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# Letter from the Editor

By Mary van der Heijde



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**C**orrelation does not imply causation. Mention this to an actuary, and they will agree. I think as actuaries, we have a strong sense of how to make appropriate inferences from data. As more eyes are focused on the health care market and on the impact of the changes post-2014, there is a need to discern meaning from data in a much broader sense than in the recent past.

Try these on for size: People who eat diet food weigh more than the average person, therefore diet food must cause weight gain. Uninsured Americans incur lower health claims than the average person, therefore they must be healthier than average. Are these items correlated? Sure. Are they causal? Not necessarily.

We are surrounded by these kinds of inferences and conclusions in the daily sound bites covering health care reform. Whether we are in favor of or opposed to the changes caused by health care reform, we are in a unique role to help identify inaccuracies in the way information is being interpreted. Many of us have probably read “How to lie with statistics” or other similarly entertaining books, about the power that misrepresentation of information can have. Information is power, and we have the ability to help accurately interpret and distribute better information.

Along these lines, in “Soundbites from the Academy,” Heather Jerbi and Tim Mahony describe the recent efforts the Academy’s Health Practice Council (HPC) has undertaken to create 2012 campaign toolkits to provide non-partisan input about Medicare and the ongoing implementation of the Affordable Care Act (ACA). These toolkits were developed for members of the Academy to use to deliver accurate, objective information about health care related issues within our communities. The toolkits include standard slide decks as well as other Academy issue briefs and policy statements. They will include voter guides, which will

highlight key facts and issues voters should be considering.

Also in this issue, Kurt Wrobel discusses some of the inherent challenges actuaries face by needing to make predictions within a short time period, and his thoughts about how to address those issues. We have included an article about the actuarial implications of the Medicare five-star rating system. Gabriela Dieguez, Brad Piper, and Adrian Clark discuss the significance of this program, and provide input about key considerations related to this system. We have also included an article by Laurence Weissbrot about the impact of ACA on dental coverage.

In this issue’s “Chairperson’s Corner” feature, Kevin Law shares information about the upcoming SOA Health ‘12 meeting in New Orleans, discusses some recent work to increase collaboration with our Canadian colleagues, and provides an update on the latest research from the Health Actuarial Research Initiative (HARI).

The SOA has adopted a new strategy and approach for sponsoring research. In this issue, Steve Siegel provides us with an update about the changes, as well as the conclusions which led to these changes.

Congratulations to the two winners of the Health Care Reform Implementation Pricing Methods Contest, sponsored by the Health Section of the SOA. The first place prize went to Syed Mehmud, for his article about challenges and innovations related to pricing in this reform environment. The second place prize went to Anthony Rubiano, for his article about pricing issues which are a result of budget setting and stoploss within the context of Accountable Care Organization (ACO) arrangements. We have included both winning articles in this issue.

We hope this issue includes topics which are interesting and valuable for you, and appreciate your thoughts and comments. ■