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Letter from the Editor

By Jeffery M. Rykhus

Happy New Year, 2018. As we look back, it has been a tumultuous year in Social Insurance. As I write this letter, I look forward to the outcome of the Affordable Care Act (ACA) open enrollment period. There have been so many potential and actual game-changers in health care this year that it will be interesting to see who will remain in ACA plans after the shortened enrollment period ends. Certainly huge cost increases are a continuing concern for many friends who pay for their own individual health insurance and live in Los Angeles. The cost of health insurance is even higher and more unsustainable for relatives of mine in South Dakota. I think both actuaries and non-actuaries agree that changes to control the high price of health insurance are necessary.

This issue opens with an article by Jason Clarkson, Rob Damler and Amanda Schipp that describes Medicaid work requirements, "Medicaid Work Requirements: Overview of Policy and Fiscal Considerations." At the National Association of Medicaid Directors meeting, administrator Seema Verma announced the administration's plans to begin allowing work requirements to be included in Medicaid waiver programs. This topic was discussed at many of the breakout meetings. The announcement from administrator Verma was covered in many national articles. I believe this is an extremely timely article, given this announcement.

The second article, "Social Security Changes for 2018," by Bruce Schobel, is a reprise of his standard end-of-the-year article that describes all the automatic changes that are required by current law, and it's good to know those, given our section mission. I

always find something new to focus on in Bruce's writing, and in this article I find it odd to note that the National Average Wage statistic **excludes** wages earned in self-employment status.

You will now be able to read the conclusion of our current public pension series, part II of "Appropriateness of Risk-Taking by Public Pension Plans," by Don Boyd and Yimeng Yin. The article continues to discuss the inherent conflict between the research that suggests a higher proportion of public pension plan assets should be held in fixed income and less in equities and the continual chase for higher returns for these public plans.

As a little morsel to whet your appetite for the whole article, Boyd and Yin sum up their article with the following words:

There are two things that policymakers can do that would be important steps toward confronting the situation. First, policymakers should explore ways to change and counter the incentives and institutions that encourage U.S. public pension funds to take risk. Second, public pension funds should ensure that they analyze and communicate the risk they are taking, in ways that can be understood not just by their boards, but by the governments that contribute to their funds, and by the public that ultimately bears the risks they take.

Anna Rappaport closes this issue with her article about the Living to 100 Symposium in "Long Life Can Have a Big Effect on Public Finance." She discusses many of her perspectives on the 2017 symposium and the overall efforts made in the series of six symposia that have so far occurred, since 2002.

May you all be blessed and achieve great things in 2018. ■



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