

**Why Employers Unite to Drive Innovation, Value in Health Care Benefits**  
*Pittsburgh Business Group on Health delivers results as a thought leader, change agent*

When employers began offering health care as a fringe benefit to get around wartime wage controls in the 1940s, they surely did not anticipate becoming a major player in a national health care crisis just six decades later.

Employers are feeling the pressure as global competition heats up and the country's aging population becomes more of a burden on companies' benefit plans. Thirty-two percent of employers have ceased to offer health care to current employees, leaving millions of Americans without health insurance.

While government tax breaks help, companies claim that it is impossible for them to pay full benefits to employees and still compete with foreign manufacturers and domestic competitors that do not provide benefits for their workers.

Still, many of today's employers *want* to offer health care benefits to their employees. And it's not just for the tax breaks. Offering health coverage and taking a vested interest in employees' wellbeing pays dividends – employees live longer, have less medical problems and are more productive when they are living healthy, active lives. Many companies, including those that routinely top National "Best Places to Work" lists, offer health insurance, elaborate wellness programs and a range of other health-related benefits for employees.

Many employers infuse their voice into the national health care debate through employer-led coalitions. Through education, innovative initiatives and ready-to-execute programs, these coalitions are helping to drive change in health care and benefits with an employer focus.

**Companies unite to drive change**

Rising health care costs were a growing national concern even in the late 1970s. In Pittsburgh, local employers such as US Steel, PPG, Westinghouse and Alcoa searched for solutions, meeting to exchange strategies, tactics and programs that could offset rising costs.

In the early 1980s, over 20 companies banded together and formally formed the Pittsburgh Business Group on Health (PBGH), a coalition dedicated to influencing the health care issues facing large and mid-sized employers in the Pittsburgh region. Those companies believed that by working together, they could make a positive impact and drive change in the costs and delivery of health care.

Across the country, employers joined forces to create regional coalitions. As their influence grew, these regional coalitions also began to unite nationally and have been successful in working to improve and drive value in the purchase of health care. The movement has had an undeniable impact on costs and services in the various markets across the United States, including Pittsburgh.

**History of results**

From the very beginning, PBGH has been on the forefront of employer health care issues. It was one of the first organizations formed during the coalition movement in the 1980s, and in addition to networking meetings and forums, PBGH initiated data and cost studies that provided employers with health benefits benchmark information to which they could compare their own company's experience.

PBGH executive director Christine Whipple has been part of the organization from the beginning. Initially as an employer representative from Allegheny International, Chris attended various PBGH meetings, eventually chairing committees and serving as a coalition officer including Secretary-Treasurer and President.

“During the 1980’s, PBGH was completely run by volunteers,” Whipple said. “Most of the representatives were upper-middle management and when corporate structure changed and those positions were consolidated, people had less and less time to volunteer with PBGH.”

PBGH almost disbanded in the late 80s, but a few dedicated members saw the value of the coalition. Recognizing that need for dedicated time and effort to the coalition, Whipple became the first and only PBGH full-time employee in early 1993. At that time, she was responsible for continuing the educational programs, developing initiatives that could unite members and compiling and reporting health plan and provider benchmark data so members could assess their plans’ performance.

While there has been progress in the quality and delivery of health care over the past 26 years, rising health care costs continue to be one of the biggest challenges facing most employers. Having influenced changes over the years, PBGH continues to pursue its mission to develop and support initiatives that will focus on driving improvements in the overall value of health care.

#### **Commitment to the employer**

“PBGH has always been employer-led and employer-driven,” Whipple said. “Because we stayed true to focusing on the employer perspective, we have been able to drive change in health care and benefits from a business perspective. We are able to partner with stakeholders to form initiatives that better serve employers.”

Today, PBGH represents more than 60 organizations, over 800,000 covered lives and more than \$3 billion in health care costs.

PBGH and its members advocate excellence and innovation in health care and benefits with a focus on the cost, value and delivery of health care. To do this, PBGH implements and supports quality initiatives, analyzes health care data and resources, and provides forums for the exchange of ideas and viewpoints.

For more information about PBGH, please visit [www.pbghpa.com](http://www.pbghpa.com).

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