



SOCIETY OF ACTUARIES

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Letter from the Editor

By Mary van der Heijde



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Considering that our vocation is fundamentally focused on impartiality and objectivity, I think it's striking how much our work and political dynamics have become intertwined. The fact that we're waiting with baited breath for news from the Supreme Court, and are delving into both our federal and state-level politics to help gain bearings about our daily work, shows how much our market has changed. In "Soundbites from the Academy," Heather Jerbi and Tim Mahony describe the recent ongoing efforts the American Academy of Actuaries' Health Practice Council has taken on related to health care reform. It is interesting yet not surprising to note the wide range of various topics they have been tackling in this regard. Their article includes links to the actual letters they have submitted to entities such as the U.S. Department of Health and Human Services (HHS) or the Internal Revenue Service (IRS). These letters walk an impressive line between giving useful guidance while remaining fully non-partisan.

In this issue's "Chairperson's Corner" feature, Kevin Law discusses recent Health Section Council activities and projects. There are a significant number of SOA members who identify "health" as their primary area of practice, but who are not members of the Health Section. Kevin provides more information about this issue.

The 2012 SOA Health Meeting was held in New Orleans in June. This issue includes a recap of the highlights of the meeting and an interview with the chairperson of the meeting, Dan Bailey. As well, we have included interviews with Mary Milla and Dr. Paul Ginsburg, both keynote speakers at this year's meeting.

Mark Whitford has contributed an article about enterprise risk management (ERM), including information about both increased pressures companies are facing, and how various attributes can affect ERM. Also in this issue, Corey Berger and Eric Goetsch discuss updated study results related to Medicare Advantage Hierarchical Condition Category research, and Kevin Pedlow discusses the impact that cost sharing could have on induced demand for prescription drugs within the context of Part D pricing.

The concept of an underwriting cycle (that is, alternating periods of underwriting gains and losses) is a commonly discussed factor when evaluating market-level trends. Mark Shaw delves deeper into this topic, to investigate recent evidence on whether these underwriting cycles still exist. In a previous issue, Steve Siegel discussed the new strategy the SOA has adopted for sponsoring research. The Research Expanding Boundaries Pool, or REX Pool, has now been implemented. In this issue, Steve outlines the process by which ideas may be funded by the REX Pool. Please feel free to contact him directly with any research ideas you have, or with any questions about this process.

After three years in this role, this will be my final issue as the editor-in-chief of *Health Watch*. I will be transitioning this role to Kurt Wrobel, because I am taking on a new responsibility as chair of the Health Section Research Committee. I have enjoyed my role with *Health Watch*, and have recognized the responsibility that I and the other editorial members have to you, our fellow members of the Health Section. I know that Kurt will treat this role with the same diligence and respect.

In my role as editor-in-chief, I have greatly appreciated the assistance and support of our editorial board. I would like to personally thank Karin Swenson-Moore, Pat Kinney and Jeff Miller for their enthusiastic and thoughtful review and input. I would like to extend my appreciation to the members of the Health Section Council, the publication department within the SOA, and to others who have assisted us with finding and refining content for *Health Watch*. We have been fortunate to have some of the best in the industry contribute articles to this publication.

Kurt has made valuable contributions as a volunteer with the SOA, and I'm confident he will bring that same leadership and insightfulness into the role of editor-in-chief of *Health Watch*.

We hope that you find the content in this issue to be interesting and relevant, and welcome any thoughts or comments you have. ■

