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The Monthly Resource Guide For Startup Businesses

NEW BUSINESS

MINNESOTA



Special Report

Benefits for Small Business

Few business owners are prepared to tackle the complexities of managing benefits for their company. From health insurance, retirement planning, 401ks to HR issues, many seek help from outside professionals like Jeffrey Stein, Voya Financial Advisors and Stein Financial Group; Joel Starke, BayPoint Benefits; and Becky Taylor, Medica.

Benefits for Small Business



Build a team
of outside
professionals
who can help
you manage
employee
benefits.

Publishers Note:

Most new business owners either have employees when they launch or they expect to have them in the future. What they don't often expect are the challenges of managing HR needs, evaluating health care plans, assembling a benefit packages that will not only attract good hires, but retain current workers, too.

To meet these challenges, small business owners turn to outside professionals to help them manage all the complexities of having employees. New Business Minnesota approached the experts on these pages to share their expertise and offer insights that every new business can benefit from. As you read their columns, think about who should be on your team.

The authors will share more information in a free interactive workshop in October. For more information, go to www.newstartupmeetup.com.

Health Insurance Is the Backbone of Any Benefits Plan

Understanding Definitions, Following a Strategy Are Key to Finding the Right Health Insurance Plan.

By Becky Taylor

Medica

Health insurance is the backbone of any benefits package and it tops the chart as the most expensive one. In the new era of the Affordable Care Act, it's critical that you be involved in and informed about your health insurance decisions to ensure you get the right plan.

In the past, you may have been presented health insurance options by your employer. It was pretty easy to deal with. Now you really need a strategy about what kind of care you want, where you want to receive it and how much risk you want to share with the provider because that will be key to managing your costs.

Choosing a plan has become an annual event because the plans will change as will your needs. We are now all health insurance shoppers.

For years now, I've been helping people pick the best health insurance plan and have guided them through the process. The following is information I've shared with them. It's by no means complete, but it will give you a good foundation to better understand the process and help you reach an informed decision.

Open Enrollment

Let's start with open enrollment. Last year, many people didn't understand that you can only apply for plans during the limited open enrollment period. When that period ended they were shut out until the next open enrollment.

The only time you can get insurance after the period closes is if you have a significant life event such as loss of job, move to another state, a marriage or divorce, becoming a citizen, leaving incarceration, having a baby, adopting a child or losing

other health coverage.

This year, open enrollment is from Nov. 15, 2014 until Feb. 15, 2015. These are not guidelines. They are deadlines.

By Nov. 15 the new rates and plans from all the carriers will be announced and comparison shopping can begin. You can do your homework, but you can't actually apply until the open enrollment period begins on Nov. 15.

How Rates Are Set

Rates traditionally were set based on claims and expenses in the prior year. When the Affordable Care Act went into effect last year, the plans and products were all new with no prior history as a guide. Setting rates was like rolling dice. The industry had no idea who would be buying, what plans they would choose and how much they would use. Some had never had insurance before.

With new rates and plans coming for 2015, brace yourself for reviewing all your options once again. This will be likely be an annual ritual.

ACA Expansion

Starting in January 2015, Minnesota requires all small group plans be compliant with the Affordable Care Act. We've prepared our commercial group people to handle what we expect to be a significant number of calls with questions employers have never had to ask before.

And we also had to prepare a solution for the many part-time workers who may no longer be eligible for the group plans as well as for former employees. Medica has a solution for part-time employees who may no longer be eligible for group plans as well as an affordable alternative to COBRA.



Medica Continued on Next Page

Subsidies

The subsidies last year proved very confusing. We helped a lot of people sort through it and we expect they will lean on us again for explanations and guidance.

The key thing to know is that if you think you might qualify for a subsidy, you need to apply through MNsure's web site at www.mnsure.org. We've been assured that the computer problems that frustrated so many applicants last year have been fixed.

Because there are federal subsidies as well as Minnesota's subsidies, it's another point of confusion. If you need help, you can talk to one of MNsure's Navigators to see if you have to requalify for 2015. Medica can help as well.

Health Care Plan Strategy

The first step is to decide on your goals, which will help you in comparing plans and finding a balance between price and benefits. Your strategy should include the provider network you want, the types of medical services you anticipate needing (ongoing medical condition, for example), and what the deductible you prefer.

Networks

Networks are a collection of hospitals, clinics, primary care physicians and specialists that you will have access to through your plan.

Localized networks tend to have lower premiums because there are limitations on what you can do. Localizing your physician options helps create efficiencies and control costs.

An example of a localized network would be North Memorial ACCLAIM by Medica. It is a large localized network of 900 specialists, 13 primary care clinics and two hospitals primarily in the western suburbs.

A larger network would be Medica's Applause, which has 27,000 doctors, more than 4,000 clinics and includes nearly every hospital in town.

Just remember; more choice means the premium may be slightly higher. But more choice also means you can stay with your current doctor or preferred hospital. To save money, you may contemplate changing providers.

Deductibles

When it comes to deductibles, your decisions should include whether you prefer lower monthly premiums or lower out of pocket expenses when you use the plan.

Remember, the more risk you are willing to share, the lower your premiums will

be. The higher the deductible the lower the monthly premium.

You can also do a better job of managing your medical expenses if your insurer is in your corner. Medica members have access to HealthAdvocate who can assist you in getting cost estimates, resolve insurance claims, finding the right doctors, and working to obtain appropriate approvals for needed services.

When our clients are hospitalized, we recommend they talk to us right away and begin working with their advocate, which gives them access to a trusted professional just a phone call away. Medica Individual and Family Plan members, their spouse, dependent children, parents and parents-in-law can use the services.

Out of Pocket Maximum

The Out of Pocket Maximum is a cap on your costs. It's the most you'll ever pay in a calendar year after the deductible and coinsurance have been met. The Out of Pocket Maximum really is your worst-case-scenario risk.

Coinsurance

There is cost sharing after the deductible, too. As before, your premium costs will be lower if you share more of the risk. Coinsurance is the cost splitting ratio you chose in your plan. If your coinsurance is, say 15 percent, then you will pay 15 percent of the cost after the deductible is met up until the Out of Pocket Maximum is met.

Value Adds

It is so easy to overlook the value added items your prospective provider offers. You should always be asking, "What else can I get?" Depending on the provider you choose, there is more going on than just health insurance.

At Medica, we offer a free financial snapshot of your financial wellness through Voya Financial (Formerly ING). You may also qualify for an athletic club discounts, access to weight loss challenges and nutrition programs. Some plans include unlimited access to convenience care clinics for coughs, cold and flu at reduced costs and access to online health care so you can consult directly with an RN.

We have partnered with NOVU, a health technology company, to provide our clients with online tools and programs that encourages healthier lifestyles.

Through NOVU, our clients not only get health club discounts, but they can earn points for discounts at restaurants, drawings for iPads, fitbit exercise track-

ers and other rewards. The points are earned by doing things like getting an annual physical, seeing a nutritionist, getting your BMI measured, walking with a friend or going to yoga class. It's all tracked on a smartphone.

If you think you're just shopping for insurance, you're missing out on a lot of cool stuff.

Conclusions

Unless you're not dealing with health insurance on a regular basis, it can be incredibly confusing. It's not just understanding all the definitions, it's knowing how the plans have changed and what's new in the law.

You will find it immensely easier to work with any of the experts out there who can help assess your needs, explain options and finally choose a plan.

Unlike the Navigators for MNsure, who aren't allowed to make recommendations, most health insurance providers like Medica can give advice. They have been certified, receive continuing education and are licensed by the state to counsel people through needs analysis so they can help match benefits to their life style.

We are a resource and we are more than willing to guide you to the right solutions. We're listening and were here to help.

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Becky Taylor is the Sales Development Manager with Medica, a health insurance company which provides insurance for every stage of life and for companies of all sizes from sole practitioners to large corporations. For more information Medica plans for 2015 call (888) 670-7519. www.medica.com

Financial Wellness Depends on Thoughtful Benefits Package

Needs of Owners, Partners, Family and Employees Should Be Part of a Financial Health Checkup.

By **Jeffery Stein**

*Voya Financial Advisors and
Stein Financial Group*

When you started your business you probably had some idea what you wanted it to accomplish financially. You maybe even had a business plan that charted out your future revenue, expenses and profits in great detail.

Unfortunately, too many new and small business owners neglect to include benefits in their budgets. They may be so busy launching their business, they don't think far enough ahead. Retirement isn't on their radar. Life and health insurance or a retirement plan for employees? They'll worry about that eventually, they may say to themselves.

As an investment advisor representative with Voya Financial Advisors (formerly ING Financial Partners), and a principal in the Stein Financial Group, I have worked with many small and large employer groups and individuals on retirement planning and solving their financial and retirement needs.

What I have found is that at some point, business owners realize that they need help creating a comprehensive benefits strategy to take care of themselves and their employees. Some have tried to handle it on their own, only to discover how overwhelming it can be trying to sort through all the options.

That strategy should take advantage of your business as a benefits platform. There are some tax advantages and benefit plans that are only available to businesses, like 401k plans, various group products and payroll deduction.

There are all kinds of helpful things you can do with your business as a benefits platform if you know how to set the strategy up right.

When I meet with an employer, the discussion begins with identifying their top three goals and how to address them. You would be surprised how many have not thought about these goals.

Life is complicated enough. Business owners might prefer to focus on what they do best and seek out the expertise of a financial professional to help them with investments, benefits and insurance.

Financial Wellness

Financial wellness is all about having your finances – which is such an important part of your life – under control so you can really have peace of mind, whether as an individual or a business. Addressing your financial future now and with a thoughtful plan helps avoid the possible negative consequences of not planning.

Do not underestimate the value of peace of mind. According to a number of recent studies, there is a direct correlation between financial wellness and physical wellness.

Many who experienced the stress of the Great Recession can attest that it affected their outlook on life. Lack of money can lead to worry and health-sapping stress. Disagreements over family finances can strain relationships. Constantly worrying about the future, such as losing control of your finances, can deeply affect your mental health.

The impact finances can have on your health hasn't been lost on Medica Health Plans. Medica has partnered with Voya Financial to help their clients with holistic financial planning and optimizing



Stein Financial Group/Voya Financial Advisors

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benefits and savings.

Anticipating the disruptions facing the healthcare industry with the Affordable Care Act coming into play, Medica and Voya feel there was an opportunity to look at wellness in a new way that includes managing financial stress.

At the same time, this new vision enabled Medica to go beyond price in a competitive marketplace and offer a more holistic approach. That meant addressing financial wellness, too.

Through the Medica/Voya Financial relationship, Voya has made available to all Medica and affiliated groups our network of highly skilled financial professionals and our distinctive holistic financial planning program called "Be Ready" that leads individuals on a path toward increased financial security.

This delivers comprehensive education, advice, tools and solutions to help individuals feel both emotionally and economically secure about their retirement. It combines life-stage and needs-based education with holistic and personal retirement planning advice – with the goal of actively engaging employees to make a plan, take action and optimize both their workplace benefits and individual savings.

Keeping Your Business Strong

As a business owner, life events, such as a marriage or divorce, a death, a new baby or a new home, can impact your business.

Another great impact to your business is how you attract and retain good employees. You need to offer a benefits package that is competitive. It should include some type of retirement plan, such as 401k, Roth IRA or Keogh plans, along with life and disability insurance.

Health insurance is still the number one thing employees are concerned about, but now it's portable and employees can take it with them when they leave an employer because of the Affordable Care Act. Still, you need professional help in evaluating your options.

Business owners may need liability and property & casualty insurance to manage their risks. Add to that a strong retirement plan so you can exit the business the way you intended. You should also have life insurance to care for your family if you die.

Call To Action

Call (612) 492-0211 for a complementary financial health check so you can find out the state of your financial wellness today in the future.

And if you have a business partner, you may need a buy-out agreement with a life policy to buy out their survivors. Without that, a spouse may become your new partner.

For all these reasons, a comprehensive financial plan for you and your business is essential.

Common Planning Mistakes

Losing sight of the long view. New and small business owners may be so focused on day-to-day life, they don't pay attention to the long view. They are busy and focused on growing their businesses. Even when times are lean though, they should set aside some money for the future.

A good place to start is to talk with a financial advisor who has your interests at heart and who you can trust. This is the person who may urge you to skip buying a new car and instead make your disability insurance payments until the business is strong enough to do both.

Not asking questions because they fear the answer. It's like when people avoid the dentist or going to the doctor because they don't want any bad news. I've seen owners who don't want to discuss retirement realities. They don't want to hear that they aren't saving enough to ensure their retirement readiness and will be working for years longer than they planned.

On the flip side, I've seen owners who were convinced they'll never be able to retire, only to find out that they are financially secure and can retire whenever they choose.

Not doing an asset inventory. Unless you've made a list of your assets, chances are you really don't have a good idea of what you have. You may not even remember where all your assets are. Make the list, if not for you, then for your family.

Your inventory should include the big things like bank and investment account numbers, insurance policies and other items that have value. It should also include passwords to access your computer and smart phones, pet records, titles to vehicles, papers for the cabin, boats, etc.

I've seen families scrambling to help a hospitalized loved one, but they don't even know what insurance policies they have.

It's not hard to create the inventory, but it takes time and most people never get around to it or they don't know how to start. Financial professionals work with clients to pull that information together. The peace of mind that comes from lifting that burden is significant.

Procrastinating. Many small business

owners just getting started don't think they'll have time to set money aside for retirement. My advice to them is to start setting money aside right away, even if it's a little bit. It's the same advice I give for someone starting their first job. Start saving early and be consistent. It is likely to grow and you'll take advantage of the value of compounding.

Conclusion

I strongly urge you to work with a financial professional who can help motivate you to do the right things, starting with taking care of your own retirement readiness. It may seem noble to put others ahead of you, but if you don't take care of yourself first, how can you help your business, employees or family?

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Jeffery Stein is a registered representative with Voya Financial Advisors (formerly ING Financial Partners), a full-service financial service firm that works closely with Medica clients on their financial wellness. He is a principal in the Stein Financial Group, which also works with large employer groups and individuals for retirement planning and solving financial needs. He can be reached at (612) 492-0211 or jstein@steinfg.com. www.steinfinancial-group.com

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Employee Benefits Advisor Can Save You Money, Grow Your Business

HR Support, Benefits Analysis, Health Insurance Brokers; Building the Right Package for Your Team.

By Joel Starke
BayPoint Benefits

Insurance. Benefits. Health care. These are topics that cause most small business owners to yawn, nod, and then change topics. If you're a new business owner, you may end up screaming.

Managing benefits and other HR-related issues can be a full time job just to keep up with changes in the various state and federal laws, the IRS and trends in the courts.

Eventually your business may be big enough and successful enough that you'll solve the problem by hiring a full-time HR professional to take care of that end of the business.

Until that day, most small business owners turn to employee benefits administration companies like BayPoint Benefits to help them manage it all.

Employee benefits management will work with you – if you are the one wearing all the hats – or with members of your management team to enhance your benefits process, deliver data analytics and wellness services and improve employee communication in order to reduce overhead and improve recruitment and retention.

We provide our clients with a team of industry experts they can call on when needed. Here is short list that BayPoint Benefits brings to the challenge:

- Help clients select health insurance plans to help reach company goals, such as retaining employees or recruiting top talent – recruitment. Build a health plan strategy that also includes scalability to serve the business as it grows.

- Work with the owner/management to design complex, multi-state benefits packages. Complexity increases if your company grows across state lines. You'll need help.

- Develop consistent and reliable policies for the hiring and firing of employees. When an employee joins your company they need to know the rules, what is expected, a job description, a detailed explanation of their benefits. You need an HR pro for this one.

- Take management through and in-depth annual evaluation of all benefits programs and make renewal recommendations. Things change. Be prepared.

- Track and share ongoing industry trends and competitive analysis. Threats and opportunities are out there. Heads-up-information is vital.

- Provide same day follow up on your questions and issues to get quick resolution.

Here are some examples of how working with an employee benefits administrator can make a difference in your business as you add employees.

The Wearer of Many Hats. Meet Katie is the operations manager for an 18-person consulting company. Her position includes the HR, IT, office, and finance manager responsibilities. With so many things on one plate, it's impossible for her – and by extension her company – to spend much time mastering any one discipline.

Benefits was the one area where she felt was under control. The company had a traditional health insurance broker who mailed them auto-renewal forms once a year and otherwise required little interaction.

What she didn't realize was that while the broker may have made her life simpler, he wasn't serving the needs of the company. Not by a long shot. A colleague suggested that a new broker was in order.

Soon BayPoint Benefits was brought in and worked with Katie to do a complete review of the company's needs. Within the first six months BayPoint was providing as-



BayPoint Benefits
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sistance to Katie in revising the employee handbook, answering a difficult compliance question, and putting together a proposal to add dental and vision coverage to the overall employee benefits package.

The lesson: HR professionals are expensive, especially with a growing company. By utilizing an outsourced HR solution, the client was able to spend more time focused on growing her business.

The Recruitment Rock Star. Joe is the HR manager for a small, but growing, tech company. Each quarter he was trying to add two to three new team members while competing against much larger firms for the same talent pool.

More than once his team made an offer on a candidate only to lose the potential hire to a flashier firm and richer compensation package.

Joe had made the common mistake of assuming anything other than a basic medical, dental, and vision plan his company offered would be too expensive.

The advantage of having an advisor like BayPoint is that we were able to look at plans common in their industry and find a competitive solution. We created a multiple-plan approach in which the company was able to save costs on the existing medical plan while also expanding the offerings to include commuter credits and investments in a 401(k) plan for the employees.

An educated and properly managed employee benefits package will not only help to win the best talent but also create a recipe for success with a growing company.

The lesson: Employee benefits can, and must, be leveraged to maximize recruitment success.

The Educated Staff. Open enrollment. Two words that inspire groans in even the

slickest of HR Managers. The process can include paperwork, spreadsheets, compliance requirements and tons of questions that have to be researched. And many, many employee questions.

Mary's experience with this annual ritual was one of stress and frustration. What could have been a fun, empowering process had become a burden. Other projects were put on hold while she managed the paperwork and deadlines of renewing or moving all of her 38 employee's medical, dental, and vision plans.

Once we came on board, Mary was assigned a dedicated advisor, Grant. Grant reached out to the insurance carriers well in advance, tracking anticipated rate changes and hypothesizing whether it would make sense for Mary's team to stay with the old plan or switch to the new one.

In the end, switching made the most sense. Then Grant started drafting a Custom Open Enrollment Presentation that outlined the new carrier plans. The presentation is a "Benefits 101" overview of health insurance terms, examples of how the benefits work dealing with strep throat or a broken arm and key contact information. Then Grant set up a time to meet with the employees to present the new plans and answer questions.

Employees' life needs are universal, regardless of company size, whether it's a team of four or 400. A good employee benefits administration company – and we count BayPoint among them – will take the time to handcraft a benefits program to maximize employee well-being.

The lesson: Whether it's advocating for multi-lingual enrollment materials or full coverage of transgender health and wellbeing needs, everyone deserves an advisor

with a track record of serving clients as they would their own staff.

Have a Working Broker

Allow me to explain. Most health insurance brokers provide good service; basic, but good. And for this they are compensated by the insurance companies – a regulated 3 percent to 7 percent of all premiums. Many brokers stop there and continue to let their client's earn them commission. They stop working for you.

It doesn't have to be that way. A company's second largest recurring cost – providing medical, dental and vision insurance – comes with a 3 percent to 7 percent unending commission.

Some of us think that commission donation would be better invested in solutions to make the clients' life easier, and employee benefits better.

So what does this look like? By changing brokers, or setting up new plans, you get to partner with:

- Active advisors who are ready to do a comprehensive analysis of your entire benefits package; not once, or twice, but every year, making sure you've got the best options available.
- Have available by phone or email the most knowledgeable client service team to help both you and your employees with any questions or problems that make arise from using your benefits.
- Provides a comprehensive HR policy library along with individual, one-on-one advising that can take your company handbook or new hire offer letter to the next level.

Conclusion

Benefits packages show how much you value your employees. If it is a glitchy package – hard to understand, slow to provide answers and comes up short next to your competitors, it can make it hard to keep and attract the right talent.

Get professional help and start by talking with an employee benefits administration company.

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Call To Action

Discover how you can get benefits, or get more from existing coverage. Schedule a free 15-30 minute consultation and demo with Joel today. (612) 408-9953 or joel.starke@baypointbenefits.com