



SOCIETY OF ACTUARIES

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The ABC's of Health Section Research

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Before I joined the research staff of the Society of Actuaries, I primarily associated health care research with syringes, placebos, and white lab coats. Although you won't find any of those items here in the SOA offices (at least not yet), it is no secret that the Health Section is an important source of health care research that benefits both the profession and society at large. This article provides a basic overview of how Health Section research is initiated and conducted including the roles different parties play. I hope readers will come away with a better understanding of the process and consider getting involved in the various opportunities available to them.

Where it Begins...an Idea

The first step in any research effort is an idea. Ideas may vary in both their expected scope and path of emergence.

In terms of scope, ideas can generally be categorized as follows:

1. Ideas that apply narrowly and primarily benefit the Health Section.
2. Ideas that cut across several sections besides the Health Section.
3. Ideas that impact the entire profession.
4. Ideas that impact the broader financial community and/or the general public.

Clearly, the expected scope of an idea is an important factor in determining its feasibility for funding.

Besides the scope, another important factor affecting the selection of ideas to be researched is from where they emerge. There are several paths of emergence for ideas:

1. Ideas that emerge through direct solicitation of a Health Section member. These solicitations are usually done either through e-mails, the section newsletter and other SOA publications, or at continuing education events.
2. Ideas that emerge as a result of discussion or brainstorming by the Health Section Council.
3. Ideas that emerge unsolicited from members and non-members. Typically, an individual will contact a representative from the Health Section or SOA staff member with an idea.

4. Ideas suggested by an entity of SOA governance.
5. Ideas suggested by an outside entity such as the American Academy of Actuaries or the NAIC.
6. Ideas that emerge from major external or societal issues, or mega trends (e.g., research related to prescription drug costs, Medicare, etc.).

Evaluating an Idea...

With an idea in hand, it needs to be evaluated against the research mission of the Health Section. In this respect, several factors are weighed to determine its viability for funding including:

1. Value and Impact—How would the results of the research provide value to the intended membership audience, or outside parties such as the general public? Does it dovetail to the Health Section's overall strategic initiatives? Will it have significant impact for health actuaries?
2. Scope—Can the idea be reasonably and efficiently researched? Ideas such as a proposed comprehensive replacement of the current U.S. health care system may be simply too large an undertaking. On the flipside, an idea may be deemed as too narrow in scope and require information or data that does not exist.
3. Expected Price—Is the project that follows from the idea expected to have a reasonable cost in line with funding constraints? Many ideas that are judged well in all other factors may be rejected because they would be too expensive to undertake.
4. Duplication—Does the idea duplicate already existing work? If it does and there is no other way to redefine the idea, it is normally rejected. An exception is where the idea is to essentially update work that has been previously completed and is out of date.
5. Other Factors—Any other information related to the idea such as the requirement of special data, software, or other material.

Ideas may be judged against other ideas contending for funding, or they may be considered on an ad hoc basis. It will depend on the urgency of the idea and the timing in which it has emerged. The process of consideration and weighing the above factors normally occurs over a number of meetings in an iterative fashion. This length of time for the process is needed

because, in most cases, additional information gathering is needed to fully consider the idea. Given the large number and wide range of ideas considered, it is the general situation that there are more ideas generated than can be funded. This is why the Health Section weighs the decision on a particular idea very carefully. Having subject matter experts involved in the decision process is another assurance that the evaluation proceeds in a careful and deliberative manner. The process has been specifically designed so that only the best ideas advance and receive funding.

Once an idea passes this evaluation, the next step is to issue either a request for proposals, call for papers, or in the case where a researcher submitted an unsolicited proposal, prepare a contract for the work.

Funding

Funding for Health Section research comes primarily from two sources. First, each year the SOA provides an annual budget for research studies that includes an allocation for research related to health topics. The other primary source is from the Health Section's own budget. In addition, projects may be co-funded with other sections within the SOA or organizations outside the SOA.

Who Does What?

Health Section research is accomplished through a strong partnership of volunteers, contracted researchers and SOA staff. The following are high level descriptions of the roles played by each party in conducting research:

Health Section Council—This group of volunteers makes the ultimate decision on which ideas are funded. The Health Section Council includes a special position known as Research Coordinator, which is currently held by John Cookson. The responsibilities of this position are to help provide guidance and recommendations for the Health Section's research agenda and initiatives. In addition, another volunteer connected with the Health Section acts as a primary advisor. This advisory role is currently held by Jim Toole, immediate past chair of the Health Section Council.

Project Oversight Group—A group of volunteers that manages individual projects. A complete description

of the role of Project Oversight Groups is given in the next section of this article.

Contracted Researchers—An individual or team hired to conduct a research project or responding to a Call for Papers. Researchers include both actuaries and non-actuaries, and come from a wide variety of backgrounds.

SOA Research Staff—The SOA Research Actuary and Research Administrator provide management and administrative support throughout the course of a research effort.

Managing the Project—The Role of a POG (One of Our Favorite Acronyms)

To help the Health Section manage the projects, oversight groups are formed. A Project Oversight Group (POG) is typically composed of five to seven member and non-member volunteers who are experts in the subject under study and represent differing stakeholder viewpoints. Depending on the subject matter, professionals from other disciplines may be needed to produce the best end product.

For each project, a POG will work closely with the researcher to ensure objectives are met. The interaction between the researcher and the oversight group of subject matter experts is intended to produce a higher-quality end product.

General responsibilities of a POG are to provide guidance to the research team and peer review research deliverables. Other duties might include:

- Developing the solicitation document (Request for Proposal or Call for Papers) for the project.
- Evaluating proposals or abstracts/papers submitted in response to the Request for Proposals or Call for Papers.
- Recommending a proposal or abstract/paper to the Health Section for funding consideration.
- Reviewing letters of agreement and negotiating contract terms with the research team as necessary.

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Research feeds content for continuing education, and continuing education provides idea generation for research.

- Finalizing project scope and expectations with the researcher.
- Monitoring and evaluating research progress and recommending corrective action, if needed.
- Developing a dissemination strategy for the research.
- Providing project status reports to the Health Section.
- Recommending to the Health Section an end-product suitable for member and/or public publication/dissemination.

For the majority of research projects, POG work is accomplished via e-mail and conference calls that are typically an hour in duration. Members are asked to review deliverables and other meeting materials prior to the conference calls and comment deadlines. To minimize the time commitment of a POG member, conference calls are usually limited to no more than once a month. However, the frequency of the conference calls will vary by project. In addition, research deliverables are usually distributed at least 2 weeks prior to a conference call or comment deadline to allow POG members enough time to prepare.

For longer duration and/or costlier research projects, the POG may decide that occasional face-to-face meetings are necessary to produce the best research outcome.

Publication/Dissemination of Research and Links to Other Activities

The final step for most research efforts is the publication and dissemination of the results. Throughout the progression of a particular research effort and especially as it approaches completion, the range of publication and media outreach options is considered. To determine an appropriate media outreach level, discussions are held with internal public relations staff along with an outside PR firm.

All research reports share several basic publishing activities:

1. Posting on the SOA Web site as a separate pdf or part of an online monograph
2. Announcement in the electronic *SOA News Today*

3. Blast e-mail announcement to Health Section members

Other publishing and dissemination activities are then decided based on the expected interest of the individual project. These activities may include special newsletter articles, announcement on the SOA Web site home page, and webcasts. As well, articles may appear in journals such as the NAAJ and the Actuarial Practice Forum. For certain efforts with expected broad audience interest, a dedicated media strategy may be devised. This may also include a press release or conference. Finally, depending on the expected level of audience interest, research may also be printed in specially designed and branded versions to distribute at meetings, send to outside interested parties, etc.

Research is also disseminated through presentations at actuarial and other industry meetings. In this regard, research and continuing education have a strong and mutually beneficial link. Research feeds content for continuing education, and continuing education provides idea generation for research.

In addition, research is strongly linked to other activities of the SOA. The ways in which research is integrated and leveraged include:

1. Providing the foundation for a number of SOA exam syllabus materials.
2. Enhancing and promoting the image of the actuary.
3. Building desirable external relationships.
4. Supporting policy decision-making, when requested and coordinated through appropriate organizations such as the American Academy of Actuaries.

Conclusion

Now that you know the ABC's of Health Section research, I hope you will consider taking the next step and become involved. We're always on the lookout for new ideas, volunteers for Project Oversight Groups, and proposals from researchers. Please contact me if you'd like further information on how to get involved or with any other comments or feedback. I look forward to hearing from you in the coming months! ■