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PBGH Report Reveals Increasing Charges to Treat Diabetes in Pittsburgh *Lack of Transparency Leaves Questions About What Those Costs Entail*

PITTSBURGH (Oct. 20, 2008) – The Pittsburgh Business Group on Health released its second annual Type 2 Diabetes Report, which provides an overview of key demographics of people with Type 2 diabetes in the Pittsburgh region as well as other areas of Western Pennsylvania, and parts of West Virginia and Ohio. PBGH’s report, which is the first to provide best-performing benchmarks, also includes data on hospital and physician charges to treat the disease and utilization of clinical services and drug therapy.

This year’s report is groundbreaking in that it is the first time results of A1c tests are being published, giving users of the report insight into how well a diabetes treatment protocol is working. A1c tests give people a picture of their average blood glucose control over the past two to three months.

The report’s data are meant to assist employers in assessing whether their diabetes management strategies are working to change employees’ behavior, improve health and contain their health care expenditures as they wrestle with escalating health care costs.

The total estimated economic cost of diabetes in 2007 was \$174 billion, including \$116 billion in excess medical expenditures, according to the American Diabetes Association, making it imperative that employers, who pay much of these costs, find effective ways to help people manage their condition and overall health.

In Pittsburgh, the percentage of people with diabetes between ages 36 and 64 – those generally considered to be among the “working” population – is 45.1 percent, lower than the national average of 49.5 percent.

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“With our diabetes report, employers can benchmark themselves against regional and national norms and, because this year’s report is the first to provide best performing benchmarks, they can see how well their populations are being managed ,” said M. Christine Whipple, PBGH executive director. “If an employer’s own experience is not measuring up, they are better equipped to make decisions that can help people better manage their diabetes and their overall health.”

This year’s report found that average hospital inpatient, emergency room, outpatient, and physician office charge, which is paid by commercial and government insurers, significantly increased in 2007 compared to 2006. However, the increases were lower in Pittsburgh compared to the national averages.

“There are significant increases in charges in each of these areas, but because of a lack of transparency among health care providers and what they charge for care, we don’t know the reasons for these increases or how they have impacted what employers are paying,” Whipple said.

The report also found that more than 75 percent of people in Pittsburgh with Type 2 diabetes are getting at least one A1c test in a calendar year. The results or outcomes of the A1c tests, reported for the first time this year, show that 64 percent of people are doing well in managing their blood sugar.

“It’s wonderful to see that 75 percent of the people in Pittsburgh who have diabetes are getting the necessary testing they need. But 25 percent are still not, and nearly 40 percent of those who do aren’t managing their disease well,” Whipple said. “If I’m an employer in this region and I see that, I’m turning to my health plan or care management vendor to see how they can support me in addressing this issue.”

SDI, a leading provider of innovative health care data products and analytic services based in Plymouth Meeting, Pa., provided the data. PBGH produced the report in partnership with sanofi-aventis. The complete report is available for free at www.pbghpa.com.

About the Pittsburgh Business Group on Health

Founded in 1981, the Pittsburgh Business Group on Health (PBGH) is a non-profit organization and business-only coalition representing more than 60 Employer Members, more than 1 million employees, dependents and retirees, and over \$4 billion in health care expenditures. The organization strives to improve the delivery, cost and quality of health care through implementing and supporting quality initiatives, analyzing health care data and resources, and providing forums for exchange of ideas and viewpoints. Visit www.pbghpa.com for more information.