



SOCIETY OF ACTUARIES

Article from:

Health Watch

September 2010 – Issue 64

Letter from the Editor

by Mary van der Heijde



Mary van der Heijde, FSA, MAAA, is a consulting actuary at Milliman Inc in Denver, Colo. She can be reached at mary.vanderheijde@milliman.com.

A positive side-effect of all of the changes and challenges presented by health care reform is that there is no lack of interesting topics to discuss in *Health Watch*!

A key area in which actuaries add value in this new world is the realm of reimbursement mechanisms. The ability to understand and evaluate risks within this context can make the difference between success and failure. Without this insight, and within the context of increasingly complex mechanisms, it is challenging to establish a structure which is fair to both parties. Without this inherent equity, the stability and future of these alternative payment mechanisms can be undermined.

Given the importance and urgency related to reimbursement mechanisms, we have included several articles focusing on this area in this issue. Todd Lueders has contributed an article which discusses the potential advantages and concerns of a bundled reimbursement system. We are also pleased to include the winners of the recent SOA *Health Watch* article contest on provider payment reform. We received a large number of excellent submissions, and were heartened by the quality and thoughtfulness of the authors. Congratulations to our winning authors: John Dante, Jill Van Den Bos, and Hobson Carroll. We would also like to extend special congratulations to Mark Florian, for providing the best submission from an actuary with fewer than five years of experience as an actuary.

This year's Health Spring Meeting in Orlando had a distinct health care reform flavor, and despite tighter economic times was quite well attended. In this issue, we include a recap of the highlights of the session. We were also fortunate to have the opportunity to interview each of the three keynote speakers at the meeting: David Cutler, Grace-Marie Turner, and Matt Weinstein. Cutler and Turner provided a lively debate about health care reform as their keynote address, which we

were able to continue during the interview. Matt Weinstein, the founding president (and "emperor") of his company, Playfair, gave an entertaining and motivating presentation about the power of humor and fun in the workplace. After our interview, Matt shared with us a list of thirteen ways we can have more fun at work. A bit of levity during such busy times can be quite a welcome relief—check it out!

For this issue's "Navigating New Horizons" feature we have included an interview with Dave Axene, who has recently been in the news for his role in identifying errors in a high profile rate filing. Axene shares more with us about his broad and varied experience, including his CERA credential, which contributed to his credibility and ability to perform these reviews.

Steve Melek has provided us with part two of a two-part series about the implementation and implications of the recent mental health parity changes. As with many regulatory changes, the "devil's in the details" with the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Act of 2008 (MHPAEA).

There have been considerable efforts within both the SOA and the Academy of Actuaries related to health care reform and the changing market. This issue's "Chairperson's Corner" and "Soundbites from the Academy" include more detail about those important efforts. In addition to these efforts, we have also included articles about the recent study of medical errors sponsored by the SOA, about the risks and opportunities inherent with accountable care organizations (ACOs), and a summary of the results of a recent survey about actuaries' opinions on how to bend the cost curve.

We hope you enjoy perusing this issue, and encourage you to contact us with your thoughts and opinions. ■

