



SOCIETY OF ACTUARIES

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The Future of Health Actuaries

by Kara Clark

What do you want to be doing in five or 10 years? Some people have tired of hearing and answering that question, but it's a critical one to ask as we consider the professional outlook for health actuaries. To that end, the members of the SOA's Health Benefit Systems Practice Advancement Committee and Health Section Council have recently been exchanging thoughts around a series of questions related to the roles health actuaries should be able to assume in the future. A summary of that discussion follows.

Health actuaries should be able to maintain positions in more traditional roles, including plan and product design, pricing, valuation and financial management for insurance companies, managed care organizations and employee benefit plans. We should also be able to expand our position into areas of management and strategy, including long range planning and modeling.

Integrating our expertise with those from clinical backgrounds will be critical in expanding our roles to include data mining and analysis to understand patterns of care and to demonstrate how and why health care is delivered differently in different areas and under various circumstances. Health actuaries cannot and should not replace the professional judgment of those actually providing health care, but we can provide an understanding of how financial issues and risk (including risk related to access and quality) are impacted by treatment patterns. We can work alongside other professionals in designing reimbursement programs that appropriately complement medical management processes and therefore serve to benefit a collective group of stakeholders.

Health actuaries should also be looking to assume a greater role not only in the technical aspect of risk measurement, but also as business managers and advisors in the areas of risk identification, evaluation and management. Our approach needs to become more proactive and our viewpoint more holistic, so we can add value to our clients not only through our skills in risk management and mitigation but also in risk capi-

talization. There are opportunities for us under the umbrella of enterprise risk management, including roles as chief risk officers.

We should also be able to expand our roles in many of these areas relative to the clients we serve—moving from the more traditional “payer” or “sponsor” side to include providers, patients, research organizations and communities as well. Our ability to translate risk theories into practical applications should also position us to be able to assume a greater strategic role in the policy community, by working with other disciplines to develop policy rather than limiting ourselves to evaluating the policy proposals others have defined. We can also play a role in evaluating the long-term implications of “environmental influences” and in modeling the uncertain impact of these influences on our society and its economy.

To create these roles, we will need to consider potential partners as well as our competition, how we want to position actuaries in the marketplace, and what specific tactics we need to undertake to move us in the right direction. Your perspective on any of these issues is valuable and we encourage you to share it via a Health Section listserv, with a member of the Health Section Council or Health Benefit Systems Practice Advancement Committee (rosters can be found on the SOA Web site), or with Kara Clark, SOA health staff fellow. 📧



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