

Chairperson's Corner

by Susan Pantely



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Health Care Reform

Last fall, leadership of the Society of Actuaries' Health Section Council and the American Academy of Actuaries' Health Practice Council grappled with ways to provide research and information to congressional staff and the public regarding the proposed health care legislation. We believed there were a multitude of topics where health actuaries could provide unbiased, non partisan expertise. This was no small task for many reasons. First, we needed to decide which topics we felt we should address. Second, our work needed to be completed under tight deadlines as the legislation was constantly in motion. Finally, we relied on teams of volunteers who had other professional and personal obligations. Additionally, the teams of volunteers had no previous experience working with each other.

The Technical Report "Federal Health Care Reform 2009: Start Up Capital Costs for Health Care Co-ops and a Public Plan," prepared by a joint workgroup of the American Academy of Actuaries and the Society of Actuaries was the result of these efforts. The report was released late October followed by a webcast for congressional staff and media to provide an overview of the report and answer questions. The team developed a model to project the capital requirements of health care co-ops and a public plan under a variety of potential scenarios. The report describes the model, the key drivers of capital requirements, and the amounts of capital required to support health care co-ops or a public plan until they become self sustaining under each scenario. We hope these efforts helped members of Congress, their staffs, and the public to understand possible implications regarding the various health care reform proposals under consideration. Another joint workgroup modeled the implications of the proposed tax on Cadillac plans. Thank you to all the volunteers who contributed to these efforts.

New Research Reports

A number of methods exist for calculating IBNR reserves though techniques have not been substantially updated in a number of years. In addition, increased scrutiny on financial reporting has led to the increased necessity of being able to provide reliable, accurate results. The desire to address these factors and provide qualitative guidance to health actuaries led to the research report "Comparison of Incurred But Not Reported (IBNR) Methods" which assesses the accuracy of commonly IBNR methods over a wide range of scenarios. The report was prepared by Cabe Chadick, Wes Campbell, and Finn Knox-Seith. (This issue of *Health Watch* includes a separate article with more information about this research report.)

Health care delivery systems should differentiate themselves by their quality and efficiency achievements. Additionally, quality and efficiency are considered in most health care reform initiatives. "Measurement of Healthcare Quality and Efficiency: Resources for Healthcare Professionals" reviewed and inventoried the range of quality and efficiency measures currently available. The report serves as a resource on quality and efficiency measures that demonstrate the performance of hospitals and physicians. The report was prepared by Ian Duncan, Greger Vigen, and Sheryl Coughlin.

We welcome your input. If you have any suggestions for topics for new research, please feel free to contact me or any member of the section council. ■