

# **KEY POINT SUMMARY**

#### **OBJECTIVES**

To develop a tool that could aid managers and facility design and operation professionals in comparing the costs of running their facilities with the costs of others, and to compare a sample of LEED-certified hospitals with their non-LEED counterparts to assess differences in operation and maintenance costs.

# **DESIGN IMPLICATIONS**

promote more
environmentally friendly
design and managerial
decisions, but as always, the
costs of renovation,
operation, and maintenance
should be carefully
considered prior to any shift
in an institution's physical or
managerial makeup.

# Performance evaluation of 32 LEED hospitals on operation costs

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# **Key Concepts/Context**

As healthcare needs increase, providers strive to reduce operational costs while simultaneously increasing healthcare facility construction and renovation efforts. At the same time, certification programs such as Leadership in Energy and Environmental Design (LEED) are examples of the emerging concerns regarding the environmental impact of healthcare facilities. The authors note that the number of studies documenting the benefits of more "green" facilities is limited; however, they hypothesize that upon comparing LEED-certified hospitals with uncertified ones, the LEED facilities will prove to have lower-than-average maintenance costs.

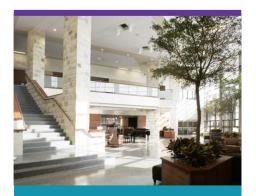
# **Methods**

The authors created an online tool to help compare operation and maintenance costs of different healthcare facilities. The comparison group included hospitals of comparable location, size, and ownership. Overall, seven types of hospitals were included in the comparisons: short-term acute care hospitals, children's hospitals, critical access hospitals, long-term care hospitals, psychiatric hospitals, rehabilitation hospitals, and other. Then the tool was used to compare the costs from a sample of LEED healthcare facilities with uncertified facilities of comparable ownership, type, and location. All data were retrieved from publically available resources: the USGBC LEED project directory, and the Healthcare Cost Report Information System (HCRIS) by the CMS.

# **Findings**

The authors identified 32 LEED hospitals from the HCRIS data files, the majority of which were short-term acute care (75%) and nonprofit (72%) institutions, and half had Gold-level certification. Some 116 comparisons were possible for these 32 facilities, and the authors found that LEED facilities only had lower median costs than their non-LEED counterparts on 39 occasions (33% of the time). No meaningful





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correlation was found between LEED credits achieved and hospital performance. Overall, the authors found no evidence that achieving LEED credits results in lowered operation and maintenance costs.

### Limitations

All data were sourced from online databases, which only count for a certain number of institutions. Half of the LEED-certified buildings included in this study were Goldrated, begging the question of whether results would have been different had more Platinum-level institutions been included. The authors note that higher levels of performance were not correlated with LEED certification, but this is largely fiscal analysis that does not take into account other potentially important dimensions underlying LEED certification, such as environmental impact or staff and patient perspectives on green amenities and efforts.

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