



SOCIETY OF ACTUARIES

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Health Watch

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Chairperson's Corner

By Kevin Law

Recap of the Health '12 Meeting

The Society of Actuaries (SOA) Health '12 Meeting in New Orleans was a great success with 869 attendees. While the Health Section has the leadership role in organizing the meeting content, there were 12 other SOA sections that collaborated with us to meet the educational needs of health actuaries. This meeting is one of the Health Section's most important responsibilities, as we designed and recruited speakers for more than 50 sessions.

Tom Davenport, the general session speaker, focused on business analytics, which was a theme throughout the meeting. One of the highlights was our luncheon keynote speaker, Mary Milla, who delivered a lively, informative and practical session on effective business presentations. Attendees enjoyed numerous networking opportunities, including a ghost tour.

While the aggregate rating by the attendees of the sessions' quality was high, we are always looking to improve, and we will analyze feedback to determine recommendations to further enhance future health meetings.

Many thanks to **Dan Bailey**, the Health '12 Meeting chairperson, **Karl Volkmar**, the vice-chair, and **Kerri Leo**, the Professional Development manager at the SOA. Kerri handles many logistical aspects and without her dedication and focus, the meeting could not happen. Dan and Karl did a wonderful job recruiting session coordinators and planning out our topics.

Upcoming SOA Meetings with Health Content

At October's SOA annual meeting, the Health Section will be sponsoring our maximum available allotment of 15 sessions. Several sessions will cover various topics related to health care reform, but there will also be sessions addressing public policy, reserving, financial reporting, trend, quality, comparative effective-

ness, accountable care organizations, patient-centered medical homes, business analytics and professionalism.

I would like to thank **Dewayne Ullsperger** and **Valerie Nelson** for their leadership in the development and organization of the health sessions at the annual meeting. The meeting will be Oct. 14–17, 2012 at National Harbor, Md., and I hope you will join us there.

The Health Section's annual "boot camp" will be held Nov. 5–9, 2012 at the Vdara Hotel & Spa in Las Vegas, Nev. The structure of the boot camp allows for material to be covered at a much greater depth than is possible during the typical 90-minute meeting session. Topics this year include:

- Health pricing, both Medicare & commercial
- Medical school for actuaries
- Ethics and professionalism for actuaries
- Three R's of the Affordable Care Act (ACA): risk adjustment, risk corridors and reinsurance
- Predictive modeling.

Thanks to **Pat Kinney** and **Nancy Hubler** for their efforts to organize our boot camp.

Health Section Council (HSC) Activities and Projects

The HSC is finalizing strategic and tactical plans for the Health Section. These plans are created in recognition of the extraordinary times we face, due to the large scale changes occurring as we implement the Affordable Care Act. There is great potential for expansion of the health actuarial role and new employment possibilities, but we must be proactive and visible on the national health care reform stage in order to take advantage of many of these opportunities.

At the same time, we are striving to develop a closer relationship with Canadian health actuaries, and to make the Health Section more relevant for them. **Maureen Premdas** recently



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This newsletter is free to section members. Current issues are available on the SOA website (www.soa.org).

To join the section, SOA members and non-members can locate a membership form on the Health Section Web page at <http://www.soa.org/health/>

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accepted the new role of Canadian liaison to the HSC. In this role, she will identify opportunities and promote Canadian SOA member involvement in section activities and content, plus provide updates on health developments in Canada. One of the early results of this initiative is a webcast this fall, covering North American biological and specialty drugs, which is intended to be of interest to both U.S. and Canadian health actuaries.

In the prior issue of *Health Watch*, I described the various benefits of belonging to the Health Section, and I mentioned our concern that a significant percentage of SOA members (36 percent) identify “health” as their primary area of practice, but do not belong to the Health Section. These 1,500+ health actuaries have the following demographic characteristics:

- Primarily concentrated at both ends of age spectrum, that is, younger than 35 or older than 64, or
- Work outside the United States, or
- ASA, as opposed to an FSA, or
- Less than five years of experience, or
- Belong to industry such as banking, investments or government.

Table 1
If the ACA is upheld, annual health care coverage costs will:

	Decrease	Increase ≤ 5%	5% ≤ Increase ≤ 10%	Increase ≥ 10%
Large group employers, (both fully insured & self-funded)	6%	27%	40%	27%
Currently insurable persons in the individual health insurance market	10%	11%	16%	63%

None of these attributes is surprising. Any suggestions on steps the HSC can take to publicize and/or enhance the value of the Health Section to these actuaries will be appreciated.

On the positive side, in recent years the Health Section has been either in first place, or very close to the top, compared to other SOA sections with respect to our rate of membership retention, indicating that our current members are perceiving value. However, we would like to improve our value to those who are not joining the section, because the efforts that our volunteers make and memberships fund are so valuable to us all.

Affordable Care Act

One of the issues discussed frequently at Health '12 was the pending ruling by the Supreme Court on the constitutionality of the ACA. We now know the decision that the legislation was substantially upheld, with the primary exception being that the federal government cannot force the states to expand the Medicaid program as was specified in the legislation by withholding funding.

A poll taken at one of the Health '12 general sessions, consisting of about 140 respondents, produced the not surprising results shown in Table 1—actuaries expect health care costs to increase due to the ACA.

Only about 15 months remain until the implementation date of several significant provisions in the ACA, including the exchange markets for the purchase of health insurance. Health plans, employer, and government entities will likely accelerate the pace of preparations to be in compliance by Jan. 1, 2014.

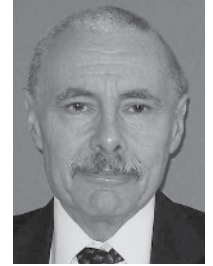
Thanks and Best Wishes

By the time this issue of *Health Watch* is published, five new members will have been elected to the HSC. Four will have three-year terms, while the fifth will have a one-year stint to fill the remaining term of **Kristi Bohn**, who had to vacate her seat earlier this year when she became the Health Fellow

at the SOA. Fortunately, we did not lose Kristi's participation and support as she continues to work enthusiastically with the HSC.

I would like to express my sincere thanks to the three HSC members who are rotating off of the HSC with me this fall: **Sudha Shenoy**, **Ross Winkelman** and **Jon Hendrickson**. All three have made significant contributions and their efforts are very much appreciated.

A special thanks to **Jill Leprich**, Section Specialist at the SOA, who provides ongoing invaluable support and keeps the HSC functioning. Finally, best wishes for a successful and productive year to the incoming chairperson, **Pat Kinney**, and the new Health Section Council who will begin work in October. ■



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The SOA ERM Exam Committee is looking for volunteers.

Help educate the next generation of actuaries specializing in the ERM field and seeking a CERA designation. In addition to your philanthropic contribution to the profession and the networking opportunity this exam committee offers, the time spent researching exam material counts towards many of your continuing education credit requirements.

Our primary needs are in question writing and development. Also, we are looking for help in enhancing the new Case Study.

The ERM Exam encompasses six distinct tracks and we are interested in volunteers of any background. However, we are particularly short of volunteers in the health track. Specifically, health actuarial volunteers would design appropriate health-related case study questions and ensure the appropriateness of core health questions based upon the curricula.

The qualified volunteer needs to meet certain deadlines, though the timing of this work is otherwise very flexible. We would prefer volunteers who will commit to multiple exam sessions in order to maintain committee continuity and groom volunteers for future committee leadership roles. The SOA provides training. If you are interested, please contact Sean Conrad at 704-731-6382 or sean.conrad@hlamerica.com.