



SOCIETY OF ACTUARIES

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# Letter from the Editors

by Mary van der Heijde and Grady Catterall



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You don't need us to tell you (though we will anyway) that health actuaries are working in interesting times. The convergence of severe economic pressures with an evolving political climate leads us to a point where the perceived need for large-scale reform is intense, and the likelihood that such reform will be enacted is greater than at any time since the 1960s. In response to the current environment, we've focused this issue of *Health Watch* on health care reform. We have included a variety of voices, looking at reform from different angles.

"Navigating New Horizons" features an interview with John Bertko, former chief actuary of Humana and currently an adjunct researcher at RAND and a visiting scholar at the Brookings Institution. As a member of both the Medicare Payment Advisory Commission (MedPAC) and the Congressional Budget Office Panel of Health Advisors, Bertko is directly involved in the development and implementation of federal government policies related to health care. In the interview, Bertko shares with us how his many years of experience at Humana and as a consultant—plus all his volunteer service with the Society of Actuaries and the American Academy of Actuaries—prepared him to make important contributions to the current health care reform debate.

Despite the economic pressures forcing some actuarial employers to cut back on spending, this year's Health Spring Meeting in Toronto was well-attended. The themes of quality, efficiency and reform were the foundation for many of the sessions and discussions. An article by Doug Norris summarizing the highlights of the meeting is included in this issue of *Health Watch*.

We were fortunate to have the opportunity to interview two of the keynote speakers from the Health Spring Meeting: Dr. Uwe Reinhardt, a leading thinker in the area of health economics and reform, and Shannon Brownlee, author of *Overtreated: Why Too Much Medicine Is Making Us Sicker and Poorer*. In the first interview, Reinhardt

recognizes the challenges that actuaries face, pointing out two specific areas in which he suggests we focus our development. In the second interview, Brownlee discusses some of the key issues driving unnecessary utilization of care in the United States, along with their implications for health care costs.

There have been recent significant efforts within the Society of Actuaries, the SOA Health Section, and the American Academy of Actuaries to develop materials that respond to these changing times. This issue's "Soundbites from the Academy" includes many details of the Academy's recent activities in this area. We've also included an article discussing recent research sponsored by the SOA Health Section and Solucia.

Finally, we would like to congratulate again the winners of the recent Health Section contest for essays on "Visions for the Future of the U.S. Health Care System." We have included the three winning essays, as well as two other exceptional submissions. Twenty-nine essays were selected by SOA staffers and volunteers for inclusion in an online e-book which is available at: <http://www.soa.org/healthessays>.

We believe that a critical part of our role as actuaries is to provide sound advice to those who are developing or assessing proposals for reforming the U.S. health care system. Actuaries have long been relied upon to measure and mitigate risks. In these challenging times, it is both more difficult and more critical than ever that we continue to make these contributions. We challenge you to read up on and stay current with the evolving issues surrounding health care reform. Watch for opportunities to expand your ability to support your company in the face of these changes. Look for ways to work with other actuaries, both within your company and in the broader actuarial community, to make sure that all are benefiting from each other's efforts.

We hope this issue provides you with fresh insights into the key aspects of health care reform, and helps promote additional discussions in this area. ■