



SOCIETY OF ACTUARIES

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# Health Watch

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# Chairperson's Corner

By Judy Strachan

Over the past few months, the Health Section Council has continued the strategic focus it began last June. We expect to have a busy year, with more ideas for projects than the available resources and time will permit us to do. Our strategic work is designed to sharpen our focus as a section and help us identify the highest priority projects.

## Vision and Mission Statement

During the council's face-to-face meeting in December, we reviewed and revised the section's vision and mission statements and identified our priority projects for 2011. We sought to revise the vision statement to incorporate potential untapped opportunities for health actuaries. Our new vision and mission statements are:

### Vision Statement

Health actuaries are recognized as leaders in the health care and disability markets.

### Mission Statement

Prepare health actuaries for positions of leadership and promote the relevance of health actuaries in the marketplace by:

- Providing relevant educational opportunities and member communications
- Facilitating practical research, and
- Continually expanding the marketplace relevance of the health actuary brand.

## Research and Communication Projects Planned for 2011

As I mentioned above, this is looking to be a busy year! We have a number of exciting research and communication projects in process or planned for this year, including:

In process:

- A study of the relationship between health costs and some nontraditional variables for predicting health costs.
- A call for complexity models applied to a health care system.
- A go-to guide on credibility.

Projects in planning:

- A review of the literature on models estimating the return on wellness programs.
- A tool for reviewing the Health Care Cost Report Information Database (HCRIS).
- A go-to guide on statistical methods and their applications to our work.
- Contests for the best papers on pricing medical products in the new health care reform environment and the best papers on nontraditional applications of actuarial principles.
- Further research on risk analysis for health plans and other risk-bearing health organizations.
- An analysis of comparative effectiveness techniques and the results of comparative effectiveness studies.
- The possibility of joint research projects with a new university health policy and research institute is being explored. Some of the research projects we may decide to pursue jointly include:
  - Research on the effectiveness of wellness and disease management programs.
  - Research on the impact of up-coding.
  - Research projecting the impact of health reform on cost shifting.

## Health Actuarial Research Initiative (HARI)

This is a new research initiative sponsored and funded by the Society of Actuaries (SOA). Although this is independent of our section's research activities, I like to believe that the section's strategic process inspired



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this research. HARI's mission is to develop actuarial research, in partnership with the SOA's research function, that uses the Affordable Care Act (ACA) as a launch point for studying change in the health care system in the United States and in other countries. The research is intended to inform the public and policymakers. See the article on page 7 for more details about HARI.

If you have ideas for or are interested in participating in Health Section Council research or communication activities, please reach out to Kristi Bohn, me or Sara Teppema. We welcome your ideas and your assistance! ■

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Navigating New Horizons | FROM PAGE 1



Julia Phillips

"I really did not realize how much goes on in state government that is just very important and how many people are here just because they want to make a difference," she said. "They come in and they put their heads down and they work on making things better. I am just very impressed."

### Early Career Path

Philips did not start out with a goal of eventually joining the public sector. As a child who was good at both language and math, her career could have easily gone in an entirely different direction. However, Philips said even from a young age she could recognize

that focusing on mathematics had more potential and would bring less competition from her fellow students.

Philips earned a bachelor's degree in mathematics from UCLA and it was during her time at this university that she learned of the actuarial profession. "I don't recall ever hearing of it until my sopho-

more year," she said. "A young man from Occidental Life Insurance Company came in and talked to math students about being an actuary. I had never heard of it and if I had heard of it, I probably would have said, 'That's way too boring for me.' But he made it sound interesting, so I started taking actuarial exams when I was in college."

Philips went on to earn a master's degree in mathematics, with a minor in statistics, from the University of Minnesota before taking her first job as an actuarial student with IDS Life Insurance Company of Minneapolis. In this position she was initially working in the area of group investment contracts and spent a lot of time writing to different investors. At the time, unemployment and inflation were both high, and these letters explained the benefits of sticking with their investment. She said she found this work interesting and quickly learned that she enjoyed this more personal aspect of actuarial work.

### Finding a Niche

After almost two years with IDS, Philips was offered and accepted an assistant actuary position with Western Life Insurance Company of Woodbury, Minn. This was her first foray into the area of health insurance.