## Energy and Health—Progress Update

The editorial in the November–December 1979 issue of *Public Health Reports* alerted readers to the vital connection between energy and health. The general tone of the editorial was not optimistic.

More than a year has passed since then, and several developments give us cause for guarded optimism. The most important development is simply that the message has been heard. In the space of 2 years, we have gone beyond theories of an energy producers' conspiracy to acceptance of the fact that this planet and this nation have a limited amount of fossil fuels and that we are running out. We are, at last, conserving at many levels. In the first 7 months of 1980, national fuel imports fell 22 percent below those of 1979. Unfortunately, this conservation effort does not translate into dollars saved, particularly in health care. The energy bill for U.S. hospitals exceeded $2.5 billion in 1980 and is expected to reach $3 billion in 1981. To put those figures in perspective, energy costs in the average hospital are approaching the sum paid for all pharmaceutical supplies and medication used for patients.

These economic facts have contributed to the health industry's acceptance of the energy message. This message has not only been heard, it has been translated into coalitions between the industry's private and public sectors. I am particularly proud of the formation of the National Alliance for Energy Contingency Planning for Health Resources. The concept of an Alliance was originally proposed by Burt Kline in a 1975 article in *Public Health Reports,* "Will Shortages of Raw Materials and Rising Prices Hurt our Chances for Better Health Care?" It was acted upon in September 1979 at a conference sponsored by the Bureau of Health Facilities (BHF). By November 1979, the Alliance had elected officers and had firmed its standing as a non-Federal organization of voluntary members affiliated with health, government, and energy organizations. I was honored to serve as its first chairman and pleased that the Bureau of Health Facilities could offer support for the Alliance's goals.

In July 1980, the Alliance was incorporated and, in November, elected a 36-member board of directors. The Bureau's involvement with the Alliance continues through the representation of Mr. Kline, director of its Division of Energy Policy and Programs.

The concept of the Alliance continues to be one of a public-private sector effort to address energy supply and cost issues in health care on a voluntary, mutually supportive basis. Through its members and through continuing Bureau activities, I can see that the health sector is fast becoming mobilized to engage energy cost and supply issues as well as the health service deficiencies that will accompany rapid population growth in energy development areas.

Solar Demonstration Projects, funded by the Department of Energy and administered by BHF, awarded the last shared cost contracts at the end of 1980 to four additional facilities. So far, 15 facilities are participating in these projects, investing more than $1 million of their own funds in demonstrations costing almost $3.5 million. Each site is monitored for cost and energy effectiveness. Since many projects came on line only within the past 6 months, we do not have hard data yet. However, managers of all the facilities say that the performance of the solar projects is exceeding expectations.

The American Hospital Association, through its National Cooperative Efforts, is planning direct support to hospitals in energy conservation, accounting, and planning. These actions, combined with others, will do much to control the ever escalating costs of energy for U.S. hospitals.

The American Public Health Association has announced that "Energy, Health, and the Environment" will be the theme of the 1981 annual meeting. That meeting, scheduled for November 1–5, 1981, in Los Angeles, promises to add additional insight into the implications of energy costs and availability for community health care delivery.

The Blue Cross/Blue Shield Association and its national groups are also concerned with the economics of energy and health. The 83 million subscribers to the Plans paid roughly $150 million in extra health care costs in 1979 that are attributed solely to increased energy costs. In fact, the Plans have found that every 1 percent increase in fuel and utility costs in 1980 cost their subscribers $7.5 million nationwide in increased health care premiums. Many Blue Cross/Blue Shield Plans have supported energy conservation in facilities and have explored and implemented special financial arrangements for energy management.

Individual hospital staffs are actively planning for the serious possibility of unanticipated interruptions of fuel supply. An officer of a mid-west facility, for example, reported at a recent Bureau-Alliance conference that its 5-year energy management program has already reduced energy use by 8 percent and, by mid-81, will reduce consumption by an additional 18 percent.

I cannot begin to list all the positive developments of the past year, developments in both private and public sectors. A few are detailed in the Energy and Health Facilities papers in this issue. The energy problem has not been solved, but it has been recognized. In recognizing it, we are developing tools that all of us will use in our continuing cooperative effort to keep our hospitals viable and our health care system functioning.

Florence B. Fiori, DrPH
Director
Bureau of Health Facilities
Health Resources Administration