

# EPA Audit Policy Initiative:

## The Healthcare Sector



Jehuda Menczel,  
U.S. EPA Region 2



# Overview

- EPA's Audit Policy (including discussion of audit agreements)
- Audit Initiatives
- EPA Region 2's Healthcare Sector Initiative



# Integrated Strategy

- Provide environmental assistance to healthcare facilities.
- Encourage healthcare facilities to perform voluntary compliance audits and enter into corporate audit agreements.

<http://www.epa.gov/region02/capp/cip>

- Conduct inspections and take enforcement, if necessary.





# Elements of an Environmental Initiative

- Identifying Sectors for Regulatory Attention
- Cooperation with State Agencies
- Compliance Assistance
  - Mailings
  - Workshops
  - Internet information
- Compliance Incentives
  - Self-audit/Self-disclosure policies
  - Reduced inspections
  - Favorable publicity
- Targeting
- Enforcement



# Current & Past Regional and HQ Self-Audit Initiatives

- University/College - R1, R2, R9
- Chemical Industry - R1
- Healthcare – R2
- POTW/MOM - R4
- Wetlands - R4
- Minimills - R5
- EPCRA 313 cap - R5
- Continuous Release - R7
- Rock Crushers - R7
- TSCA (VADEN) - HQ
- Pork Producers - HQ
- Telecom - HQ
- TSCA 8a - HQ
- Industrial Org Chem - HQ (& Regs)
- Airlines - HQ



# Environmental Assistance

- Held twelve regulatory and pollution prevention workshops.
- Establish focus groups in NY, NJ, & Caribbean
- Develop compliance assistance tools  
<http://www.epa.gov/region02/healthcare>





# EPA Region 2 Audit Initiatives

- Colleges and Universities
- Healthcare



# Basis for Healthcare Initiative

- A high rate of noncompliance has been identified at healthcare facilities.
- Significant environmental releases have been identified at healthcare facilities.
- Healthcare facilities have received relatively little attention from environmental regulatory agencies, when compared to similar institutions.
- "Level playing field" for healthcare facilities.





# Basis for Healthcare Initiative

- Source of toxic chemicals such as phthalates, and persistent, bioaccumulative toxics (e.g., mercury and dioxin);
- Generators of a wide variety of hazardous wastes;
- Produce two million tons of solid waste;
- Contribute to air pollution (e.g., smog, air toxics, depletion of ozone layer); and
- Not complying with environmental requirements.



# Goals

- Hospitals will comply with environmental requirements.
- Hospitals will develop Environmental Management Systems – <http://www.epa.gov/region02/ems>
- Mercury-containing waste will be eliminated from the hospital waste stream by 2005.
- The volume of all hospital waste generated will be cut in half by 2010.



# Audit Policy

- EPA issued a Voluntary Audit Policy in 1995 to encourage regulated entities to voluntarily discover, disclose, correct, and prevent violations of federal environmental requirements.
- EPA Region 2's Audit Website  
<http://www.epa.gov/region02/capp/cip>





# Purpose of the Audit Policy

- To enhance protection of human health and the environment by encouraging regulated entities to voluntarily discover, disclose, correct and prevent violations of federal environmental requirements.
- As incentive, EPA will forgo all gravity-based (non-economic benefit) penalties when the regulated entity satisfies all policy conditions.



# Conditions

- The violation was identified voluntarily.



# Conditions

- The violation was discovered through:
  - an environmental audit; or
  - an environmental management system.

<http://www.epa.gov/region02/ems>

(75% reduction possible otherwise)





# Conditions

- Promptly disclose violations in writing to EPA (within 21 days of discovery)

In Region 2, send to:

Regional Administrator, EPA Region 2  
c/o Compliance Assistance Section  
290 Broadway  
New York, New York 10007-1866



# Conditions

- Must promptly correct violations (usually within 60 days).

Correcting the violation includes remediating any environmental harm associated with the violation, as well as implementing steps to prevent a recurrence of the violation.



# The Policy Excludes:

- Violations that result in serious actual harm or present an imminent hazard to public health, safety, or the environment
- Repeat violations (within three years)





# The Policy Excludes:

- Violations identified through any legally mandated monitoring or sampling requirement prescribed by statute, regulation, permit, judicial/administrative order or consent agreement.



# The Policy Excludes:

- Violations that are part of a pattern of similar violations across a multi-facility organization within the past five years.
- Criminal violations of individuals (entities generally exempt).



# Audit Agreements

- Audit agreements allow EPA and the 'company' to reach mutually acceptable terms regarding schedules for conducting the audit, and disclosing and correcting any violations discovered.





# Steps to Negotiate an Audit Agreement

- Contact EPA for current model agreement.
- Submit commitment letter.
- EPA responds with a “low inspection priority” letter.
- Submit draft agreement.
- EPA discusses comments, if any, with facility.
- Draft agreement developed for final review.
- Final agreement signed.



# Advantages of Audit Agreements

- "Low inspection priority" designation
- More time to disclose and correct violations
- Other flexibility can be built into agreement to meet needs
- Single point of contact for all environmental regulatory issues
- Partnering with EPA can result in good publicity



# Region 2 Audit Agreements

- St. Francis Hospital (the first Healthcare facility to sign)
- New Island Hospital
- Northern Westchester Hospital
- Wyckoff Heights Medical Center
- Bronx-Lebanon Health Center
- Musculoskeletal Transplant Hospital
- Mount Sinai Hospital & School of Medicine





# Region 2 Audit Agreements

- Rockefeller University Hospital
- St. Joseph's Hospital
- NY Presbyterian Hospital
- Winthrop University Hospital
- Mount Sinai Hospital
- Staten Island University Hospital
- St. Barnabas Hospital, NY
- Montefiore Medical Center



# Region 2 Audit Agreements

- Maimonides Hospital
- Normet
- St. Barnabas Health Care System, NJ
- St. Clare's Hospital
- Samaritan Hospital



# Region 2 Audit Agreements

- Alice Hyde Medical Center
- Columbia Medical Center
- Riverside Health Care System
- NYU and NYU Hospital Center
- UHS de Puerto Rico
- Meridian Hospital Corporation





# Healthcare Facilities

- 24 Audit Agreements with healthcare facilities have already been signed.
- 17 healthcare facilities with Audit Agreements have submitted the results of their audits.
- In addition, 12 healthcare facilities have voluntarily disclosed violations under the Audit Policy.



# Why Bother Self-Reporting? – A Cost/Benefit Analysis

- Increased attention from Government if self-report
- Potential for economic benefit penalties
- We know you are there. More likely to get attention if don't report.
- Penalty much lower than would be assessed through enforcement. Limits circumstances under which EPA will prosecute criminally.



# Why Bother Self-Reporting? – A Cost/Benefit Analysis

- Audit costs money
- Cost of conducting audit is much less than cost of paying penalties.
- May lose federal grants, contracts, and other funds if enforcement occurs.
- Bad publicity affects fundraising.





# Why Bother Self-Reporting? – A Cost/Benefit Analysis

- Must fix violations on a monitored schedule
- Must request and receive approval for extensions
- Must implement measures to prevent recurrence
- Periodic auditing can identify and correct problems before they become serious
- Auditing can identify wasted resources
- Get a good night's sleep knowing that things are working as desired



# Enforcement

- Unannounced inspections have been conducted at nine healthcare facilities in the Region, seven of which were found to be substantially out of compliance.
- Unannounced inspections will continue at hospitals (both single and multi-media).
- Appropriate enforcement will be taken – from notice of violation to criminal prosecution.
- Implementation of a supplemental environmental project may reduce penalties.

<http://www.epa.gov/region02/p2/sep.htm>



# How to Disclose

- Submit disclosure under the Audit Policy, in writing within 21 days of discovery.

or

- Submit disclosures pursuant to deadlines in a negotiated auditing agreement.





# Common Violations – Hazardous Waste

- Improper or lack of HW labeling.
- No or improper weekly inspections of HW storage/satellite areas.
- Open containers of HW.
- Improper disposal of chemotherapy drugs.
- Failure to perform or improper HW determinations.
- No or inadequate HW manifests.



# Common Violations – Hazardous Waste

- Improper management of mercury-containing wastes, expired pharmaceuticals, paints, etc.
- Lack of a contingency plan.
- Lack of or inadequate training of employees in HW management.
- Improper consolidation of wastes from nearby facilities.
- Failure to upgrade/close USTs by 12/22/98.
- Malfunctioning leak detection systems.



# Common Violations – Air

- Failure to use properly trained and accredited asbestos personnel.
- Failure to notify EPA of asbestos removal projects and to keep required documentation/records.
- Failure to properly dispose of asbestos debris.





# Common Violations – Air

- Failure to close parts washer lids when not in use.
- Failure to include spray paint booths and parts degreasers in air permit.
- Failure to maintain required records on refrigerant/air conditioning equipment.



# Common Violations - Water

- No permit for wastewater discharges.
- No or inadequate secondary containment for storage tanks.
- Improper disposal down floor drains.
- No Spill Prevention, Control and Countermeasure Plan.



# Common Violations – Lead Paint

- Failure to notify residents of lead paint in building or lack of knowledge of any lead hazard.
- Failure to provide EPA's pamphlet, "Protect Your Family from Lead in Your Home."





# Steps to Achieving and Maintaining Compliance

- Ensure commitment from top management
- Commit sufficient resources
- Implement an Environmental Management System (EMS)



# Steps to Achieving and Maintaining Compliance

- Conduct periodic environmental compliance audits
- Join Hospitals for a Healthy Environment  
<http://www.h2e-online.org>



# EPA Region 2 Contacts

- Diane Buxbaum  
EPA Region 2 Compliance Assistance Coordinator for  
Healthcare Facilities  
(212) 637-3919 or [buxbaum.diane@epa.gov](mailto:buxbaum.diane@epa.gov)
- Diane Fiorito  
EPA Region 2 Audit Policy Coordinator  
(212) 637-4047 or [fiorito.diane@epa.gov](mailto:fiorito.diane@epa.gov)
- Lorraine Graves  
EPA Region 2 Solid Waste Program  
(212) 637-4099 or [graves.lorraine@epa.gov](mailto:graves.lorraine@epa.gov)





# For More Information

- Visit our websites:

<http://www.epa.gov/compliance/incentives/auditing/auditagree.html>

<http://www.epa.gov/region02/capp/cip/>

- Contact:

Diane Fiorito

212-637-4047, [fiorito.diane@epa.gov](mailto:fiorito.diane@epa.gov)



# What's next?

- Continue to focus on healthcare facilities
- Continue to look at colleges and universities