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**FROM THE IDEA TO THE ALLIANCE:  
*TWENTY YEARS OF MOVING HEALTH CARE FORWARD***

MADISON, WIS., MAY 3, 2010 — Twenty years ago, seven Madison-area employers gathered around a table to find a better way. They were looking for a solution that gave them more control over escalating health benefit costs. From the initial idea, The Alliance was formed. Today, more than 160 organizations call themselves members.

**Changing the Way Health Care is Purchased**

Employers and health care providers originally came together in 1985 for education and debate as part of the Madison Area Employers Health Care Coalition. It was when a small group of self-funded employers took the next step, that The Alliance was formed.

The group included CUNA Mutual Insurance Group, Rayovac Corporation, Webcrafters, Inc., and Wisconsin Auto & Truck Dealers Association, which are still members, along with American Family Insurance Group, Oscar Mayer Foods Corporation, and Wisconsin Bell, Inc.

The seven formed The Employer HealthCare Alliance Cooperative — now known as The Alliance — to negotiate directly with health care providers. The members chose a cooperative structure to allow participating employers to share both the responsibility and the benefits of membership.

“We started to get a sense that the health care market was negotiating advantageous rates with group structures while self funded employers with individual plans were being confronted with price schedules at a higher level,” recalls Jac Garner, president and CEO of Webcrafters Inc., Madison, who served on The Alliance board from 1990 through 1994 and served as Chair in for one year.

“We were looking to level the playing field,” Garner says. “That was the beginning of this idea that we could group together and represent a substantial portion of the employer market to gain some of the benefits of negotiated group rates from providers.”

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### **Network Evolution**

In the first year, The Alliance contracted with 11 major providers, three hospitals and eight clinics in Madison. Currently, that list has grown to include more than 7,000 professional service providers, 49 hospitals, 1,800 medical clinic sites, 360 chiropractic clinic sites, 280 mental health clinic site, and 140 home care agencies.

Alliance members now provide coverage to more than 83,000 individuals and can access providers in a primary service area of 14 southern Wisconsin counties and Dubuque County in Iowa, with a secondary service area of 24 additional counties in Wisconsin, Illinois and Iowa. Members collectively purchased \$429 million in health care in fiscal year 2009 and saved \$111 million for in-network charges.

### **Providing Resources for Members and Their Employees**

The Alliance also leverages its membership clout to obtain preferred pricing relationships for members on critical services ranging from discounts on stop-loss insurance to dental, vision, and prescription benefit coverage. In the past year, The Alliance signed two new partnerships with Quantum Health and Health Solutions, Ltd.<sup>®</sup>, for care coordination and wellness services, and received no commissions, instead passing all of the savings on to members.

“I truly believe The Alliance is one of the few entities in the health care arena that is really working totally for the best interest of the employer and the employees,” says Jerry Ward, Vice President of Operations, Seats Inc., Reedsburg, Wis., an Alliance member since 1994. Ward served on The Alliance Board of Directors from 1999 through 2008, served as Chair in 2001 and 2005, and now serves on the health policy committee. “That’s who owns them and therefore I can trust them.”

### **Leading the Way**

From their beginning, Alliance members have often led the way, adopting concepts and ideas in health care before they have become widely accepted. Alliance meetings and Alliance Learning Circles bring members and business partners together to network with colleagues to share ideas and best practices.

From topic-based seminars explaining the implications of legislation such as HIPAA to information on wellness programs and effective management of chronic conditions, members learn about current information and significant national and regional trends.

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The Alliance was also one of the first in the country to create a report to help consumers understand the differences in cost and quality of health care. The *QualityCounts*<sup>™</sup> report, which was developed by The Alliance to help consumers to learn more about the cost and quality of hospital care, has evolved over the years as care has changed. In the past year, The Alliance released a report for members showing the cost of outpatient care, which has grown over the years and now accounts for more of the employers' spend.

Value-based benefit design, which aligns health coverage with the potential for long-term savings through practices such as encouraging preventive care and appropriately managing chronic conditions, has also been a topic of interest to Alliance members for many years. The topic has been featured at many of The Alliance's meetings in the past five years, one of the reasons these events are well attended.

"It's easy to stay connected when you're always concerned about health care cost and quality. That issue has really not dissipated in 20 years," says Lee Bauman, President, Wisconsin Auto and Truck Dealers Insurance Corp., Madison, Wis., a founding member. Bauman served on the board from 1990 through 1993 and again beginning in 2005, including three one-year terms as chairman.

"It is still an ongoing process of employers learning how to set up their plans so they're built around value," Bauman says. "You design your plan toward the best medical outcomes. It's a difficult, ongoing process, but there's a tremendous amount of enthusiasm for it among employers."

Learn more about [The Alliance's story and our 20 accomplishments for 20 years.](#)