



SOCIETY OF ACTUARIES

Article from:

In The Public Interest

January 2013 – Issue 7

KEEPING UP WITH THE LAW

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- The company actuary has an obligation to their company to stay current on topics affecting the company and its financial performance.
- The actuary may have a responsibility to the public, if they are opining on current changes to a public program, such as Medicare or Medicaid.

What are the best ways to research new topics or changes affecting your business? You can try the following:

- Basic Internet Search—You can always try an Internet search engine, but then you have to sift through all of the non-relevant information.
- Check with the AAA or the SOA—Both the AAA and the SOA have committees and workgroups that have been formed to address a variety of practice areas and subjects. These workgroups often prepare guidance for the practicing actuary.
- Contact your consulting actuary—Consultants try to stay at the forefront of changes in the market, along with various rules and regulations; therefore, many times they have already completed some or all of the necessary research.
- Contact your local Department of Insurance or the National Association of Insurance Commissioners (NAIC)—When new laws are created, regulations typically have to be issued in order to administer the laws. Often, insurance departments and the NAIC help to prepare these regulations.
- Ask your peers—If you work with a group of actuaries, you can share some of the burden by sharing knowledge. Having a Lunch and Learn is a great way to interact with your fellow actuaries.



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If you have not been paying attention to the U.S. health care reform discussion and wanted to get up to speed on what all of the excitement is about, where would you start, and how would you do it? Why would you need to do so, and is there a preferred method?

This article will specifically address how to find out more about health care reform, but also talk a little about an actuary's duty to keep up-to-date in their chosen area of practice. What duty do actuaries have to stay current? Well, they have the following obligations:

- Satisfy continuing education requirements of both the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA). Precept 2 of the Code of Professional Conduct addresses the qualification standards of an actuary based on basic and continuing education. Continuing education can take the form of research on current topics pertaining to your chosen area of practice.
- The consulting actuary has an obligation to their clients to stay up-to-date on topics affecting the clients and their businesses.

Let's get to the topic at hand: Health Care Reform. The Patient Protection and Affordable Care Act (PPACA) was signed into law on March 23, 2010. Some also refer to this as the Affordable Care Act (ACA). Actually, ACA refers collectively to PPACA and the

Healthcare and Education Reconciliation Act. The remainder of this article will refer to the law as PPACA. PPACA's focus was to reduce the number of uninsured Americans and to reduce the overall costs of health care; however, these goals are still up for debate.

Since we discussed Internet searches, the following list of websites, including specifics, are good places to learn more information about PPACA. Each website is listed along with a brief description of its contents.

<http://www.healthcare.gov/law/full/>—This contains a full version of the law and also provides the Supreme Court's ruling on PPACA.



http://en.wikipedia.org/wiki/Patient_Protection_and_Affordable_Care_Act—Although a Wikipedia search can sometimes provide hit or miss results, this link provides a good overview of the law and the timing of when provisions of the law will be enacted. In addition, this link provides hundreds of additional references and links.



<http://www.kff.org/> and <http://healthreform.kff.org/>—In general, The Kaiser Family Foundation website contains a lot of information on health care; they also have a section devoted to health care reform. The health care reform website contains a summary of PPACA and its provisions, state-by-state information, educational items on topics such as the individual mandate, and calculator/estimators for determining items such as how premium subsidies will be determined.



<http://www.cbo.gov/>—The Congressional Budget Office (CBO) website provides cost

estimates of enacting PPACA. These estimates include the original estimates and revised estimates, after incorporating the Supreme Court's ruling. The site also has a cost estimate if PPACA is repealed.



<https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/index.html>—Similarly, the Office of the Actuary for the Centers for Medicare & Medicaid Services publishes cost estimates and studies for many health care programs and proposals. They have an entire section of studies devoted to the estimated impact of health care reform proposals.



<http://www.naic.org/>—The National Association of Insurance Commissioners (NAIC) website lists current publications, including Model Laws, committees, and activities of the NAIC. For those of you preparing rate filings, the NAIC has developed the System for Electronic Rate and Form Filing (SERFF). Many states require companies to file premium rates using the SERFF system. More information on SERFF can be found here: <http://www.serff.com/>.



<http://cciio.cms.gov/>—The Center for Consumer Information & Insurance Oversight website provides information to consumers, companies, and industry professionals. PPACA established provisions for transparency in health care premium rates. As a result of this new transparency, an effective rate review process was established to prevent unreasonable rate increases. The fact sheets



CONTINUED ON PAGE 24

and frequently asked questions section of the website provide a lot of good information on PPACA and its provisions.

<http://www.ncsl.org/>—The National Conference of State Legislatures website gives state status updates on all health care reform efforts, including exchanges.



<http://www.hhs.gov/>—The U.S. Department of Health and Human Services website provides links to federal regulations, U.S. government grants and funding, and press releases.



<http://www.soa.org/>—The SOA website provides links to all of the professional interest sections, current news, and SOA-sponsored publications and research. A resource that people may not know about is the electronic discussion list or Listserv. The SOA has many public Listservs that you can join to participate in the discussion of current topics.



<http://www.actuary.org/category/site-section/public-policy/health/health-reform-aca-implement>—The AAA has a section of their website devoted to health care reform and PPACA implementation.



<http://www.actuary.org/content/academy-committees-homepage>—This section of the AAA website provides a listing of all of the current AAA committees.



<http://www.actuary.org/category/site-section/public-policy/practice-notes>—This section of the AAA website provides a listing of practice notes and guidance on current issues.



In addition to the websites listed above, most states have both legislative and insurance department websites where useful information can be found.

While this is not an exhaustive reference list, hopefully it provides you with a starting point for researching both health care reform and other actuarial topics. 