



Article from

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Letter From the Editor

By Jeffery M. Rykhus

This issue's cover article is a highly informative piece based on a Health Section webcast and is titled, "Medicaid Encounter Data: The Next National Data Set," by Jennifer L. Gerstorff and Sabrina Gibson. Kudos to them for doing both the webcast and the article; I appreciate the extensive work that went into explaining this timely issue. It is a valuable reference for Medicaid actuaries, matching the high quality of the other Medicaid articles in this newsletter.

Our section chair, Sven Sinclair, as is usual for him in the Chairperson's Corner, writes an incisive piece titled, "Social Insurance and the Federal Budget." Please also read Stephen C. Goss's article in the April/May 2016 edition of the *The Actuary*—a must-read for every actuary, wait, every informed United States citizen. These two wonderfully complementary articles are as thoughtful as anything I've read on Social Security. I thank these two actuaries, "working in the public interest," for their contributions.

"The Sustainability of the New American Entitlement: Actuarial Values and the ACA," by Greg Fann, opens a new discussion forum. Mr. Fann writes that ACA subsidies are substantively different from any other "entitlement" program that has been passed into law in this country. He believes that this uniqueness requires that financial sustainability of the ACA subsidies be evaluated under a different framework because the subsidies formula results in varying degrees of financial assistance for different groups of eligible beneficiaries. Furthermore, he argues that the dynamics of the ACA subsidies contribute to skewed enrollment and negatively impact the following three things: the labor market, the overall economy and the sustainability of the individual health market.

I will be interested in seeing how other actuaries respond to this article. As is always the case, I invite both confirming and dissenting responses from the audience. In all honesty, strong opinions and dissent are nothing new in our newsletter, as you have seen in the past, which you can see in this issue and which you will see again in future articles.

The international (and highly topical) issue of differential mortality between the higher and lower socio-economic classes is up

next in "Socio-Economic Mortality Differentials: An International Perspective," by Kai Kaufhold. Thank you, Mr. Kaufhold, for another contribution from Germany.

Bringing a second international perspective is "Let's Talk: Interview With an Actuary in the Public Interest," an interview I conducted with Derek Osborne, an actuary with broad experience in Caribbean social insurance.

By way of introducing important section research we have reprinted an issue brief, "How Big a Burden are State and Local OPEB Benefits?" published by the Center for State and Local Government Excellence and the Center for Retirement Research at Boston College in March 2016. This brief is just a taste of what's to come, as Steven D. Bryson, writing in "Section Research Update: Other Postemployment Benefits," states: this section "is currently undertaking a research project regarding the financial health of public sector retiree health systems."

Finally, a little of that promised dissent (regarding public pensions) in the form of an article by Kent Smetters, the Boettner Professor of Business Economics and Public Policy at the Wharton School, University of Pennsylvania, and an adjunct scholar at the American Enterprise Institute (AEI), and Andrew Biggs, a resident scholar at AEI, "Understanding the Argument for Market Valuation of Public Pension Liabilities," originally published as a direct counterpoint to Paul Angelo's article, "Understanding the Valuation of Public Pension Liabilities: Expected Cost versus Market Price," which was reprinted in the January 2016 edition of *In The Public Interest*.

I have already been approached with several strong opinion pieces and articles to be published in the next issue. Anyone is welcome to submit an idea. ■



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