Consultants see demand rise as ACA is installed

BY DAN BAUMAN

Like many businesses, Clayco Inc. has been gearing up for key features of the Affordable Care Act (ACA) that kick in Jan. 1, 2014. Russ Burns, president of the Chicago-based development firm with a 706-person branch in St. Louis, said the company already offers health insurance to its employees and has spent the last several months educating themselves on ACA provisions and creating a compliance platform.

Burns said Chesterfield-based benefits consultancy J.W. Terrill has helped Clayco develop the compliance platform and doesn’t foresee any sweeping changes being made due to ACA implementation. Clayco posted $872 million in revenue in 2012.

Many businesses are preparing for ACA compliance with the help of consultants in St. Louis and around the country. Local consultants, including J.W. Terrill, said their firms had been very busy over the last year as they educate new and current clients on the issues surrounding the law.

Lynda Baris, executive vice president with J.W. Terrill, said the firm added several new clients because of health care reform, along with other consulting areas. In the past year, five full-time people have been hired at the firm, Baris said. At Cornerstone Insurance Group, Leclie Steinbaum, director of plans, services and compliance, said four individuals were hired to meet increased demand. And at St. Louis-based Brown Smith Wallace, Ron Present, principal and health care industry group leader, said he had just hired a new manager.

Meanwhile, Denver-based Newpoint Healthcare Advisors, which caters to hospitals, invested $500,000 to open a branch office in Creve Coeur in June. Managing Director Barbara Ladon said the firm also has seen increased demand because of ACA implementation.

The specific health care consulting segment that deals with hospitals, physicians, pharmaceutical companies and insurance providers, according to a report by market-research firm IBIS World, is a $10 billion industry. The report projects that those advisory firms will maintain a strong profit margin through 2017 as major parts of health care reform are implemented.

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