



SOCIETY OF ACTUARIES

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# Reaching Out for New Opportunities— New Market Research About Actuaries in the Health Care Industry

by Sara Teppema

The ever-changing climate of health care brings considerable uncertainty to our future roles as health actuaries but will also open doors to new exciting opportunities for our profession. On the one hand, the health insurance industry may change dramatically, decreasing opportunities for health actuaries in our traditional health insurance-centric roles. On the other hand, the future of health care is certain to be much more focused on data and analytics, the perfect environment for actuaries to flex our technical muscles and grow in new areas. Among the various unknown parameters, the one sure thing is that our work will change, and we need to be ready to embrace it.

As the SOA Staff health actuary I am excited to help the profession adapt to and embrace the new health care world. One of my top priorities is to facilitate the SOA's strategic initiative called "Untapped Opportunities for Actuaries in Health."

In 2009, the main work of this initiative was a major market research study to identify areas where health care actuaries' skills can be of value outside our traditional boundaries of the health insurance industry.

The market research was done in three phases:

1. Interviews with health actuarial leaders in traditional and nontraditional roles (qualitative research)
2. Interviews with health care executives who are *not* actuaries (qualitative research)
3. Survey of health care executives, recruiters and hiring managers in various traditional and nontraditional health care companies (quantitative research)

The market researchers interviewed and surveyed health industry executives about their staffing needs for professionals in an area defined as "health care analytics and forecasting." These executives work for several types of organizations, including health plans, management consulting firms, hospitals/

health systems, pharmaceutical companies (including clinical study organizations), and wellness/disease management companies.

Health plans already value the health actuary's skill set, but the research showed that actuaries can bring a lot to the table at organizations that don't traditionally hire actuaries. We bring an independent and objective voice, with expertise in modeling and data. The level of sophistication, rigor, discipline and transparency that actuaries bring is seen as equally (if not more) important as our technical ability. Actuarial credentials per se are not as well recognized, even though the skills and integrity of actuaries are valued.

As an actuary specializing in health care for 20 years, I was particularly taken by a few key findings:

## **Revelation No. 1**

Although we have done a great job over the past few years in branding our entire profession, we aren't as branded in health care as I would have thought. Many health care executives have heard of actuaries, but they think of us primarily in the context of life insurance practice. When executives were presented with an actuary who also has health care expertise, they were much more interested in hiring that individual to manage health care analytics and forecasting functions in their organizations. The branding of the health actuary may take some time, as we need to establish our expertise in these new workplaces, consulting firms, or research space, before we can tout our abilities.

## **Revelation No. 2**

Health actuaries who have taken non-traditional paths in their careers have generally taken the initiative, and risk, to seize new opportunities. They have not waited for someone to hand them a promotion or role, but have instead proactively sought these positions or filled a gap in a client's or organization's need.



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**Revelation No. 3**

The health care industry as a whole struggles to find people with the same “big picture” business skills that many actuaries seek to develop. Strategic thinking, problem solving, decision making, and written and oral communication top the list of important skills for professionals who work in health care analytics and forecasting.

**Revelation No. 4**

The health care industry is seeking people with certain skills that tend to be very strong in health actuaries. Financial acumen, knowledge of health systems and financing, and knowledge of policy and regulation are skills that have unmet needs in the broader health industry. These skills tend to be less important to health care executives than the big picture skills.

**Revelation No. 5**

A newer set of skills (well, new to us) reflects the growing need for health care analytics and measurement: clinical knowledge, study design and clinical trial design. Actuaries who can develop these skills will have an edge over other professionals (actuaries and others) in finding new roles in the broader health industry.

A work group is meeting regularly, to develop plans for education and research that will move the health actuarial profession into these new areas. On the work group: Jim Toole (chair), Bob Cosway, Kate Fitch (clinician), Jennifer Gillespie, Francois Joseph Poirier, Alice Rosenblatt, Mayur Shah (health economist), Judy Strachan, Sara Teppema and Meg Weber. Jill Leprich and Sara Teppema are providing staff support.

At the time of this writing, we are preparing a report to SOA members on the detailed outcomes of the market research, which will be posted on the Health Section page of the SOA Web site (<http://www.soa.org/professional-interests/health/hlth-detail.aspx>) sometime in May 2010.

At the SOA Health Meeting in June, three sessions will expand on various implications of the market research.

- The session entitled “Do we know what we don’t know” will explore how we move SOA’s research, organizational partnerships and networking into the broader health industry
- The session entitled “Untap your career potential in health care” will discuss how actuaries can capitalize on opportunities for growth into new roles
- The Health Section hot breakfast will have a report on the details of the market research results

We have added a half-day module to our health Boot Camps, (scheduled for Nov. 8–12, 2010) called “Medical School for Actuaries,” which will provide an introductory deeper dive into clinical medical issues that actuaries should understand in this changing world of predictive modeling and health outcomes measurement.

The work group is working on other educational and research opportunities as well. Please watch for future communications in *Health Watch*, *Health e-News*, *The Actuary* and other communications.

We welcome your thoughts and suggestions in bringing value from this strategic initiative to health section members, and other actuaries practicing in health care. Please contact Sara Teppema at [steppema@soa.org](mailto:steppema@soa.org). ■