



Governments' untapped opportunity to achieve climate and health equity goals

Effective method empowers every agency role



Climate and health are two of the biggest challenges. Now what?

Health experts agree climate change is one of the greatest public health threats of this century.^{1,2} Climate change has increased the frequency, severity, and duration of heat waves, worsened air pollution and droughts, and increased the intensity and frequency of other extreme weather events, such as storms and wildfires.³ These environmental changes have serious, expansive health implications: These include increases in heat-related illness, hospitalization, and death; chronic disease and pregnancy complications; food, water, and vector-borne illnesses; physical injuries; and mental health conditions. Large-scale social and economic impacts of climate change also have downstream health consequences, including displacement, food and housing insecurity, employment and economic instability, water shortages, supply chain disruptions, infrastructure damages, and strains on essential services and utilities.⁴

These health impacts disproportionately harm already vulnerable populations, including children, pregnant women, older populations, and historically underserved and overburdened communities, which are often communities of color.⁵ For communities of color in particular, vulnerability to climate change is linked to historical exclusion from economic and social systems that help mitigate the health impacts of these environmental changes.⁶

Climate change is transforming our environment and compromising work to build strong, healthy, and equitable communities.⁷ Many public agencies have decided to play a role in mitigating climate change and its health impacts. Recent federal legislative action, including the Inflation Reduction Act, appropriates unprecedented funding for the

Why modern government is important

Government agencies in the U.S. must modernize in order to keep up with changing user needs, regulations, and health and public safety requirements. Leaders of modern governments rethink business processes and service delivery models to more effectively achieve their mission. This article is one of a series that features how modernizing affects the government workforce and the user experience, improves security and public trust, and accelerates the digital journey. KPMG team members offer insights intended to help guide governments in their modernization efforts to encompass all processes, technologies, policies, and the workforce so each works together to create connected, powered, and trusted organizations.

public sector to mobilize into action.⁸ **With this, federal, state, and local government agencies have new opportunities to support their goals** to develop robust and integrated responses to the climate crisis that target the intersection of climate change, population health, and equity head on.

Federal, state, and local agencies across diverse sectors, including the health and human service sector, can **use this article to think holistically about their goals for combatting climate change and resulting health impacts. This article describes an approach to center equity in efforts to address this challenge.**

¹ World Health Organization, "Climate change and health," October 30, 2021.

² The Lancet Planetary Health, "Views of health professionals on climate change and health: a multinational survey study," April 7, 2021.

³ National Academies of Sciences, Engineering, and Medicine, "Attribution of Extreme Weather Events in the Context of Climate Change," 2016.

⁴ Intergovernmental Panel on Climate Change, "Climate Change 2022: Impacts, Adaptation and Vulnerability," 2022.

⁵ Intergovernmental Panel on Climate Change, "Climate Change 2022: Impacts, Adaptation and Vulnerability," 2022.

⁶ Grist, "The White House Excluded Race from its Environmental Justice Tool. We Put it Back in.," February 24, 2022.

⁷ World Health Organization, "Climate change and health," October 30, 2021.

⁸ The White House, "Building a Clean Energy Economy: A Guidebook to the Inflation Reduction Act's Investments in Clean Energy and Climate Action, Version 2," January 2023.





All agencies can have impact over climate and health equity

While there is some overlap, most government agencies play four main roles—as a regulator of industry, policymaker, operator of public programs, and employer organization managing their own internal infrastructure and workforce.

In each role, federal, state, and local agencies have levers available to mitigate health inequities tied to climate change and improve community climate resilience. This is also true for agencies that do not include responding to environmental or energy threats as an explicit part of their mission.

Acting through these four roles, all parts and levels of government can accelerate decarbonization efforts in the public and private sector. Whether by statute, Executive Order, another presidential directive, or inherently, agencies also have a responsibility to anticipate the extent to which climate change can disrupt public programs, industries, and infrastructure they oversee and mitigate the downstream impact those disruptions have on the health and well-being of communities. Adopting a health equity lens can center these efforts on understanding climate impact and needs in communities that have been most underserved, underrepresented, and overburdened.

Framework to organize into action

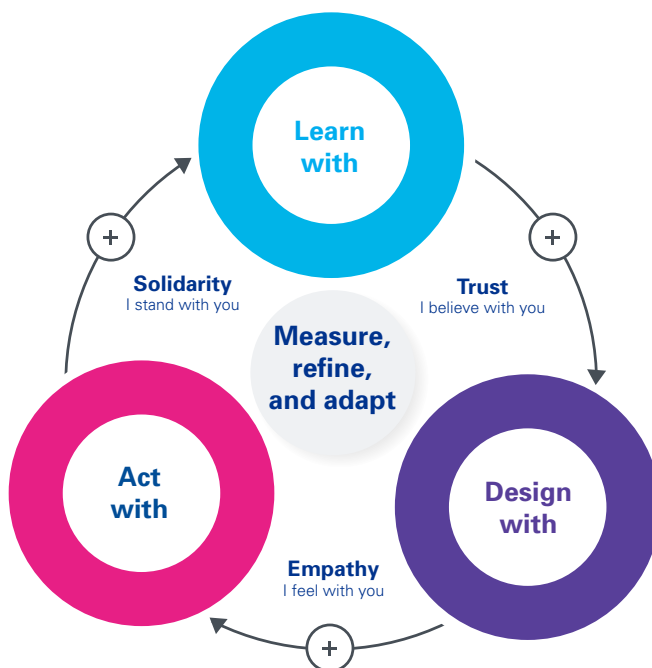
The next section explores ways agency leaders can organize climate action in all four roles and elevate those actions by integrating the KPMG **health equity flywheel framework**, to center equity in that work.

This health equity flywheel can be a powerful tool for agencies responding to climate change given its significant threat to health equity. The nodes of the flywheel highlight ways to act with others to help maximize the equity lens such as:

- 1 Learn with your stakeholders** to gather information, check assumptions, and establish accountability to discover disparities.
- 2 Design with your communities** to create equity-driven strategies with the people in the communities an organization serves.
- 3 Act with your partners** to understand the equity ecosystem and how to collaborate to advance health equity goals and address barriers to health.

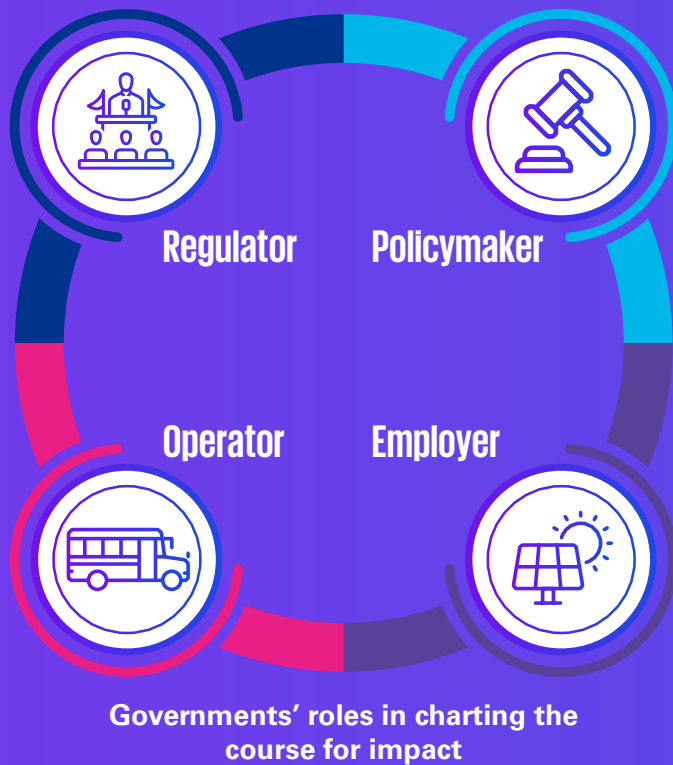
Collaboration underpins this framework and is a foundation to successfully addressing health equity challenges. Collaboration enables agencies to target and prioritize efforts and determine feasibility. Collaboration’s impact is especially meaningful when governments work with their broader

stakeholder community including providers, payors, employers, community groups, and citizens. Working together helps develop sustainable interventions and optimize resources and capabilities. Read our article, [Building Momentum Toward Health Equity](#), to explore more on the framework.



KPMG health equity flywheel framework

Using each of an agency's four distinct roles as the lens and applying the collaborative health equity framework throughout assessment, planning, and implementation can help agencies chart a path forward. The rest of the article reviews each role, explores activity this integrated approach can begin to achieve, and demonstrates practical, hypothetical examples illustrating how to put this thinking into action.



Regulator

As a regulator, federal, state, and local government agencies oversee and monitor compliance of wide-ranging private industries. Agencies can choose to use available regulatory authorities to improve greenhouse gas (GHG) reporting and transparency, accelerate industry GHG reductions, and incent industry actions to improve organizational and community-level climate resilience.

Hypothetical examples of government using its regulator role include:

- Consider GHG reporting as a condition of participation in government programs
- Standardize reporting on GHG emissions impacts in environmental assessments of new drugs
- Incentivize nonprofit hospitals to include climate resilience evaluations in federally mandated community health needs assessments
- Require residential rental properties to be capable of cooling units to a certain temperature.

These examples have proved most successful when there is meaningful alignment across all stakeholder groups. Applying the health equity flywheel framework can help agencies consider what oversight actions may be most impactful to marginalized communities and help to ensure communities equitably benefit from regulations. The flywheel can also help agencies anticipate and prevent unintended exacerbation of inequities.

Learning, designing, and acting with others can help government agencies seek clarity on questions like:

- **Learn with:** Are there unintended risks regulatory action could have to underserved and overburdened populations? How can agencies identify and mitigate these risks?
- **Learn with:** Have past responses to climate-related disruptions, such as resource allocation decisions, contributed to inequities? How could regulatory action be responsive to past harms?
- **Design and act with:** How will governments ensure meaningful grassroots community involvement in mandated planning or assessment activities?

When looking towards the future horizons of healthcare, KPMG proposes that an inclusive approach to transformation should be taken through which technology, communities and workforces are leveraged together. Read more in [Healthcare Horizons](#).



Policymaker

As policymakers, federal, state, and local agencies are in charge of finalizing public programs' requirements. This gives agencies significant influence over how public dollars are spent. Agencies can choose to use this authority to align programs they oversee with broader efforts to reduce GHG emissions, mitigate the health harms of climate change, and adapt communities to improve climate resilience.

Hypothetical examples of government acting in a policymaker role include:

- Incorporate an environmental burden measure in program operations
- Remove from formularies high carbon-emitting drugs for which there are equally effective and less carbon-producing alternatives
- Provide coverage for health-related climate expenses like air conditioners, air filters, and generators following extreme weather events
- Establish grants for community health workers to work with vulnerable communities, such as farmworkers, elderly, and unhoused, to mitigate their risk of heat-related illness.

If agencies want to move the needle on health equity, they need to work with communities to identify unmet needs that policies could address. They must learn from past efforts that may have unintentionally contributed to inequitable distribution of program benefits and measure the impacts of policy options on different populations and communities.

Learning, designing, and acting with others, government agencies can evaluate questions like:

- **Learn with:** How should a program's scope evolve to be accountable to slowing climate change and responding to downstream effects of climate change on people and communities?
- **Learn with:** Could program requirement changes have disparate adverse consequences for certain groups?
- **Design with:** In the past, what types of rules or requirements have been barriers to program benefits reaching underserved and overburdened populations? How can organizations avoid these barriers?
- **Act with:** Once the agency finalizes a policy decision, how can the government work with partners to maximize the benefits of implementing in high-need communities?



Operator

Acting as an operator, government agencies maintain essential infrastructure, manage wide-ranging programs and services, and oversee the supply chains that support these functions.

In this role, agencies can consider green public infrastructure and supply chains, prepare for shifting demands on public programs due to climate change, and serve as partners in implementing climate programs that benefit the individuals and organizations they most closely serve.

Hypothetical examples of government agencies acting in an operator role include:

- Develop a standardized climate-related hospital quality performance measurement set
- Automatically evaluate individuals' eligibility for Inflation Reduction Act rebates that subsidize energy efficiency home retrofits for low- and moderate-income households based on eligibility for other public programs
- Transition publicly owned hospitals and health centers to renewable energy and invest in on-site renewable energy systems to mitigate grid-based energy shortage impacts
- Expand the urban tree canopy to improve community resilience to high temperatures.

Bringing a health equity lens to operational action helps clarify priorities for evaluation, planning and investment activities. It fosters consistent equity implications identification from operational decisions, even if not initially obvious. An equity lens also spurs collaboration across agencies with very different programmatic portfolios.

Learning, designing, and acting with others, government agencies are better positioned to answer questions like:

- **Learn with:** Does the government have reliable data to inform accurate conclusions? Has the data been evaluated to check biases and are there supplemental lived insights that data cannot capture and that could enrich government understanding?
- **Design with:** How will investments and resource allocation decision-making remain accountable to community needs and priorities?
- **Design with:** How could green procurement initiatives support economic development and job creation in underserved communities?
- **Act with:** What are the potential benefits of major climate legislation to an agency's operations or to the communities it directly serves? Does legislation create new partnership opportunities with other parts of government?



Employer

Government agencies are often large employers that are responsible for aligning staffing structures to priorities, making sure teams have the technology and equipment to do their jobs, and maintaining safe, healthy, and productive work environments.

In making organizational decisions, agencies can reduce their operating GHG emissions, increase staff capacity to prepare for climate change, and contribute to broader community climate adaptation and resilience efforts.

Hypothetical examples of government agencies acting in an employer role include:

- Increase the use of on-site renewable energy generation across campuses
- Reduce employee car commuting through carpool matching programs, subsidized public transit fees, and flextime and telework policies
- Provide adequate staff and resources to facilitate interagency coordination and collaboration in mitigating climate change health impacts.

Approaching such organizational decisions with a health equity lens can help agencies align internal policies and practices with broader missions and values. Agencies can also acknowledge their influence on and accountability to the well-being of local communities in which they operate.

Learning, designing, and acting with others, governments can ask:

- **Learn with:** Do certain classes of employees face greater occupational risks due to climate change? What shifts to workforce policies could help mitigate risks?
- **Design with:** Are planning and economic development activities underway to reduce regional carbon reliance and energy consumption? How can agency workforce policies and worksite investments stay aligned with local objectives?
- **Act with:** How can government organizations improve partnerships and economic opportunities for underrepresented communities when carrying out building projects?

Your agency can achieve its goals

Centering health equity in government action is an approach public agencies can use to achieve their goals for reversing historical trends of overburdening and underinvesting in certain communities, including indigenous communities and communities of color.

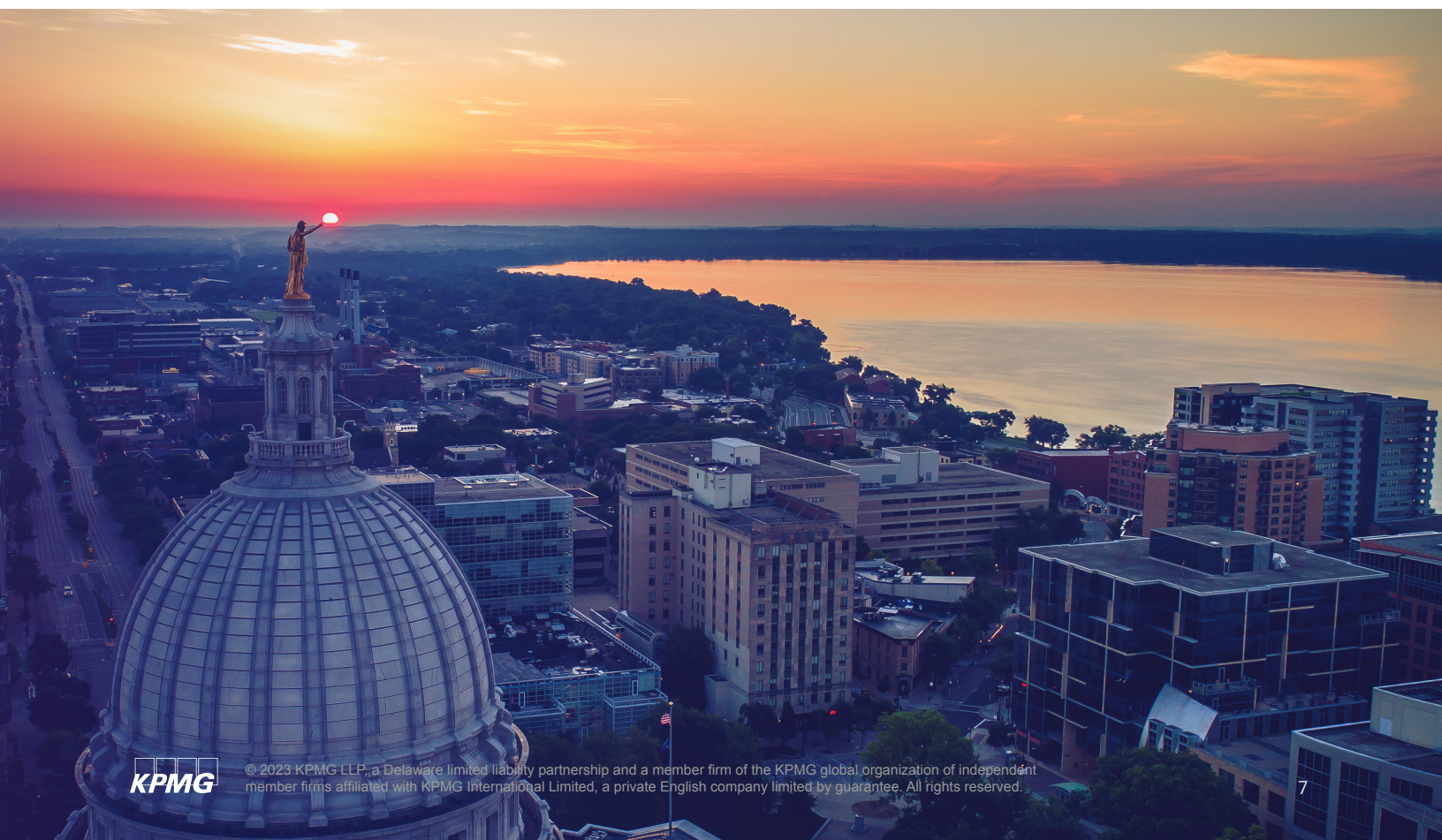
We can help government agencies chart an actionable path forward that integrates climate and health equity

considerations into their work at any scale—from tackling a discrete project to executing enterprise-level strategy. We use analytics to help understand the extent of the problem. Then we use human-centered design, meaningful community partnerships, strategic planning, and stakeholder engagement to enrich insights, along with technology-enabled solutions to put change into practice. Let our team use our experience and methods to help you begin and continue your momentum.

About KPMG

KPMG has worked with federal, state, and local governments for more than a century, so we know how agencies work. Our team understands the unique issues, pressures, and challenges you encounter in the journey to modernize. We draw on our government operations knowledge to offer methodologies tailored to help you overcome these challenges and work with you from beginning to end to deliver the results that matter.

The KPMG team starts with the business issue before we determine the solution because we understand the ultimate mission. When the way people work changes, our team brings the leading training practices to make sure your employees have the right knowledge and skills. We also help your people get value out of technology while also assisting with cloud, advanced analytics, intelligent automation, and cybersecurity. Our passion is to create value, inspire trust, and help government clients deliver better experiences to workers, citizens, and communities.



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