



SOCIETY OF ACTUARIES

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# Some *Health-y* Reflections on the 2014 Annual Meeting

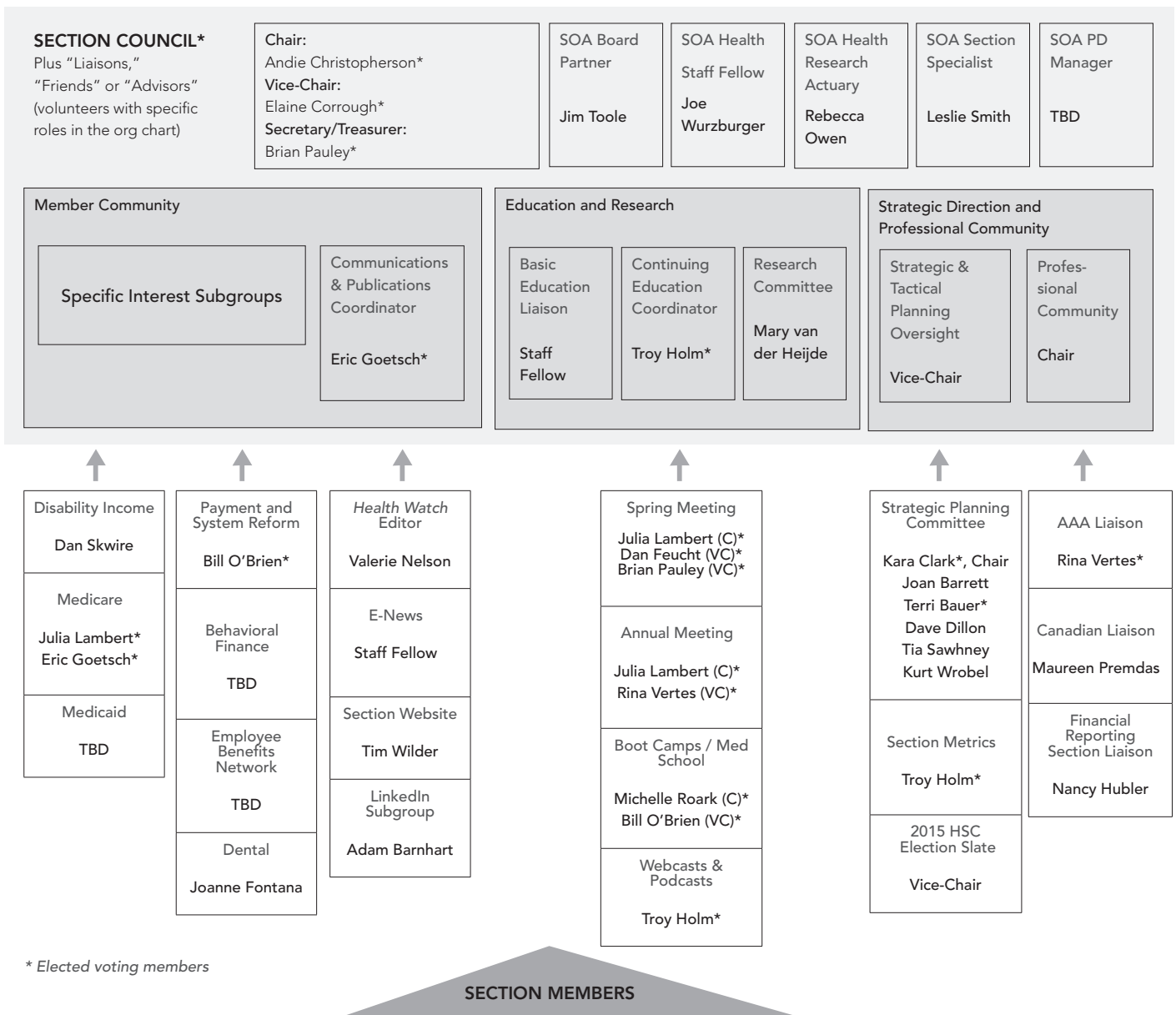
Compiled by Rebecca Owen

The 2014 Society of Actuaries (SOA) Annual Meeting attracted a large number of health actuaries this year, due in part because the timing of work for health products makes a June meeting problematic for many of us. The health sessions were well-attended and covered a lot of information, but one of the good things about the annual meeting is the opportunity to attend sessions that may not directly connect to our work as health actuaries, yet give us a chance to consider the landscape of risk from a different perspective.

At the Health Section Breakfast, the new chairperson, Andie Christopherson, laid out the structure and direction for the Health Section for the next year. Here is the schematic of the leadership team she presented:

## Health Section Council Organizational Chart 2014-2015

October 2014



Also at the breakfast we had a chance to meet the new health fellow, Joe Wurzbarger. Joe came to the SOA from CNO Financial Group in Chicago where he had worked the past nine years as the senior managing actuary and was responsible for their senior health products including Medicare Supplement, Medicare Advantage, Medicare Part D Prescription Drug Plans, critical illness, specified disease, disability income, long-term care, and other health products. He worked as a retirement actuary before changing to the health area of practice. He also was a high school math teacher before becoming an actuary. Joe graduated from Valparaiso University in Indiana.

Here are some candid, and anonymous, comments from health actuaries with differing interests and backgrounds about sessions they attended at the annual meeting:

*“It was refreshing to have practical outlines for how statistical analyses are performed with the latest tools, how the face of pharmacy is changing along with considerations for actuaries, along with other intellectually stimulating topics. While legislation often impacts much of what actuaries do, it becomes a challenge to relish meeting after meeting related to these issues. Thanks for a more varied program this year!”*

*“I have attended many annual meetings over the years and I’m always amazed at how some sessions end up speaking to me in ways that are completely unexpected. Sitting in on the three-part mini-seminar on the impact of long-term care (LTC) needs on retirement, I was struck not by only the devastation that a catastrophic illness can do to a previously sunny retirement, but the enormity of it as a societal problem. In particular, Sandra Timmermann’s presentation about caregiving really hit home for me as I am personally dealing with these issues for my father who is battling dementia. Besides her talk, the mini-seminar featured discussions ranging from potential improvements of current long-term care insurance (LTCI) products to personal stories of how retirees address declining health and resources with dignity. This is what our profession does best—applying our technical expertise to formulate solutions for the betterment of society. I encourage*

*you to read the papers from this mini-seminar which will appear in a monograph on the SOA website later this fall.”*

*“The session, ‘Communicating to Your Company’s Sales & Marketing Team and Agents,’ offered good insights on how to communicate and work with teams that have very different strengths and goals. It was interesting to hear from actuaries spending more time working in the distribution and marketing channels. The presenters included actual examples of both successful and unsuccessful strategies that were particularly helpful.”*

*“I struggle to believe this is true continuing education. I find very little new information is shared. The women’s leadership forum was the highlight of the meeting—got so much out of that, not just a rehash of what I already knew or have heard.”*

*“I was fascinated by some of the information shared in the session ‘The Facts and Fiction of Pharmacy.’ Hearing from non-actuaries like Kathryn Bronstein and Stephen George allowed for a different perspective to be presented than in some of the other sessions I attended. One particular takeaway for me was with respect to the concept of ‘warehousing’ and how this practice by doctors may impact assumptions used by pricing actuaries; this suggests the need for additional consideration by actuaries, particularly as more specialty drugs enter the marketplace.”*

*“Maybe this shows my age a bit—the most interesting health sessions to me are usually given by non-actuaries. At the Orlando annual meeting, the session on Rx, ‘The Facts and Fiction of Pharmacy,’ was informative. Specialty drug cost has been increasing at a pace that is not sustainable long term, if left uncontrolled. With the new drugs in the pipeline, some experts are estimating that those drugs will account for 50 percent of the total Rx spend by 2020. The presenters, an RN and a PharmD, provided some very helpful facts that will help actuaries with forecasting Rx cost and trend, as well as potentially designing tactics to help mitigate the cost increase. Other interesting tidbits include the fact that certain high-cost drugs are only treating the symptoms rather than the root cause of the condition; and that the same drug may cost much less in*



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*other countries. Some fundamental questions need to be answered before we are able to find a solution for the Rx cost trend—Do we need to have a price control mechanism (public or private)? What is the appropriate price to pay for those high-cost drugs and who should bear the cost? Are the high prices limiting access to the drug treatment?”*

*“One of the two that jumped out to me that I really want to go back and look at was Ryan Ferland from the ‘Deconstructing Medical Trends’ session. It provoked some thinking in terms of moving beyond just the actuarial approaches to trend analysis. I also liked the ‘If We Knew Then What We Know Now: ACA Enrollment’ session as I think it did a good job encapsulating the challenges that health actuaries are facing in the current environment. Oh, and I really liked the fish at the Presidential Luncheon.”*

*“I also thought that the management comments made by the NASA speaker (General Session) were really good. Not that they were new, because they weren’t new. But I thought he did a good job of connecting his team’s success to leadership ideas.”*

*“It was great fun running into old friends. The sessions were crisp and covered a broad range of health and other topics not found at the spring meeting. One of the many fun parts of the event was trying to figure out imaginative uses for the self-adhesive pockets SunGard left at the reception tables.”*

*“The session on the Climate Index was interesting because of what was said on weather variability manifesting itself in unusual events and what the long-term modeling reveals—there was a little quiz on the difference between weather and climate. It was also interesting that the presentation did not use the specific term ‘global warming,’ while at the same time the panelists presented enough data, discussion and illustrations to allow the audience to draw their own conclusions.”*

*“The people who did the professionalism session were able to turn a dry topic into an engaging presentation. The exchange between the panelists*

*in the ACA enrollment session should serve as a reminder that a rapidly changing environment poses challenges in keeping data timely and accurate.”*

*“One of the sessions I attended at the annual meeting was Session 85 PD ‘ACA Implementation and Strategies in 2017 and Beyond’. The content, quality of the speakers and presentations were excellent!! It was the kind of session one expects at an SOA meeting and was one of the highlights of the Annual Meeting for me.”*

Thanks to all of you who submitted quotes on the annual meeting. Good presentations of timely, topical material and engaged audiences are what make for great chemistry. See you next year in Austin! ■