



SOCIETY OF ACTUARIES

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Health Watch

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Chairperson's Corner

By J. Patrick Kinney

Welcome to the 72nd issue of *Health Watch*, this time with an editorial focus on provider payment topics. In this month's Chairperson's Corner, I will talk about the ongoing efforts of the Health Section Council to support our membership as we participate in the major changes occurring within the U.S. health care system. I'll also expand the focus a little, and discuss our strategic approach to continuing education on health actuarial topics in general. And, I will encourage you to attend the Society of Actuaries (SOA) Health Meeting in Baltimore this June.

Payment and System Reform

The SOA maintains a Web page of articles and information about many aspects of health system reform. This grew out of several related SOA and Health Section initiatives over the past several years. The work group for the SOA's strategic initiative "Untapped Opportunities for Actuaries in Health" identified potential opportunities to advance the actuarial profession in the area of provider payment reform. The Health Section Council now shares responsibility—along with section members—for developing actuarial talent capable of taking advantage of these opportunities. The Health Section Payment Reform Subgroup, led by Greger Vigen, has been one of our most active teams. Included in this strategic effort are a number of activities focused on accountable care organizations (ACOs) and similar provider initiatives, including SOA-sponsored webcasts and speaker placement at external conferences. The SOA joined the Brookings-Dartmouth ACO Learning Network, which has also hosted webcasts over the past few years. Notes from these webcasts are available for SOA members. These materials can be found via links on the Health Section website (<http://www.soa.org/Professional-Interests/Health/hlth-detail.aspx>). Click on "Untapped Opportunities" or "Payment and System Reform Subgroup" under the Resources area.

As is clear from even a cursory review of the content found on these Web pages, there is substantive activity on payment and system reform across the health care landscape. This includes major initiatives like ACOs, bundled payment pilots, and patient-centered medical homes, with nearly 1,000 federal and private sector initiatives. These are supported by a combination of new and old payment approaches, from shared savings to episode-based payment, that are moving the medical model from volume-based reimbursement to value-based rewards. Much of this work is happening now as payers and providers form alternative networks, create modified reporting systems, implement innovative payment contracts, and attempt to build and/or reshape long-term relationships between providers and payers. Decisions being made now will drive ongoing health care cost trends, product design for health insurance exchanges, and relationships between physician and hospital costs—in fact, most areas of health actuarial practice. It is critical for our members to keep up with developments in provider payment and health system reform. To help meet this need, the Health Section Council and the SOA this April offered a special seminar on these topics. This issue of *Health Watch* continues to support section members and other actuaries who want to learn more about industry changes.

Continuing Education

The seminar and this topical issue of *Health Watch* are examples of the section council's strategic approach to continuing education. Led by Nancy Hubler, the council's continuing education coordinator, we have engaged in a long-range planning effort to identify and prioritize over a dozen emerging subject areas for continuing education (CE) development. Following a "stages of change management continuum" model, volunteer "champions" for each topic are creating specific plans to develop CE material for our members. Recognizing that members will have different educational needs, our plans include ideas for CE delivery rang-

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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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ing from providing basic awareness of an issue, to moderate and in-depth levels of knowledge. Members should be able to access CE at a level and via a delivery mechanism most appropriate to their own circumstances. Delivery mechanisms include traditional face-to-face meetings and seminars, publications such as this one, short podcasts on particular topics, and the increasing use of webcasts to support interactive learning.

Examples of topics we are addressing include health care reform (with numerous subtopics such as actuarial value, essential benefits and risk adjustment), health economics, complexity modeling, predictive modeling, quality measurement, ERM and Medicaid issues.

Through these efforts, the Health Section is actively supporting the SOA's strategic goal to "foster career-long learning focused on technical excellence and business acumen."

Health Meeting

Of course, the largest continuing education event for the section is the SOA health meeting, held in June of each year. The section council, SOA staff and numerous volunteer session coordinators and speakers all come together to provide an outstanding opportunity for professional education and networking.

This year's health meeting is being held in Baltimore, Md., at the Baltimore Marriott Waterfront hotel. The "waterfront" in this case is Baltimore's Inner Harbor area, which is a spectacular example of creating an urban destination for tourism—including business conferences. Herein I speak from experience, as I spent much of my childhood living in 1960s Baltimore. (I later read an H.L. Mencken essay titled "Baltimore in the 1860s" and I was struck by how familiar the city seemed, even a century later.) Since then I have followed its development from afar, visiting several times over the years, including during the inaugural season of Oriole Park at Camden Yards. This baseball stadium is now a classic, and I encourage you to take in a

game if you can—the O's will be in town during the health meeting, and the stadium is walking distance from the hotel! Close by you can visit Babe Ruth's birthplace—or Edgar Allan Poe's grave. If you are thinking of bringing your family along, I can report that there is plenty to do in the Inner Harbor area. My family took a trip down memory lane with me last April (yes, including an Orioles game), and they are clamoring to return. For the history buffs among you, I highly recommend a visit to Fort McHenry, a short water taxi ride across the harbor. This historic fort is the birthplace of "The Star-Spangled Banner" during the War of 1812. The kids loved it!

The health meeting itself will feature almost 100 separate sessions, covering topics across the spectrum of actuarial knowledge. Our special guest speakers will be Ian Morrison, internationally known author and futurist specializing in health care and the changing business environment, and David J. Brailer, M.D., Ph.D., the former National Coordinator for Health Information Technology. Join me in taking advantage of this opportunity for outstanding learning in a city steeped in history.

Section Elections Coming in August

Each year the Health Section membership has the opportunity to elect new volunteer leaders as members of the section council. It is exciting and invigorating to have seen the impact that new members have had on the council during my tenure. When the section elections are held this summer, I encourage all members to vote for the actuarial leaders to join the Health Section Council for the next three years. Meanwhile, if you have ideas for our future success, along with energy and commitment to carry us forward, consider how you might be able to contribute as a volunteer. For more information, please contact me or any member of the Health Section Council. ■