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## Pomco's client list grows despite struggling economy

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SYRACUSE — A local employee-benefits administration firm is posting solid client and revenue growth despite the difficult economic climate.

Syracuse-based Pomco Group says it added the National Basketball Association (NBA), Syracuse University, and four other organizations as new clients, while getting three existing clients to take more of its services. The growth added 23,000 new covered members to Pomco's customer base as of Jan. 1. Pomco now has over 200,000 members.



Pomfrey

Calling itself one of the nation's largest, independent administrators of employee benefits, Pomco Group works with companies that self-fund their health plans. That means the employer pays the medical claims incurred by

its employees rather than paying health-insurance premiums to cover potential claims.

Pomco isn't an insurance company, but an administrator, says Robert Pomfrey, president and CEO of the firm, which is headquartered in a 65,000-square-foot building in the Eastwood section of Syracuse.

"In a simple sense, we act on behalf of our clients. We're really like their employee," he says.

The NBA selected Pomco to administer health-reimbursement accounts for active and retired players and is working with Pomco's office in White Plains. And it's not the only well-known entertainment organization Pomco works with, says Pomfrey.

"We already administer for the WWE, too," he says, referring to World Wrestling Entertainment.

Besides the NBA, Syracuse University, Warsaw, N.Y.-based Five Star Bank, JAY-K Lumber of New Hartford, United Helpers Management Co. of Ogdensburg, and Canton-based North Country Savings Bank joined Pomco as new clients for administration of their medical benefits at the start of the year, according to David Price, vice president of sales and marketing.

Crouse Hospital of Syracuse, which was already a Pomco Group client for workers'-compensation administration, also added medical-benefits administration at the beginning of the year.

In addition, the North Syracuse School District and L. & J.G. Stickley, Inc. of Manlius, both of which are already clients of Pomco Group for medical-benefits administration, are also working with Pomco for administration of workers'-compensation claims, says Price.

Pomfrey attributes some of his company's business growth to referrals from existing clients, such as hospitals and school districts, calling them "vertical markets."

Besides adding to its roster of clients and members, Pomco also recently expanded its business-process outsourcing (BPO) support offerings for carriers through the acquisition of Pioneer Administrative Services, a West Springfield, Mass.-based national insurance-services provider. The acquisition closed late in 2008, says Price.

That move enables Pomco to provide "back office" support to the insurance and benefits administration industry, consolidate and grow its student health business, and broaden the reach of its provider network into Massachusetts and eastern Connecticut.

With the acquisition, Pomco adds 20 employees and now provides benefits-administration services to more than a dozen insurance companies, according to Price.

Pomfrey wouldn't disclose any terms

of the deal. Pioneer operates as an independent subsidiary of Pomco Group.

To accommodate its business growth, Pomco's work force has grown 17 percent since January 2008, and the company expects to add between 40 and 60 employees in claims, medical services, and other departments later this year.

Pomco currently employs 400, including about 300 people who work at its headquarters at 2425 James St. In addition to its Syracuse and Massachusetts locations, Pomco also operates offices in Albany, Buffalo, Endicott, Rochester, Watertown, White Plains, and Chattanooga, Tenn.

Founded in 1978, the company has grown from generated revenues of \$36,000 in 1978 to \$41 million in 2008, according to a company overview on its Web site. Pomfrey expects revenue growth of 15 percent in 2009.

Amid the seemingly never-ending rise in health-care costs during the last decade, Pomco says its clients' benefit costs (premium equivalents) have not increased as much as typical health-insurance premiums.

From 1999 to 2008, Pomco's average book-of-business premium equivalents increased just 7.8 percent, compared with a 9.2 percent increase among self-insured plans, and nearly 11 percent for a typical fully insured plan, according to a 2007 survey of employer-sponsored health benefits conducted by the Kaiser Family Foundation and the Health Research and Educational Trust.

Pomco Group offers mid-and-large-sized companies across New York customized, self-funded services, including medical, dental, and vision benefits management; workers'-compensation and disability-management administration; prescription-drug management; online benefits; HIPAA consulting; employee benefit statements; and BPO for carriers. □

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