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Untapped Opportunities for Actuaries in Health

by Susan Pantely



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Earlier this year, actuary was ranked as the number one job in America according to a widely publicized study for CareerCast.com. The study attempted to rank 200 jobs by measuring environment, income, hiring outlook, physical demands and stress. Despite being ranked number one, it is hard not to feel complacent given the high unemployment rate, uncertain economy, and the still unresolved outcome of health care reform efforts.

The health care industry continues to thrive. Employment in the health care industry is poised to grow another 30 percent in the next 10 years. However, the actuarial profession may need additional skills or visibility to be considered for many of the emerging opportunities.

With this in mind, the SOA Board of Directors voted to focus on four priorities that should be explored in order to determine where SOA resources could provide value to its membership. They are:

1. Create recommended paths for credentialed actuaries to transition to the health practice area.
2. Create or recommend courses of study or on-the-job experiences for health actuaries to compete effectively in new and traditional markets.
3. Sponsor original research to support penetration into new markets.
4. Ensure SOA basic education responds to changing (i.e., health opportunities) market needs.

The complete market research report will be available to SOA members in May 2010. For more detail on the market research, see Sara Teppema's article later in this issue of *Health Watch*. Following are some highlights.

The market research concluded that opportunities exist for actuaries in many industry segments. Analytics and data experts are needed in wellness/disease management companies, clinical outcomes and studies, health plans and pharmacy benefit management compa-

nies, and health care management consulting.

The need for business skills, such as strategic thinking, communication, and adaptability to change, was consistently mentioned. The barriers most often mentioned were lack of clinical background and lack of knowledge related to study design and health policy.

The market research found that familiarity with actuaries is limited in much of the health industry. However, those respondents familiar with actuaries had a high opinion of their value. Additionally, most hiring managers indicated they looked for previous health care industry experience when considering candidates.

Most respondents considered actuaries to have a neutral and objective voice. The respondents also viewed actuaries as highly trained in data and modeling. However, there may be valuable educational opportunities related to clinical knowledge and other advanced modeling techniques that could broaden opportunities for health actuaries. Based on the limited familiarity with actuaries in the health industry, the actuarial brand needs to be strengthened.

The next steps include:

- A plan for branding to the broader health industry,
- exploring research opportunities,
- changes to educational programs including consideration of business skills education, and
- exploring affiliations with other organizations, including potential research opportunities.

We are eager to use this market research to advance our profession through new education and research opportunities for health actuaries. We encourage you to reach out to any of the Health Section Council members listed on the masthead of this issue of *Health Watch* if you have thoughts or suggestions regarding the future of actuaries in the health industry. ■