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Helping Employers Solve Their Healthcare Dilemma

from Scott M. Wood

Managing Partner and Principal, Benefit Commerce Group

As an employee benefits consulting firm, Benefit Commerce Group is involved in one of the country's hottest topics — healthcare. Our core business is focused on one of the most significant challenges facing employers in the Valley and the nation: providing cost-effective health insurance for employees. When these benefits are normally the second- or third-highest expense on a company's P&L statement, it is a constant dilemma.

For most employers, the cost of health benefits continues to rise at twice the rate of wage increases and three times general inflation. And, on average, 10 years of family income growth has largely been lost by increases in healthcare costs.

In the recession years, the focus was on reducing benefits and saving on premiums. Now, in our current full-employment economy, the conversation has shifted to the critical need to attract and retain employees. However, employers still need to control costs.

Many business leaders believe their health plan costs are due to economic factors beyond their control. At BCG, we disagree with this. We have proven time and again that, with a sustainable strategy that relies on data-driven decisions, employers can have control. Proof that our solutions work lies in the millions of dollars our clients have saved — without reducing benefits.

How are we, at BCG, solving this challenge for our clients? By providing the following: properly designed benefit plans, some of which include account-based plans (HSA or HRA); alignment of incentives/disincentives; high-performance provider networks; management of prescription drug costs; cost transparency tools; education and communication for employers and employees; a best-in-class member service and support platform; wellness programs that focus on measurable health improvement; and data analytics that can identify employees' gaps in care, predict future claims levels and focus programs on what the employer's actual workforce needs.

BCG has been a leader in developing user-friendly programs for employees that encourage and reward a focus on health and consumerism. This includes an exclusive program that guarantees lower renewal premiums and is available only through BCG.

Another example, combining a high-performance provider network with a multi-disciplinary care team for those individuals who are high-risk/high-utilizers of healthcare, can reduce medical-care needs and costs. This solution means that an employee with diabetes may have the help of an RN case manager, a behavioral health/social worker, a clinical pharmacist and diabetic education

team. This patient-centered approach closes gaps in care, reduces duplication, and coordinates care among medical providers and community resources.

BCG customizes the solutions that work for each client's specific situation. We are committed to controlling costs for employers, employees and their families, while protecting the value of the benefits they receive. We believe that is the way to attract and retain employees.

2019: A YEAR OF TRANSFORMATION & GROWTH

For any well-run company, formal perpetuation planning is critical. During 2018, BCG began this process with clear objectives: We did not want someone else dictating how we were going to do business, we wanted to reward our team for their achievements, and we wanted collaboration with a larger organization to continue to bring greater value to our clients.

On August 1, 2019, we joined Alera Group, a national company that is now 80-plus firms and 2,000-plus employees strong and growing. Alera Group is built on the concept of collaboration, which has been part of the DNA of BCG from our beginnings. This is a perpetuation solution that will yield even greater growth for our firm, greater opportunities for our staff and enhanced resources for our clients.

The transaction created the opportunity for the BCG partners to reward every BCG employee with a significant transaction bonus. In addition, the partners agreed to share 20 percent of our earn-out dollar proceeds with our employees. There is also a profit interest structure [similar to an equity position in Alera Group] for our leadership team and other key staff. None of our management and staff has left or been removed as a result of this transaction.

Alera Group's commitment to its "Collaborative Way" includes training for all our employees on: Listening Generously, Speaking Straight, Being for Each Other, Honoring Commitments and Acknowledging and Appreciating.

The future for BCG is even brighter now than at the start of 2019, and we can't wait to see what new heights we achieve for our employees and our clients.



About Benefit Commerce Group

Benefit Commerce Group, an Alera Group company, is a progressive and results-driven employee benefits consulting and brokerage firm. The company is committed to creating benefit plans and strategies that make life easier and better for HR teams and that provide the best cost-effective value for employers, employees and families. It accomplishes this through collaboration — with its clients, its own experienced team and other Alera Group firms across the nation.

Alera Group is among the nation's top 20 privately held insurance agencies, providing powerful solutions in employee benefits, property and casualty, and wealth management for clients across the country. It thrives through collaboration. BCG believes collaboration is much more than choosing something off the shelf for its clients or

sharing best practices; it means identifying the experts in its ranks, finding the starting point of a solution and then working together to make it even better for its clients.

Benefit Commerce Group has a proven track record of developing long-term, sustainable strategies that help its clients and their employees and families save money, year after year. Its typical client has saved more than \$10,000 per employee over a five-year period, without reducing benefits for employees and their families.

BCG's corporate mantra is, "We say what we'll do and we do what we say."

While BCG has been growing, it also helps its clients receive the honors and recognition they deserve for their work to improve the workplace

and lives of their employees. It has assisted its clients in receiving more than 200 awards in the past five years for employee benefits and wellness programs. In addition, Benefit Commerce Group itself has been named a "Healthiest Employer" each year since 2014 by the Phoenix Business Journal, and has been ranked among the "Best Places to Work" since 2015. BCG is a four-time honoree on the Inc. 5000 listing among the fastest-growing private companies in America.

BCG is also the title sponsor of the Phoenix division of Accelerent, a business development organization that works to bring companies together to build strategic business relationships throughout their community.

IN A NUTSHELL



Year founded in the Valley: **2009**

Industry: **Insurance/Employee benefits consulting**

Top local executive/position: **Scott M. Wood, Managing Partner and Principal**

Number of years with company: **10**

Number of Valley employees: **45**

Top 5 services/products:

- Employee benefits strategy
- Actuarial support, data analysis & program design
- Wellness programs
- HR/Benefits technology
- Employee communication/engagement/education

Company contact information [website]: benefitcommerce.com

Greatest 2019 milestone for the company: **On August 1, 2019, we joined Alera Group, a company of more than 80 collaborative firms designing employee benefits, property and casualty, and wealth management solutions. With 2,000 teammates across the nation, Alera Group was created in 2017 for the purpose of collaboration. Benefit Commerce Group, from its beginnings, has collaborated to develop the best solutions for our clients. We found in Alera Group an opportunity to expand that culture of collaboration. As part of Alera Group, we maintain our unique corporate culture and our growing local reputation while we leverage our national network of experts to help our clients to an even greater extent.**