with strong ES frameworks demonstrate that they are more resilient, adaptable, and better positioned for sustained growth by mitigating risks and gaining a competitive advantage.

ES criteria are reshaping how value is perceived in healthcare; companies are adopting a “cradle-to-grave” approach, considering environmental impacts from product development through disposal. Sustainability is becoming a core competency, pushing companies to innovate in areas like eco-friendly packaging and logistics, setting a precedent for embedding environmental consciousness throughout the product life cycle.

Decision-makers can no longer afford to overlook a company’s environmental and sustainability performance when evaluating potential partners, and medicines and technologies with lower environmental impacts may be preferred over alternatives with similar clinical outcomes.

The path forward is clear: sustainability is the new standard in healthcare. By embracing environmental stewardship, the industry is setting a positive example for others to follow, forging a path towards a more resilient and responsible future. Pharmaceutical companies can harness this wave by embracing lifecycle thinking, enhancing ES communication, and engaging collaboratively with policymakers.

Embracing ES in Europe

Across Europe, various countries are embracing sustainability considerations in their healthcare supply services. The EU Joint Clinical Assessment (JCA) now acknowledges that environmental factors should be considered in its core assessment process, as

outlined in the EUnetHTA (European Network for Health Technology Assessment) JCA guidelines, signifying a comprehensive approach to evaluating medical technologies within the EU.

UK

The UK has set ambitious net-zero targets for NHS emissions, influencing the National Institute for Health and Care Excellence (NICE) to assess how to include ES into health technology assessments (HTAs), as well as conducting an options appraisal to understand the feasibility, benefits, and risks associated with different ways that it might request and use product-level ES data. NICE has also been developing decision aids for low-carbon treatment options and efforts to reduce the use of single-use medical devices.[1]

Canada

Canada is prioritizing ES in healthcare at both federal and provincial levels. The Canadian Agency for Drugs and Technologies in Health (CADTH) have included environmental impact assessments in its Strategic Plan. Healthcare providers and professional associations, such as the Canadian Coalition for Green Health Care and the Canadian Association of Physicians for the Environment (CAPE), are actively engaged in promoting eco-friendly practices and developing resources for healthcare professionals to address climate change.[4]

France

The French government has set ambitious targets for a carbonneutral healthcare sector by 2050, outlined in The French National Authority for Health roadmap for an ecological healthcare system. France is also integrating environmental considerations into HTAs and pricing decisions, as evidenced by the recent PLFSS2024 law. French healthcare providers are actively engaged in sustainability initiatives, with hospitals leading efforts to reduce carbon emissions and adopt responsible consumption practices.[5]

Italy

The Italian Medicines Agency (AIFA) held a meeting to discuss the ES of pharmaceutical products; however, it has not yet implemented any changes in its assessments.[6]

Spain and the Nordic countries are also exploring ways to incorporate ES, with legislation integrating environmental factors into procurement and policy, and targeted strategies for eco-friendly prescribing.

What ties these varied approaches together? Innovation, collaboration, and leadership. Each region's unique strategy contributes to a collective European narrative of environmental responsibility in healthcare.

Incorporating ES into HTAs

To effectively evaluate the true value of healthcare interventions, their environmental impact must be considered alongside their clinical and economic benefits.

First, it is critical to quantify the carbon externality, which is the hidden cost of carbon emissions that are not directly borne by the emitter but are passed on to society and the environment. This step involves assigning a definitive monetary value to carbon emissions, thereby seamlessly integrating these environmental costs into economic evaluations. This makes the impact of carbon emissions an explicit and quantifiable factor.

Next, an understanding of the systemic footprint of healthcare interventions is needed. The methodology must be progressive, grounded in data, and incorporate long-term, science-based targets (SBTs), as recommended by the SBT initiative. This approach extends beyond direct emissions; it requires a comprehensive evaluation of the full life cycle of these interventions, spanning from production to disposal.

Life Cycle Assessments (LCAs) are becoming essential tools to gauge the environmental impact of health technologies from inception to disposal. This information empowers HTA bodies and policymakers to incorporate environmental impact assessments by:

- Sharing data and making existing environmental data accessible to stakeholders.
- Developing methods to incorporate environmental factors into health economic models.
- Analyzing environmental and health economic data together for comprehensive decision-making.
- Tailoring assessments for technologies claiming environmental benefits.

By adopting this comprehensive framework, HTAs can evolve to consider the environmental impact of healthcare interventions alongside their clinical and economic effects, ensuring that healthcare decisions are not only effective but also environmentally responsible.

Challenges in integrating ES into HTAs

Integrating ES into HTAs is not without its hurdles. Robust environmental data is essential for informed decisionmaking, yet its availability and quality can be inconsistent. A lack of granular data on the environmental impact of specific healthcare technologies hinders precise assessments and the accuracy of LCAs can vary depending on the methodology and assumptions used, leading to uncertainties in quantifying environmental impact.

Another challenge lies in bridging the gap between environmental impact and tangible health outcomes. The relationship between environmental factors and health is often indirect and multifaceted, making it difficult to quantify the health benefits of sustainable interventions.

Furthermore, integrating ES into HTAs raises ethical considerations about balancing individual patient needs with broader ES goals. Decisions about resource allocation and treatment options may need to consider both individual health outcomes and the environmental impact of those choices.

These ethical dilemmas necessitate ongoing societal dialogue about the values that should guide healthcare decisions in an era of increasing environmental awareness.

By investing in data collection and analyses, developing robust methodologies, and fostering open dialogue about ethical considerations, the industry can pave the way for a more sustainable and equitable healthcare system.

Balancing planetary and patient health: A paradigm shift in healthcare decisionmaking

The potential for transformation is immense. By refining methodologies and fostering collaboration, these challenges can be overcome. The pharmaceutical industry, healthcare decision-makers, and payers have a unique opportunity to lead this change and contribute to a healthier planet by embracing ES as the fourth dimension of healthcare decision-making.

The future of healthcare envisions a balance where planetary health and patient care are equally prioritized, representing a paradigm shift, where sustainable practices become the norm, not the exception.

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