



Article from
Health Watch
October 2018
Issue 87

Letter From the Editor

By JoAnn Bogolin

In this issue of *Health Watch*, we kick off with our leadership interview with John Bauerlein. We chose this as the first article because of John's interesting background and thoughtful approach to his career. I believe this interview sets the tone for the rest of the issue.

Up next is an article that moves the discussion of the opioid epidemic forward, with Andrew Gaffner, Barbara Collier and Joseph Boschert sharing how they are attempting to assess this risk through predictive analytics. The opioid epidemic impacts patients and their families, all the players in the health care market because of increased costs, across all populations: commercial, Medicare and Medicaid. Helping the actuarial community know how to anticipate and quantify this risk is imperative.

Corey Berger addresses Medicare Advantage (MA) risk scores, specifically how Medicare Advantage organizations (MAOs) can compare their experience reporting to a benchmark population's reporting of the hierarchical condition categories (HCCs). Given that HCCs are one of the few areas where MAOs can impact their risk scores (i.e., the revenue received from CMS), understanding how you are reporting your experience versus how everyone else is reporting experience, is key to remaining competitive in this landscape. Corey provides insights gained and directs MAOs on what they should be examining to ensure they are reporting all of the diagnosis data for their Medicare Advantage beneficiaries.

While we are in the MA revenue frame of mind, Puneet Budhiraja and Rajesh Munjuluri discuss how to improve Medicare Advantage star ratings. As Corey mentions, the HCCs are one area that the revenue from CMS can be impacted by the MAO. Puneet and Rajesh discuss the measures around another metric used in the determination of revenue from CMS for Medicare Advantage products: star ratings. This article covers the timing of the measurement periods and the steps to move to the next-higher star rating level. As the authors emphasize upfront, understanding the timing of the measurements and the timing



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of the payments is key to developing an appropriate financial plan for this product.

Eleven million individuals have gained health care coverage due to Medicaid expansion under the Affordable Care Act (ACA). In the early days after the ACA went into effect, companies had little to no information on how this population was going to impact them. Tony Marko, Joshua Kuai, Sabrina Gibson and Mitchell Cole examine this population and its impact on the health care market, discussing the enrollment/disenrollment by age group, and the claims and utilization of the population. No spoilers from me, but I ask that before plunging into this fascinating article, think about what you expect the answers to be.

Dave Dillon then steps us through association health plans (AHPs), specifically the new regulatory framework for AHPs, as discussed in a white paper by Sabrina Corlette, Josh Hammerquist and Pete Nakahata released earlier this year. This white paper is one of a series from the Commercial Health Care: What's Next? strategic initiative by the Society of Actuaries (SOA) and not only explains the new framework, but also addresses the impact of these new regulations.

Bethany McAleer presents "Seasonal Flu Impacts: Flu Science Meets Actuarial Science," where she explains the types of flu that impact humans, what types of flu the vaccines are designed to protect us against, and the actuarial implications of the flu. This article is certainly timely given the considerations that are

discussed for year-end reserve calculations and budgeting and forecasting. Bethany provides tips for our community on how to incorporate this experience into all of the actuarial functions for the coming year (pricing, reserve setting, etc.).

Also just in time for our year-end work, Annette James and Nancy Hubler provide an article on how to prepare an actuarial memorandum for the Orange Book that will make your regulator smile. Annette (Nevada) and Nancy (Ohio) give us the "how to" when it comes to actuarial memoranda, covering the purpose of the memoranda, common misperceptions, and step-by-step guidance *with examples!* At the very least, those of us filing memoranda in Nevada and Ohio should take note! For the rest of you, be careful that your state regulators don't see that *Health Watch* provided this gold-star guide, if your memorandum does not make them smile.

And finally, Brian Pauley, Joan Barrett and Joe Wurzbarger asked one simple question to 30 thought leaders throughout the health care community at an all-day face-to-face meeting in March: What can we do about the cost of health care? The first phase was designed to identify the issues and potential solutions. The second phase is to determine what to do about it. This article makes us aware of the Initiative 18/11, what direction our community is taking and what we, as individuals, can do to help forward this conversation.

I was once again super lucky with the authors who volunteered to contribute to *Health Watch*. After reading this issue, I think you will agree! Thank you to all of the authors, your time and efforts are greatly appreciated!! ■



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