



SOCIETY OF ACTUARIES

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Actuaries Advancing Public Health

by Jim Toole

The Society of Actuaries is an educational, research and professional organization dedicated to serving the public and its members. Putting the interests of the public first is one of the attributes of a profession; finding volunteer outlets to serve the public is one of the manifestations. The Actuarial Foundation provides opportunities for actuaries to volunteer teaching math to kids. But we are more than mathematicians. We are business professionals specializing in the analysis of risk. Doctors, lawyers and CPAs have all developed sophisticated, highly organized mechanisms to donate their professional time pro bono. In what ways can we as actuaries give back using our special gifts?

There is no denying actuaries give selflessly to the profession, but we lack a formalized structure to give back to our communities. As individuals, many of us are actively involved in our schools, our houses of worship, our communities at large. With our numerical acumen and ability to communicate same, we often find ourselves playing leadership roles within these organizations. Yet we struggle to give back in ways that more directly take advantage of the full range of our professional skills.

But more to the point, in what ways does the health discipline serve the greater public, not just the insured public? Doctors, nurses and pharmacists all have scores of choices to donate their time locally or globally. How many of us get to use our skills to improve the health of our communities?¹ Right around the corner is a building most of us have probably never thought to visit filled with dedicated professionals that serve as ground zero for promoting the health of the largest, most diverse risk pool around.

No, it isn't the hospital. It is your local public health department.

What is Public Health?

Public health is the science of protecting and improving the health of populations through education, promotion of healthy lifestyles, and research into disease and injury prevention. Public health helps all members of a community, not just those who are less fortunate, achieve a healthier lifestyle. In contrast, clinical professionals such as doctors and nurses focus primarily on treating individuals, *after* they become sick or injured.

There is an old adage—what is not addressed in public health ends up in health care. Public health approaches the problem from two angles: creating the conditions for people to be healthy, and maintaining the structures that support health improvement. Through prevention and education, public health is the foundation of individual health. Some of the biggest public health challenges today surround preventing and reducing the consequences of chronic diseases such as diabetes, asthma and cardiovascular disease.

Public health research is critical for the advancement of health. The impact of public health is and has been far reaching. Despite our fascination with the delivery of high-tech, interventionist health care, public health efforts have been responsible for more than 80 percent of the longevity gains in the United States in the 20th century.

Just as the interstate system is the backbone of commerce, public health is the infrastructure upon which the health of the nation rides. Not unlike our transportation grid, our public health

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¹ Yes, there is an "Actuaries without Borders," but could you really imagine a country wanting to import our health care system?

infrastructure has long been neglected. At 1 to 2 cents on the health care dollar, spending has not kept up with the needs for proper maintenance, much less investing enough to counter the health challenges of the new century. The cumulative results of a myriad public health decisions in the last 50 years can be seen writ large in the explosive rise of chronic diseases including asthma, obesity, and diabetes.

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How Can We Help?

Actuaries, of all professionals, surely understand the value of prevention. Present value is our stock in trade. Whereas policymakers are sometimes unable to get past the up-front investment in prevention to understand its long-term benefits, health actuaries can clearly demonstrate the business case for public health in terms of money saved down the road. Study after study demonstrates the link between health, education and productivity. Clearly, cost savings are not just to the public sector; hospitals, health care plans and ultimately the business community all benefit when we invest in community health.

The health issues facing each community are unique. There are no one size fits all solutions. It takes dedicated teams of professionals and community volunteers to identify, scope and implement programs and policy change. Many public health departments in mid-size or small municipalities do not have the budget to keep an epidemiologist on staff. Communities place their faith in good epidemiological research to identify issues and trends, and the effective allocation of resources by informed policy makers to address them. Unfortunately, too often the research is under funded and the policy makers are poorly (or willfully) ill-informed.

This is where actuaries add valuable perspective. Dr. Bobbie Berkowitz, director of the National Institute of Health (NIH) funded Center for the Advancement of Health Disparities Research at the University of Washington, defines public health competencies that clearly overlap with actuarial competencies, including:

- Analytic assessment;
- Communication;
- Policy development & program planning;
- Financial planning & management skills;
- Leadership & systems thinking.

Actuaries are respected in the business community. Merely becoming involved sends the message that public health is an important endeavor. A public health message delivered by business professionals can carry great weight in the community. Actuaries are experts at communicating complex issues to the insurance audience; effectively communicating the meaning and implications of research results to more diverse community stakeholders is a challenge actuaries should welcome to improve broader communication skills. Margaret Stanley, executive director of the Puget Sound Health Alliance, speaks about the "neighbor test." If you can't explain it to your neighbor, you probably need to hone your message.

Why Should We Help?

The primary objective is to help improve the health of our communities, but there are numerous benefits for the discipline to becoming involved at the base of the U.S. health care system. From a purely selfish standpoint, this is an opportunity to inform the public health community, as well as the community at large, as to the value-add that actuaries bring to the table. No less important, this is an opportunity for us to get an education on the other piece of the picture: the needs and challenges facing the underpinnings of the health of our communities. This broader knowledge will of course inform our ability to perform our work, to the benefit of the

system overall. Most important, the discipline fulfills its role of serving the public first, not just the insured public.

The health discipline is somewhat introspective in that we focus almost entirely on the insured population. In that respect, we are more often supporting the corporate interests than the public's'. This is an opportunity to educate the profession of the need to be perceived as a balanced participant in the health care system in the United States rather than biased players with a single focus.

Healthy populations are a critical component of reducing the cost of health care. Employee satisfaction can be enhanced and insurance costs lowered through programs incorporating popula-

tion-based health care strategies. Actuaries can help build partnerships among public health, health care and private sector professionals with an eye towards a prevention agenda for health improvement. We have the knowledge. The question is do we have the courage and can we muster the passion? I encourage each of you to open a dialogue with public health officials in your county, city or state in the next year. I will hope you will share your experience with me and the profession. Actuaries can make a difference, one community at a time. 📧

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