

SOCIETY OF ACTUARIES

Article from:

Health Watch

October 2014 – Issue 76



Health Watch

Published by the Health Section Council of the Society of Actuaries.

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 nonmembers can locate a membership form on the Health Section Web page at http://www.soa.org/ health/

2014 Section Leadership

Donna Kalin, Chairperson Andrea Bykerk Christopherson, Vice Chairperson Troy Holm, Secretary/Treasurer Theresa Bauer, Council Member Kara Clark, Council Member Eric Goetsch, Council Member Nancy Hubler, Council Member Julia Lambert, Council Member Julia Lambert, Council Member Walerie Nelson, Council Member Greger Vigen, Council Member

Editorial Board Members

Valerie Nelson, Editor-in-Chief valerie_nelson@bcbsil.com

J. Patrick Kinney ph: 585.238.4379 Patrick.Kinney@excellus.com

Jeff Miller ph: 913.707.0067 jeff@jdmfsa.com

SOA Staff

Karen Perry, Publications Manager ph: 847-706-3527 f: 847-273-8527 kperry@soa.org

Mike Boot, *Staff Partner* mboot@soa.org

Julissa Sweeney, Graphic Designer ph: 847.706.3548 f: 847.273.8548 jsweeney@soa.org

This publication is provided for informational and educational purposes only. The Society of Actuaries makes no endorsement, representation or guarantee with regard to any content, and disclaims any liability in connection with the use or misuse of any information provided herein. This publication should not be construed as professional or financial advice. Statements of fact and opinions expressed herein are those of the individual authors and are not necessarily those of the Society of Actuaries.

©2014 Society of Actuaries. All rights reserved.

Letter from the Editor

By Valerie Nelson

ello! I'm Valerie and the new editor for *Health Watch*. I want to thank Kurt Wrobel for his time and dedication to serving as the editor and wish him well in his next endeavors. However, he is not taking a break from writing just yet as he has contributed an article on the financial similarities and differences between the Affordable Care Act (ACA) health plans and Medicare Part D plans.

This edition of *Health Watch* also features two articles that cover some upcoming activities that will be near and dear to many of us: pricing for the 2016 individual market and expectations for the 2014 ACA financial settlements.

Jeff Rohlinger writes our cover article on pricing considerations for the 2016 individual market. While we have learned a lot over the last two pricing cycles, Jeff is able to tell us about more change and uncertainty that will need to be accounted for in the 2016 pricing cycle.

Earlier this year, the Society of Actuaries (SOA) Health Section Council and Financial Reporting Section Council released a survey to get an understanding of the current actuarial thinking on how to estimate the various 2014 ACA financial settlements. Nancy Hubler provides a review of this survey.

The SOA Health Section has many active subgroups. Two subgroups have articles featured in this edition of *Health Watch*. The subgroups are a great forum for people with like backgrounds to discuss current trends and solutions. From the Payment and System Reform Subgroup, Julian Whitekus contributes a review of physician-led ACOs that were discussed at the ACO Workshop held in the spring. And the Medicaid Subgroup gives us a national perspective on what is happening in that market. Also featured is a recap of the 2014 Health Meeting by Kristi Bohn, Joanne Fontana, and Rebecca Owen.

Finally, Jen Kilgore Coriell, who is an economist, writes an interesting article on how she has studied economic impacts on health care trends at Humana.



Valerie Nelson, FSA, MAAA, is an executive director and actuary at Blue Cross/Blue Shield of Illinois. She can be reached at valerie_nelson@ bcbsil.com.