



SOCIETY OF ACTUARIES

**Valuation Actuary Symposium
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**Session 21 PD: Healthcare Reform:
Visions of the Future**

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Health Care Reform Visions of the Future

2009 Valuation Actuary Symposium
Session 21 PD

Presenters

- Karen Bender
 - Oliver Wyman
- Bill Thompson
 - Milliman
- Cabe Chadick
 - Lewis & Ellis

Major Reform Areas

- Individual Mandate
- Individual & Small Group Reform
- Low Income Subsidies
- Health Insurance Exchange Gateways
- Mandated benefit packages
- Employer Mandate
- Public Option
- Medicare and Medicaid expansion
- Tax-cap on Employer Deduction of Health Insurance

Parties of Interest

- Individuals
 - Current Insureds
 - Current Uninsureds
 - Taxpayers
- Employers
- Medical Providers
- Insurers
- Regulators
 - State
 - Federal

What does Health Reform do to “me”?

- The answer to this question is not black & white and varies on:
 - Each specific proposal within each reform area
 - Who is the “me” (e.g. doctor, patient, employer)?
- Some proposals have good & bad consequences to each “me”.
- We will speculate on
 - The obvious results and unintended consequences
 - Pro’s and Con’s

Individual Purchase Mandate

- Parties Impacted
- Issues
 - Tax Penalty
 - Subsidies

Individual Insurance Market Reform

- Parties Impacted
- Issues
 - Guarantee Issue
 - No Pre-Existing Condition Exclusions
 - Rating Restrictions
 - State regulation preemption

Small Group Insurance Market Reform

- Parties Impacted
- Issues
 - Rating restrictions
 - State regulation preemption

Health Insurance Exchange Gateway

- Parties Impacted
- Issues
 - Minimum loss ratio standard
 - Risk adjusted payments
 - Funding

Mandated Benefit Packages

- Parties Impacted
- Issues
 - Minimum plan design
 - Actuarial equivalency testing
 - Additional benefit mandates

Employer Mandate

- Parties Impacted
- Issues
 - Minimum contribution %
 - Small employer exemption
 - Premium subsidies

Tax Cap on Employer Contribution

- Parties Impacted
- Issues

Public Option/Cooperatives

- Parties Impacted
- Issues
 - Tax/government subsidies
 - Provider payment levels
 - Insured selection

Medicare and Medicaid Expansion

- Parties Impacted
- Issues
 - 55-64 Medicare eligibility
 - CHIP
 - Expanded poverty definition

Where can I read more?

- AAA Issue Briefs
 - Individual Mandate
 - Market Reform Principles
 - Actuarial Equivalence
 - Minimum Loss Ratios
 - Risk Pooling
 - Public Plan Option

Where can I read more?

- LewinGroup Analysis
 - “Cost and Coverage Impacts of the American Affordable Health Choices Act of 2009: The July 15th draft”
 - “Technical Points of Clarification on The Lewin Group’s Analysis of the American Affordable Health Choices Act of 2009”
- CBO Analysis