



# Cost Control:

How CFOs at Large Companies  
Can Drive Health Benefits Strategy

# About SureCo

**Amplifying Group Benefits.  
Delivering Results.**

**SureCo**

## **Mission Driven**

Improving the health and well-being of working Americans.

## **Built for Large Group (250+ EEs)**

Our benefit administration and enrollment platform is tailor-made for the priorities of large and distributed teams.

## **60+ Years**

60+ years of combined healthcare compliance and ICHRA experience.

## **Lobbying Efforts**

Instrumental in the lobbying efforts that led to the passing of ICHRA.

# Presenters



**Erik Wissig**

Chief Financial and  
Operating Officer



**Meredith Gaitanis**

Chief Financial Officer



**Chris Krusiewicz**

SVP & Senior Partner,  
Employee Benefits



**Lindsey Unterberger**

Vice President of Product  
Marketing



# Agenda

- 5 Reasons 2024 CFOs Need to Drive Health Benefits Strategy
- 2024 Health Benefits Financial Landscape
- How CFOs Should Evaluate Their Company's Benefits Strategy
- Why Every CFO Should Consider an ICHRA
- Bridging the Benefits Gap Between Finance, HR, & Benefits Consultants
- Q & A

# Handing Off Benefits to HR vs. Working With HR

how it started

how it's going



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## How and why CFOs are in the benefits business.

As a Chief budgettr  
In the pa with unst Financial

### CFOs are Taking on More HR: What This Means for You



As a Chief budgettr, you may not realize that your role in managing the organization's financial health is becoming increasingly intertwined with HR. CFOs are taking on more HR responsibilities, and this is a trend that is likely to continue. This means that you will need to have a good working relationship with HR to ensure that you are able to manage the organization's financial health effectively.

CFO JOURNAL

### Surge in Health-Insurance Costs Pose Next Challenge for Finance Chiefs

Healthcare costs are rising at the steepest rate in years, leaving CFOs to manage the price tags

By Jennifer Williams-Alvarez [Follow](#)  
Oct. 16, 2023 5:30 am ET

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Zimmer Biomet's health-insurance costs have in the past few years gone from increases of 3% to 5% to an expected 7% to 10% in 2024. PHOTO: MORITZ HAGER/REUTERS



Topics & Tools > Workplace News & Trends > HR Magazine > Building an HR/CFO Partnership

FEATURE

### Building an HR/CFO Partnership

True partnerships between HR and the CFO are not common, and they can be difficult to establish. But a good working relationship between the two will drive business.

March 10, 2022 | Joanne Sammer

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Keeping a finger on the pulse of the organization is one of the most important responsibilities of senior HR leaders—and CFOs.

Julie Turpin, chief people officer of insurance firm Brown & Brown, based in Daytona Beach, Fla., is up to the challenge. And when she visits the firm's business units, CFO Andy Watts joins her. For Turpin and Watts, a hallmark of these visits is meeting people who work in critical roles.

"This provides deeper insight into [employees'] acts a scorecard (on performance), but this also lets us see insights gained from the visits inform business decisions employees, Turpin says. Questions she and Watts cc

These visits are part of a larger undertaking between HR and the CFO are unc between the two can yield significant benefits and d

True partnerships between HR and the CFO are unc between the two can yield significant benefits and d

### Becoming Business Part

In many ways, Turpin is well-positioned for this type segment leader responsible for top- and bottom-line her working relationship with Watts.

### The financial imperative of employee health: A CFO's guide

Ahead of World Health Day, the article emphasizes the financial and ethical importance of employee health for business success, highlighting the need for CFOs to prioritize workplace well-being.

Author: The CFO

Date published: April 8, 2024

Categories: Strategy & Operations

The well-being of staff is not just a matter of ethical concern but a critical financial consideration. As companies navigate through the complexities of modern business landscapes, the health of their workforce emerges as a pivotal factor influencing productivity, retention, and ultimately, the bottom line. As chief financial stewards, CFOs are laser-focused on maximizing profitability and shareholder value.

Progressive CFOs, however, recognize that investing in employee wellness is not just a feel-good initiative but a strategic imperative that pays dividends.

As chief financial stewards, CFOs are laser-focused on maximizing profitability and shareholder value. However, an often-overlooked driver of financial performance lies within the health and well-being of a company's most vital asset – its people. Progressive CFOs recognize that investing in employee wellness is not just a feel-good initiative but a strategic imperative that pays dividends.

### The Crippling Cost of Workplace Stress

The harsh reality is that the modern workplace has become a pressure cooker, with employees overwhelmed by mounting financial worries. A shocking 60% of the workforce battles chronic money stress, with this anxiety spilling over into the office and hijacking productivity. Financially troubled staffers are nearly five times more likely to be distracted on the job.

This mental duress extracts a massive toll – conservative estimates peg the annual cost to U.S. companies at a staggering half a trillion dollars in lost output. Absenteeism skyrocketed, quality suffers, and employee churn soars as talented personnel seek greener, less-stressful pastures.

StrategicCFO360



With costs expected to rise dramatically in the coming years, it's critical that finance chiefs partner with HR leaders to focus on the details of their offerings.

- When it comes to healthcare costs and inflation, the real impact of the pandemic and its aftermath will truly arrive in 2024, 2025 and 2026.
- CFOs find themselves back to back with the perfect storm—high inflation, increased demand for services and a prolonged spike in healthcare utilization. These factors are creating an escalating burden on companies of all sizes and wreaking havoc on their profits and losses.
- Health insurance costs are climbing at the steepest rate in years, reports *The Wall Street Journal*. Insurance carriers and their brokers are incentivized to drive costs up, not down, per CFOs will rely on representatives of those organizations to disrupt the purchasing process and contain costs. For this reason, it is critical that CFOs and private equity firms play a much more involved role in developing

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# 5 Reasons CFOs Need to Drive Benefits Strategy in 2024

- » Healthcare costs are climbing at the **steepest rates in years**—with no signs of slowing down.
- » Health benefits are likely a **top 3 or 4 line-item expense**.
- » These **costs can significantly erode EBIDTA**.
- » You have the financial skill needed to **evaluate new alternative funding models and contribution strategies**.
- » No one cares about your company's bottom line more than **YOU**.

# 2024 Financial Health Benefits Landscape

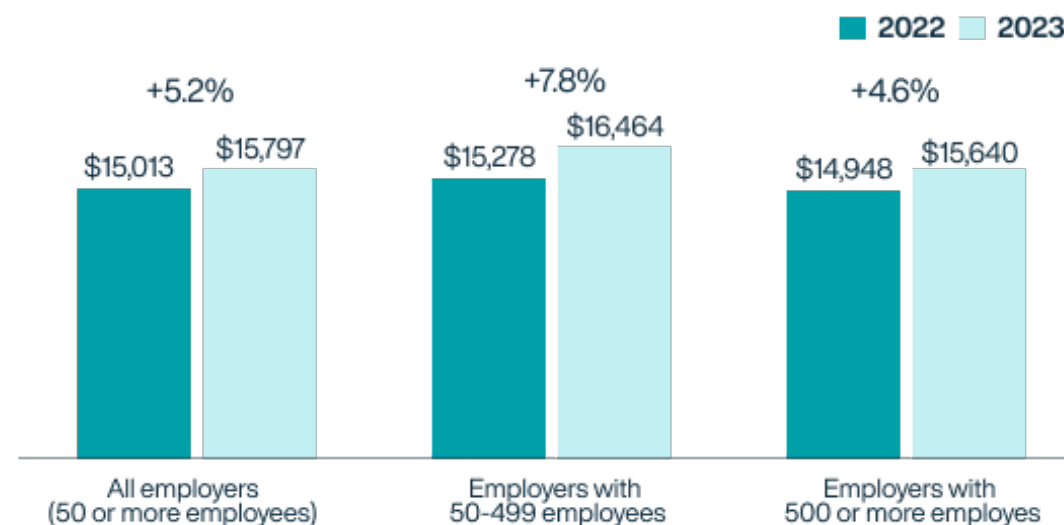


# National Healthcare Costs Continue to Climb

## What's driving these increases?

- Inflation catching up with healthcare
- Higher utilization due to treatments put off during the pandemic
- Hospital labor shortages
- Growth of treatment for chronic conditions
- Increase in prescription drug costs

## Average Health Benefit Cost Per Employee

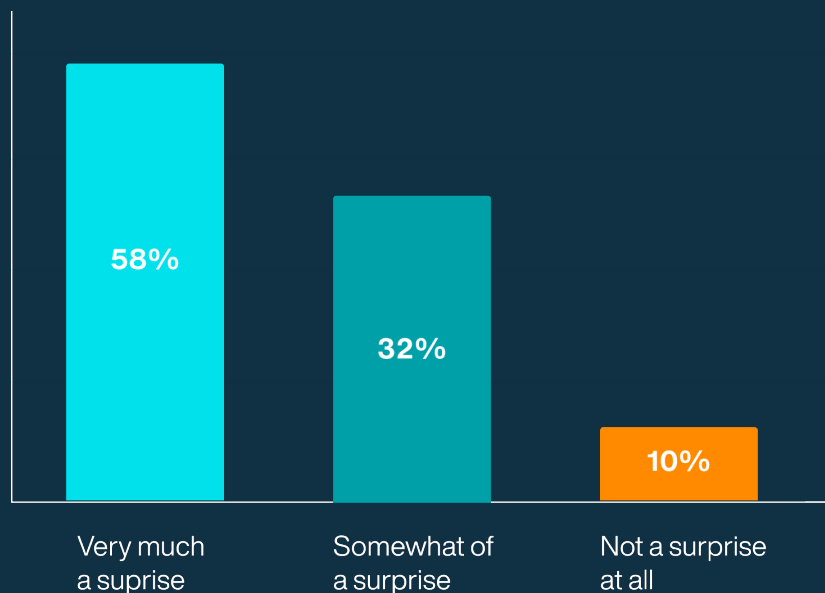


Source: Mercer National Survey of Employer-Sponsored Health Plans



# Renewal Rates Are **Skyrocketing**

Percentage of finance leaders surprised by their most recent renewal increase



**81%**

Renewal rates increased for 81% of employers this year

**70+%**

70+% saw increases of 5-15%

**1/3**

Brokers said 1/3 of their clients had increases over 5%

# How CFOs Should Evaluate Their **Benefits Strategy**

1

Make sure you understand the economics of your current benefits model  
(premiums, participation, claims, stop-loss, etc.)

2

Get to know the role your benefits consultant plays.

3

Stop looking at your healthcare spend in 1-year increments.

4

Do a YOY data analysis for the past 5 years.

5

Ask yourself if the trends you're seeing will drive value over the NEXT 5-10 years.

Why Cutting  
Benefits or  
Increasing  
the Employee's  
Share of Costs Is a  
**Recipe for  
Disaster**

**213%**

The average cost to a company of losing a highly-skilled employee is 213% of their annual compensation.

# The Third Way

## Why Every CFO Should Consider an ICHRA



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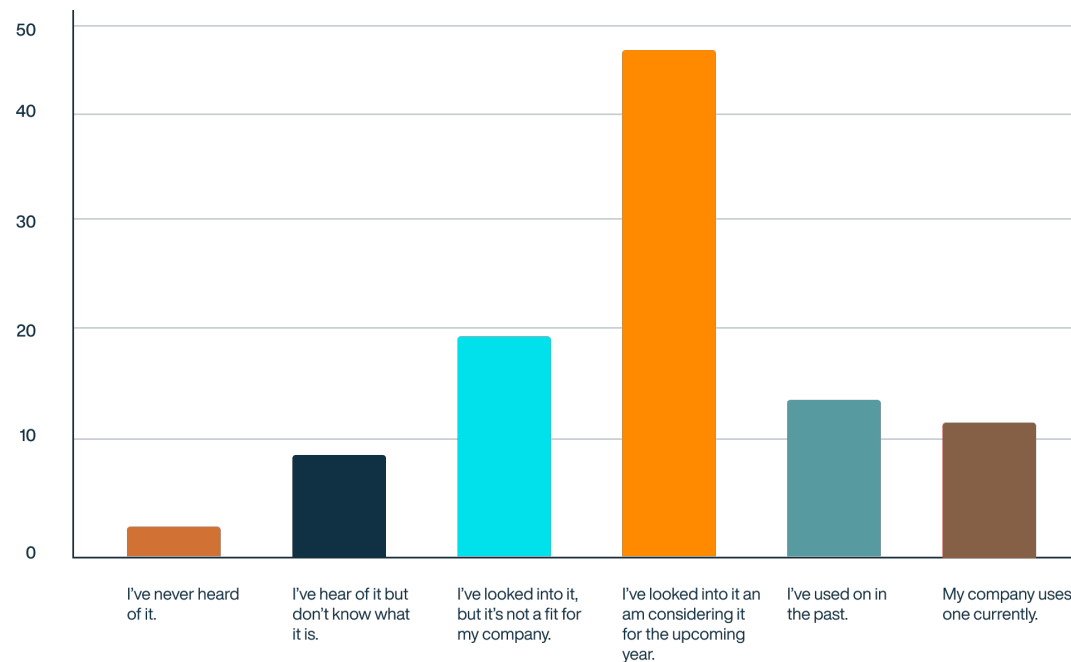
# What Is an ICHRA?

Individual Coverage Health  
Reimbursement Arrangement

**Ich | ra ('ikra) n.** [[ ik-ruh]] An alternative to traditional group health insurance that allows employers of any size to use pre-tax dollars to contribute to the premiums of health plans their employees purchase on the individual market

# ICHRA's: A Cost-Containing Benefits Model on the Rise

How Familiar Are You With ICHRAs?



42%

of employers are considering an ICHRA for the upcoming year

63%

of brokers believe ICHRAs will take over at least 50% of the market in the next decade

78%

of employers said their broker raised an ICHRA to them

# ICHRA Satisfaction

- Of those employers that have utilized an ICHRA, **88%** felt their employees were satisfied with the plan, and similarly, **89%** indicated that it was the right move for the company.
- Among companies that did switch to an ICHRA, the average **cost savings was over \$900,000**, with **84%** indicating savings above \$500,000.

# Bridging the Benefits Gap Between Finance, HR, & Benefits Consultants





# When CFOs, Consultants & HR **Align**

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# 3 Keys to a Successful Benefits Partnership

- » Start the conversation with your HR leader early and have it often.
- » Establish a common metrics language.
- » Lean on each other's strengths.

## 14 HR Metrics for the CFO

Numbers are obviously important to finance executives. So to forge strong relationships with CFOs, HR leaders will need to bring their most important numbers to the table. Unsure of what to measure or how? Consider these 14 metrics

1. Cost-per-hire
2. Time-to-fill
3. Human capital ROI ratio
4. High-performer productivity differential
5. Average time to full productivity
6. Time to close business leads
7. Absenteeism
8. Total cost of workforce
9. Billable hours per employee
10. Total training investment
11. Training performance differential
12. Employee turnover
13. Employee turnover rate
14. New-hire turnover rate

# Q & A

## More Questions?

Schedule a 15-minute call to receive a complimentary ICHRA analysis for your company.

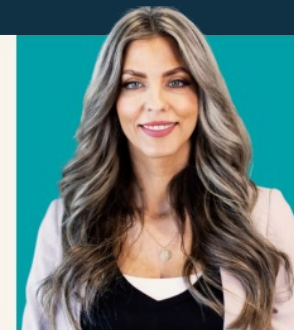
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**Brad Baker**

Regional Sales Director,  
West Region

**Call or text:** 949-669-5820  
**Email:** [bbaker@sureco.com](mailto:bbaker@sureco.com)



**Lesley Bazant**

Regional Sales Director,  
Midwest Region

**Call or text:** 949-656-4971  
**Email:** [lbazant@sureco.com](mailto:lbazant@sureco.com)



**Jason Pappas**

Regional Sales Director,  
Northeast Region

**Call or text:** 917-590-0162  
**Email:** [jpappas@sureco.com](mailto:jpappas@sureco.com)



**Chris Poucher**

Regional Sales Director,  
Southeast Region

**Call or text:** 813-591-5802  
**Email:** [cpoucher@sureco.com](mailto:cpoucher@sureco.com)

# Thank You!

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## Contact Us



(866) 235-5515



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201 Sandpointe Ave  
# 600, Santa Ana,  
CA 92707



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