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## BOOK REVIEW

# Book is easy-to-use source on health insurance issues

by Thomas Livorsi

*Health Insurance Answer Book, Third Edition*, John D. Reynolds and Robin N. Bischoff/*Health Insurance Answer Book, 1993 Cumulative Supplement*, Thomas A. Darold. Published by Panel Publishers, Inc, 36 W. 44th St., Suite 1316, New York, NY 10036, 212/354-4545, 1993, \$96, 396 pp.

**T**he *Health Insurance Answer Book* provides plan sponsors with the answers to many questions encountered in implementing and maintaining a health care plan. It is written for business professionals, owners of small to medium-sized businesses, and their legal and financial advisors. The book addresses questions surrounding basic health insurance issues, such as:

- Whom to work with in designing and purchasing a plan
- What benefits to provide
- How much to spend
- How to fund the plan costs
- What cost-control mechanisms to implement
- How to deal with ongoing administration, including government compliance

The book is divided into 13 chapters to take the reader from the fundamental concepts of group insurance through the selection and buying process, financing, and administration. These basics are followed by discussions on managing health care costs, alternative approaches to providing health care benefits (for example, HMOs, PPOs, and flexible benefits), some thoughts on current issues of special interest (e.g., Medicare and nondiscrimination rules), and finally a detailed discussion of cost-saving strategies.

The list of questions in the front of the book helps the reader locate areas of immediate interest. Each question is identified by a question number and the corresponding page number on which it appears. An appendix provides a listing of health insurance resources. An alphabetical glossary is included to help explain health insurance terms, abbreviations, and acronyms.

The book is recommended for students new to the field who want a quick introduction to group health insurance benefits. The book's importance arises from the broad scope of topics covered in easy-to-understand language and the valuable insight into so many health insurance issues from a strategic viewpoint. Experienced practitioners also will find the book useful because of the array of ideas and issues that are presented on each topic in one easy-to-use source. The clear explanation of many concepts are useful in communicating with clients.

Unfortunately, a work like this becomes quickly outdated because of the quick pace of new developments in the field. Panel Publishers maintains a subscription service that updates the *Answer Book* with periodic supplements to reflect important changes. It would be useful, especially for students, if the book contained a bibliography of periodicals and other works that could be consulted for late-breaking developments.

While the book tries to provide accurate and authoritative information, some of the answers given are misleading or inaccurate. For this reason, the book should not be used as a substitute for primary source material, such as applicable IRS regulations or FASB accounting statements. For example,

the *1993 Cumulative Supplement* states that partnerships cannot have self-insured medical plans even if the partners' premiums are paid with after-tax dollars and must have benefits provided by third-party insurers. In another example, the book states that FAS 106 applies to retiree health plans with fewer than 500 employees for fiscal years beginning after December 15, 1994. The *Health Insurance Answer Book* certainly should not be used to replace the professional advice of competent employee benefit professionals.

In addition, the work would be more valuable if it contained footnotes and bibliography referencing sources for the information presented so students could refer to more in-depth, authoritative materials.

**Thomas J. Livorsi is principal, Alexander and Alexander Consulting Group Inc, Chicago, and a member of the Committee on Review of Literature.**

## October Board meeting open to members

The SOA Board welcomes interested Society members to attend the Board of Governors meeting October 16 in Chicago. Anyone with questions about the meeting or a request for minutes should call the Society office, 708/706-3500.