

The CFO
SOLUTION

**CFO Forum on
Healthcare 2016**

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Introduction

- Today's forum featured two brokers and they shared their thoughts on Best Practices of CFOs who they work with including:
- They stay informed-attending workshops, reading local and industry updates and planning renewals six months in advance
- They require quarterly reviews of claims, costs and issues
- They coordinate with HR as either a peer or the leader in managing healthcare as a benefit

CFO Best Practices

- Always demanding more information-some of which we don't have, some of which we don't like to provide
- Good CFOs are HIPPA certified-this is rare but it is worthwhile since that certification allows them to discuss topics that sometimes are prohibited. It also shows to us that they take their role seriously.
- They demand risk analyses-whether considering self insurance or stop loss coverage levels they always want to understand “their” risk vs the baseline

Our impressions

- Brokers want to work with key decision makers so they like having a relationship with the CFO but do not like the analytical demands and challenges
- Brokers will offer programs that are not proven but are popular fads. The Wellness program fad of 5 or 6 years ago was well intentioned but not a winner in financial ROI terms.

Our impressions

- Brokers will condition us to believe the market is going up x%. No facts but if it is repeated enough it feels like “fact”
- They will go through the renewal exercise, provide an initial renewal at market or slightly better and upon pressure, find another 1% to keep the account
- Allows HR to say the broker did their job!
- CFO may not say the same!

Final Thoughts

- Brokers may offer a small reduction in their compensation by reducing a monthly admin fee. Good CFOs require a compensation disclosure –just like you receive from your 401k advisor.
- Remember you have an implicit fiduciary responsibility-not quite ERISA standards but do your job!