

The Little Book of **BIG**  
(CFO) Conversations

I HAD THE CEO  
CALL ME AND SAY,  
“I DON’T CARE  
WHAT YOU  
HAVE TO DO,  
**FIX IT!**”

We've distilled  
**the best nuggets**  
from CFOs on growing  
their business, saving coin  
& reinvesting in their people.

This is all the **crazy s# \$!**  
executives want to hear but  
are afraid to say... *in print.*

*Enjoy.*



**Before You Dive In:** In the Fall of 2021, CFO Hilton Sher sat down with WellNet CEO, Keith Lemer & consultant Carlos Castresana, EVP at USI. This **quick read** is a collection of only the **best quotes** – *delivering wisdom, ideas, strategic direction and personal perspective.*

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We have had quite a roller coaster. We had a number of years of really good claims and didn't reap the benefit. Then we just hit a **downward spiral** of year-over-year high claims ratio, premiums going **up** and **up** and **up**.

*-Hilton Sher*

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Meet **Hilton Sher**,  
CFO, Consolidated Credit  
Location: Ft. Lauderdale, FL  
Enrolled: 200

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The reality is that **we reached the stage where health insurance became unaffordable.** The expense got to about 2-million-dollars of health insurance costs and for a group of our size, very sizable. -Hilton Sher

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### Building Rapport

“I called Carlos [Carlos Castresena, USI] and I said, ‘You’ve’ got to come in and save me.’ He gave us a great proposal and a deep analysis of the opportunities in our plan to save. **I had never seen that before.**

It’s nice to see a quote for self-*insurance*, but it’s not that simple - you have to **look at your plan through a new lens** and **decide to make the change.**” -Hilton Sher

### Word to the Wise

“In our first year we **saved \$600k and \$400k more on renewal.** Had we stayed fully insured, our carrier would not have improved the plan and we’d only trend up from the previous renewal. We avoided a premium increase **and** we lowered our cost.” -Hilton Sher





Meet **Carlos Castresana**, JD, CFP®  
VP USI

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The biggest thing I'm going to tell you is that you must have **buy-in from the senior leadership. The broker cannot be the only player driving the program. It will not succeed -**

*-Carlos Castresana*

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## Winning New Business

“I tend to seek out C-Suite executives that are financially sophisticated - who are **ready to sit down and put in the time and effort.** You have to walk through all the components of the plan so they feel very comfortable in understanding how it works.

When they see the effects on their medical and pharmacy spend, the concierge services and their reimbursement of deductibles...**the Crawl, Walk, Run approach just makes so much sense.** Everything gets handled (with a one call resolution) and **nothing sits on the table.”** -Carlos Castresana

## Words to Work By

“There are **two phrases** we use now internally. The first is: **Crawl, Walk, Run.** You start slowly with minimal plan changes and then make plan enhancements as you understand where to take corrective action.

The second is: **proactive vs reactive.** With access to claims data, we can **analyze trends** as they happen and **make the necessary changes** to minimize costs.” -Hilton Sher

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We **now understood what we were doing** and where we were going. We wrapped our heads around the inner workings of the plan. Our **prescriptions** were about **50% of total claims**. Now with WellNet, **we're definitely below 30%**.

*-Hilton Sher*

”

3 years with WellNet

**Savings to Date:**  
**\$1.2m / 23%**



## How It Works

“To the **average employee, not much changed. For the company, everything changed** because we had **so much access to data**.

In partnership with our advisor and WellNet, we were data mining, interpreting the claims and weighing suggested action.

We **knew exactly where there were opportunities** to improve every single month - **and more, if we wanted it.**” -Hilton Sher

## What to Expect When You're Saving

“The biggest adjustment is really behind the scenes. In the 20 years I've been at Consolidated Credit, this was **the first time we felt that we had a handle on where we were going** and how to address it.

This is **not about taking benefits away** or hurting the employee and their families.

We didn't exclude anything - we **found a better way to source it**. Our employees have **a concierge to access higher quality, lower cost doctors** for surgery or a specialist.” -Hilton Sher

## Building a Division With Vision

“In my mind **I've taken healthcare and made it like another division in the company**. I know every week what's happening in the plan. **It's forced us to be so cognizant** of everything that's happening and that's a good thing.

As a company, **we now invest the time to keep current** and see where we're going wrong. **It's not a one and done** - you consistently work at it.” -Hilton Sher



When we started, we just mirrored the existing plans. Now, we're doing things such as **incentivizing our people** by covering their deductible if they engage with their concierge and use preferred, quality care providers.

WellNet will **suggest personalized options**, but we do not mandate them to our people. **It's taken us to the next level in savings.** The easiest path [to me] is to recommend **starting with the same plan design** so your people don't feel like they are being short-changed. Then **over time, look at how to reduce more costs.** It's all about **education.** -Hilton Sher



## The Key is Personalized Communication - Everytime.

“Once you go to a WellNet model, it’s **white glove service**. Everything gets handled, **one call resolution** and **nothing sits on the table**. Any EOB, any claim, anything compared to the snail’s pace of a carrier 1-800 number - **it’s night and day**.

My clients love the service. That’s the second piece to the win-win here. All I want to communicate to every broker, advisor and company is this: **there is work to be done with every group health plan.**” -Carlos Castresana

## Making Big Move\$

“That’s why a Crawl, Walk, Run, approach makes so much sense. They **allow companies to manage their health plan at their own pace**. [From our experience] WellNet makes an enormous investment into your customers, so that **companies are comfortable to make the move.**” -Carlos Castresana

## How the CFO Sees It

“We are **not waiting for the renewal** and **always behind** the eight ball. We’re now ahead of the game. **As a CFO**, I think the **key is to show us** how we’re going to **save money** and why **we won’t have a loss of service.**”

“To **get the C-Suite involved**, you have to show them **how they’re going to save** and **how it’s not going to hurt the employees**. Because remember, we’re not just the C-Suite; we’re on the health insurance plan, too.” -Hilton Sher

## Demonstrate Saving\$

“The big key is how are they [the employees and the C-Suites making the decision] going to save money? How you do that is [with solutions] that WellNet provides. **They take existing claims and show how those costs can be reduced.** You have to use those kinds of tools to show that there can be savings in the system.

Because as a C-Suite, they need to feel they’re maintaining their quality of benefits (along with their employees) while at the same reducing healthcare costs.” -Hilton Sher



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What you guys do, the **deep dives into the existing claims** of the customer - that's very powerful. You [WellNet] **take something** that is a general concept - **eliminating waste, improving efficiency and sourcing things less expensively** - and bring it down to the level a company can understand. ***I think that's very powerful for a CFO to see.***  
-Carlos Castresana

## The Fork In the Road

"I walked into a meeting yesterday [with a senior executive brought in by a private equity player] and I just laid out the facts. The **traditional health insurance industry players do not sit on the same side of the table as the employer.**

It's really powerful when you explain the affordable care act and **why health insurance companies have record profits.** There is no desire to mitigate claims and to help employers lower their costs - ***the job they should be doing.***  
-Carlos Castresana

## A Message to Any C-Suite Executive

"You're not mitigating claims. Tell me - **how are you going to mitigate claims?** By doing the same thing every year - with a **broker who continues to go to the fully insured markets** - and quote everybody?

Are you going to do it **with the same bad news that your increases are double digit again?** Or are you going to take back control of your health plan? There's got to be a better way." -Carlos Castresana

## Brokers Who Win Business

"The **best thing** about Carlos, **he kept in touch with us every year...** every year he'd come and **give me some ideas.** I would always bounce ideas off of him and we'd talk about self-insurance.

I went to my current broker and asked for a self-funded quote. The **quote actually came back higher** than our fully insured plan - **right then, I knew we just couldn't stay with our current broker. They stopped fighting for us.**" -Hilton Sher



In the Spring of 2021, **Burt Brenner, CFO of Lindsay Automotive** sat down for an interview on how they've enhanced culture, **cut rates 5% and pocketed \$700K** this past year alone while improving workforce development for the betterment of the company & their people.



Meet **Burt Brenner**,  
CFO Lindsay Automotive  
Location: Arlington, VA  
Enrolled: 700

“

The journey started when we went through a pretty heavy growth phase and **realized just how little control we had on health costs.** We were **looking for more transparency** as a dealer with about 1,000 employees.

Exactly what you would expect in the car business - technicians, salespeople, parts advisors, admin, body shop personnel - all different levels of people.” -*Burt Brenner*

## Control & Stability

“Our **main concern focused on the lower wage talent** because **we’ve all been there with healthcare.** It’s a **25% increase** this year. It’s 5% the next. It’s **40%** the next. **You don’t know until it’s too late.**”

What we wanted to do is **bring more control in-house** and **create some stability in pricing** - certainly for the company, but more specifically, **for the employees.**” -*Burt Brenner*

## Knowing When To Pull the Lever

“The timing was right. We’re in this **huge growth phase and didn’t feel the cookie cutter approach would work** for us. [When we started] it wasn’t the time to change benefits. **We kept deductibles and overall coverage the same - still a very rich plan.**”

What we needed to do was **bring it in, figure out where we stood, and at the same time, re-educate employees** on the **state of health insurance today**, not what it **was 20 years ago.**”  
-*Burt Brenner*



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**Again, it comes back to that control.** You look at it and you're like, *how am I ever going to go over this hill?* You have to be **willing to make that commitment.**

**I guarantee you that you're not going to spend more on a self-insured than a fully insured plan.** You're just not.

**We can go back to the fully insured market at any time. That's not in the cards for us. It's just not. I wouldn't..."**

*-Burt Brenner*



## Rebuilding Better Experiences

“Sure, the cost part is big for employees. **They don’t want a reduction in care either.** Our **main concern was the employee perspective** - *I’m getting this for a better price or a similar price under a different plan, but how does that translate to the actual benefit?* **I love that my employees have all been very pleased with both sides of it.”**

## Data is a Powerful Force

“Your aging population is obviously your highest risk. With the help of our broker and WellNet, we could **educate eligible members on the benefits of Medicare.** Today, **it’s better than most plans you can find** out there. It’s a **richer plan**; it’s **lower deductibles**; it’s **lower cost.**

After we explained their options and **helped guide some of our associates in the transition** to Medicare, we **provided a plan that’s as good as or better** with lower costs.

I can’t tell you **how much that’s helped our plan**...million-dollar, **million-and-a-half-dollar claims**, can really **hurt you.** To me, that’s **step one.** If I were **looking for a way to save money** on our plan, that’s it.” -Burt Brenner

## Four Zero Victories

“We had an **employee with a child getting blood transfusions** that cost about **\$60K a month** on the fully insured plan. We had **zero control** over it, and we would get those spikes. You **could see three months worth of those RX expenses** come through with a 90-day supply.

When we **moved to self-insured**, it was a **lot easier** than I thought it would be. We were able to **manage it with the employee and a contract** that **reduced the cost to under \$10K** a month.

The **main thing about going to a self-insured plan - aside from the cost component** that is a huge win for anybody who’s on it - **is the stability.** Not just the stability in the cost - **stability in the provider and networks.**

We went through **years where we would have a different health insurance company every year** and two months in, **we’re all waiting** on new cards and have a **backlog of claims.**

The **stability translates down** - and pushes down - to **less negative activity in your HR department.”** -Burt Brenner



Read the entire interview with Burt **here.**



“Really, **it’s all about here’s the data in front of you. How can we cut costs here without cutting benefits?** It’s all about the best value, right? That’s **what we all want with insurance** - in anything we buy - is **the best value.**

I feel that **we’re now in a position to provide that to our employees. I’m not holding my breath at renewal anymore** - we’ve all been there going back and trying to avoid a 40% increase. **For us, that’s a thing of the past.”**  
-Burt Brenner



Read the entire interview with Burt **here.**



## Exception to the Rule?

“We are **not a young group**. We’re not an old group. We’re **somewhere in the middle**.

We have plenty of heavy claims. **I don’t want people to think** - ‘*Oh, we have this guy on our plan and I know he’s going to be expensive – so then self-insured is not an option.*’ Honestly, it’s **a better option**.

Again, **you have more control**. There are **so many little elements within health insurance that we have zero control over** in a traditional plan. A **self-insured plan allows you to make it fit you, your employee and age base, and make it successful**.

It’s **not a one size fits all**. I think **really engaging in the process** - and **realizing there is opportunity** - is **the first part**.”-Burt Brenner



Read the entire interview with Burt **here**.

**“We sourced dialysis under a separate agreement and saved \$700K on two participants.”**

## **Outcomes Over Everything**

"The **great thing about our health plan** now is **the (nearly) real-time reporting**. You can **see the trends as they're happening**. This **allows you to make decisions on the fly**, or you can put notes in and say - *'This is what I want to do 6 months from now or at next year's renewal.'*

We had a couple of **employees on dialysis**. With **traditional plans** (whether you realize it or not) **employees can go anywhere** - as long as it's a provider in the plan.

We **created a separate agreement with a dialysis center** that has plenty of centers around the area and **cut costs on just two participants** in the first year with WellNet by **\$700K**.

You talk about **seeing things as they happen**, adapting, and then **reaping the results of it**.

In our first year with WellNet, we created a separate agreement with a dialysis center that has plenty of centers around the area and cut costs on just two participants by \$700K." -Burt Brenner



Read the entire interview with Burt **here**.

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**“You’re not captive to a fully insured carrier** how I thought about it for many years. **I didn’t have any options. I can tell you - you have a lot of options.** We were stuck too.

You may have a **broker that’s been traditionally pushing you towards fully insured because it’s easier** for them.

Just know that **might not be in your best interest.** You can also negotiate your rates [with your broker] a lot easier on a self-insured plan. **Everything is more flexible.”**

*-Burt Brenner*

## Breaking Up With Bad Plans For Good People

**“Managing your health plan also helps with your image, right?**

If **you’re known for great benefits - people** in all these markets **talk.** I don’t care **what market you’re in,** the **employees under you are talking** to somebody who’s in one of your competitor’s markets- *whether it’s health insurance increases, raises, or other benefits.*

Our [optimized plans] **created a better brand image** for us, which **we work hard** for. We **started as a very small family company.** We’re a **fairly large player now,** but we also **want to maintain that family element.** This has really helped us get back there on the health side.

We **let employees know what things cost** and that we’re self-insured. **They’re part of this big picture.** For us, it’s about **making them feel a part** of all this -**because they are.**

**Higher claims will lead to increased rates** for them. **Lower claims will lead to lower rates.** We’ve **proven** that.”

*-Burt Brenner*



## About WellNet

WellNet builds and optimizes **smarter self-funded health plans** for companies across the nation with 100 to 5,000 employees.

Leveraging our patented technology stack, we fix the unaffordable healthcare mess with ongoing education, stronger advocacy, and aligned incentives to combat the vested interests of traditional health insurance carriers.

Our unique ability is doing whatever it takes – *at the right pace* – to lower the cost of healthcare and improve the experience for companies and their people.

Please visit: [wellnet.com](https://wellnet.com)

## Get in Touch

Learn More

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