Established in January of 2023, Independence Health System (IHS) comprises Butler Memorial, Clarion, Frick, Latrobe and Westmoreland Hospitals.

With a total bed complement of 925, the System has more than 1,000 physicians and advanced practice providers and 7,100 employees. IHS is now the third largest healthcare system in western Pennsylvania, serving a population base of 750,000 in a footprint spanning more than 10 counties and is the largest employer in both Butler and Westmoreland counties.

Locally owned and controlled, IHS offers patients low-cost, high-quality care across a broad spectrum of nationally recognized quality care in cardiology, orthopedics, palliative care, and maternity as well as surgical, medical, emergency, and behavioral health services, and an extensive network of primary care physicians. Its network of outpatient centers sees more than 1.2 million visits annually. IHS Home Care further supports patients at all stages of life with home health and hospice services.

IHS continues to change the landscape of healthcare in western Pennsylvania by meeting patient needs through superb physician expertise, outstanding nursing and support staff, the latest in technology and programmatic depth.

Scott Koscho, DPT, MBA
Vice President, Support Services
Independence Health System

Scott Koscho has been with Independence Health System (formerly Excela Health and Butler Health System) for more than 16 years and is responsible at the senior level for several departments spanning a wide array of hospital functions, including: Real Estate, Facilities, Food & Nutrition Services, Security & Emergency Management, Rehab Services, Supply Chain and Environmental Services.

Financial Impact

Electric

System Annual Spend: $5,700,000

Hospitals

Campus	2024 Rate $/MWH	2025 Rate $/MWH	Contract Change $/MWH	% Increase	Annual Usage	Increased Cost
WH, LH, FH	$44.95	$70.13	$25.18	55%	45,000 MWH	$1,100,000
BMH	$63.41	$68.62	$5.21	8.2%	20,000 MWH	$104,000
CH	$66.00	$68.62	$2.62	4.2%	3000 MWH	$8,000

Total Increase: $1,212,000

Gas

System Annual Spend: $2,200,000

Hospitals

Campus	2024 Rate $/dth	2025 Rate $/dth	Contract Change	% Increase	Annual Usage	Increased Cost
WH, LH, FH	$2.40	$2.85	$0.45	18.75%	170,000 dth	$77,000
BMH	$2.70	$2.70	-	-	60,000 dth	-
CH	$1.75	$2.75	$1.00	57%	18,000 dth	$18,000

Total Increase: $95,000

Facility Capital Improvement Projects

- Westmoreland
  - Cooling Towers $1.3 million
  - OR HVAC System Replacement $3.7 million
  - Cath Lab AHU#2 Fan Wall & Control Upgrade $1.8 million
  - HVAC Controls (Building Automation System) $89K
- Butler
  - Main Chiller #4 $600K
  - Main Chiller #2 $350K
  - Elevator Upgrades $475K
  - Boiler control upgrades $146K
  - Emergency generator upgrade $200K
- Latrobe
  - Cooling Towers $2 million
  - OR HVAC Upgrades $385K
  - Kitchen HVAC Project $460K
- Frick
  - Cooling Tower $1.3 million
  - OR chiller $500K
- Clarion
  - Imaging HVAC Upgrades $260K
  - ED HVAC Upgrades $450K

Design Elements to Offset Cost Increases

- Building Automation System (HVAC Control System)
  - Traditional pneumatic replaced with digital controls
    - Permits remote monitoring and control of HVAC system components
  - Night setbacks are utilized to reduce energy consumption in unoccupied areas of the building.

- LED Lighting Upgrades
  - LED lights utilize 60-90% less energy than traditional lighting
  - Traditional lights are upgraded to LED as renovations occur

- Occupancy Sensors
  - Occupancy sensors detect activity within an area and save energy by turning lights off or reducing light output when an area is unoccupied

Energy Savings Initiatives

- Non-essential Equipment Policies
  - Polices around the appropriate use of non-essential equipment can assist in reducing unnecessary energy usage (e.g. space heaters cost $35 per month to operate for a 40-hour work week, there are 100+ space heaters in use)

- Watts Off Wednesdays
  - Each Wednesday hospital staff are encouraged to reduce their energy consumption
    - Turning off non-essential lighting and equipment
    - Charging personal devices at home vs onsite
    - Bringing a lunch that does not require a microwave
    - Utilize virtual meeting options or telecommute if possible

- Demand Response
  - Demand response (demand management) programs are offered by many utilities for energy consumers to enroll in and receive money back for reducing their energy demand, at the utility's request, during peak periods of demand and under-supply. Common examples of reduction include turning up the temperature on a thermostat to reduce the air conditioning load, turning off certain lights, or shifting the time of use of some energy-consuming devices out of the peak demand period. The load avoided for a single facility may be small, but when many customers participate, it creates a meaningful energy demand reduction for the utility.

- Enhanced Preventative Maintenance & Inspections
  - Identifying and correcting things such as steam or water leaks can prevent unnecessary energy usage