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AFFORDABLE

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For more than four years now, the phrase "Affordable Health Care" has been heard as frequently as "Let's Go Red Sox." But what is affordable, and by whom or what entity is the affordability intended to be experienced? During the past few months, individuals and families have been participating in open enrollment programs at their places of work, through Medicare programs and, perhaps, through the exchange websites. Many have seen staggering increases in overall costs through significantly increased deductibles and coinsurances, implemented to offset premiums. The law is intended to limit out-of-pocket costs to $6,350 and $12,700, for individuals and families, respectively; however, this was delayed for the 2014 roll-out. Still, with the average family premium ranging from $600 to $1,200 per month, total health care costs for a family may exceed $20,000 a year! For most middle mass families this would be a short train to bankruptcy.

Is this affordable? Will this help families avoid bankruptcy? The outlook for the middle mass is bleak. First, income levels are very limiting. From the 25th percentile at $20,000 of gross annual household income to the 75th percentile at $87,000, there is little room for a catastrophic care episode, even with the "affordable" insurance plans. Second, there is little room within household finances for a retirement plan that goes beyond relying solely on Social Security in retirement. Finally, Medicaid programs are not at all prepared to handle the droves of boomers who will require long-term care in the next few decades and who do not have the funds or the means to receive care. Such a reliance on these programs may very well be catastrophic to many families who rely on these programs.

Perhaps some indication of the vast void in solutions offered by public policymakers is the fact that the recently concluded Federal Long-Term Care Commission did not address the financing of long-term care services in their 174-page report. When considering the members of the commission, as well as those that testified, very little of their financing knowledge was shared at all. In a prior column I discussed a framework for our social insurance and entitlement programs. Such a framework enables policy proposals to be evaluated on the merits and not the posturing. Such a framework enables choices and consequences to be understood. Such a framework allows for a comprehensive look at our financing programs and how best to structure them for the long haul. Such a framework focuses on solutions for the intended consumers rather than on the politics around the issues.

It is abundantly clear that informed, innovative and apolitical solutions are necessary to overcome these significant obstacles and provide the public with affordable solutions to the health and retirement risks they face. Whichever program is discussed, the country desperately needs actuaries to be actively involved in the answers to be presented. Along with the other 18 sections, the Social Insurance & Public Finance Section is the source of this voice. Policymakers and politicians need us to step up and inform. Our middle mass neighbors and friends desperately need us to act. The country needs our voices to be heard.

It is my hope that this section inspires you to let your voice be heard: to Influence, to Inspire, and to Impact. During the recent SOA annual meeting, the new members of the council were officially welcomed: Jian Yu, Krzysztof Ostaszewski and Sven Sinclair have joined the remaining members of Sue Collins, Vince Granieri, Jim Meidlinger, Jeffery Rykhus, Bruce Schobel and me. A special thanks goes to Gordon Latter, Gregg Schneider and Tia Sawhney for their dedicated work over the past three years. We look forward to their continued support as they remain as some of the many friends of the council that we have. Also, very special thanks goes to Jill Leprich for her support over the years. Jill, we greatly appreciate your work with the council. We and the SOA will sincerely miss you.