



SOCIETY OF ACTUARIES

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Up next: Medicare SOAF will continue consumer education

by Cecilia Green

SOA Public Relations Director

Last fall, the Society of Actuaries Foundation (SOAF) launched its first consumer education program, "On the edge of change: Putting Social Security back in balance." The former chief actuary of the Social Security Administration, Dwight K. Bartlett III, oversaw the project, which was planned by a team of actuarial and other experts and facilitated through a \$150,000 grant to the SOA Communications Department.

Six months later, almost 105,000 brochures had been distributed to employees and customers at several "partner" companies, libraries, and schools and at retirement seminars and other presentations. News articles extracted the unbiased information prepared by actuaries in the brochure and reached another 2.2 million people.

Partners who made larger distributions include:

- Baker & McKenzie
 - Bell Boyd & Lloyd
 - Board of Pensions
 - Farm Bureau Financial
 - First Colony Life Insurance
 - First Penn-Pacific Life Insurance Co.
 - Griffith Labs
 - Group Health Inc.
 - Robert Hess
 - Lee & Associates
 - Lincoln National Corp.
 - Miami Valley Pension Service
 - Minnesota Mutual Life Insurance Co.
 - Northwestern Mutual Life Insurance
 - Professional Pension Planners
- Overall, nearly 800 companies requested partner packages, and more

than 400 companies actually ordered quantities ranging from 200 through 20,000.

Social Security program survey results

Just distributing information does not ensure goals of the program had been met. Did readers have a better understanding of the Social Security system and its future fiscal health after reading the brochure? Of the 3% who returned the survey card inserted in the brochure, 89% agreed that they did. More than 60% of the respondents valued it enough to pass the brochure on to another person, bringing the estimated circulation up to 168,000.

Other responses to the survey questions revealed a high level of confidence that Social Security and



SOCIETY OF ACTUARIES FOUNDATION

Preparing for tomorrow's possibilities

Foundation to publish genetic testing presentations

by Cecilia Green

SOA Public Relations Director

After cosponsoring an unprecedented gathering of stakeholders in a new medical frontier, the Society of Actuaries Foundation is in the process of producing a publication summarizing the 11 presentations made at the June 24-25 symposium, "Genetic Testing: Implications for Insurance."

About 130 invited participants heard leading geneticists, bioethicists, medical directors, lawyers, regulators, actuaries, and underwriters discuss the emerging issues surrounding genetic testing. The Foundation joined with the University of Pennsylvania Center for Bioethics and Metropolitan Life Insurance Company's Medical

Department, which hosted the event at MetLife's home office in New York.

"Bringing all these experts together for frank exchanges resulted in an astonishing burst of creative ideas and discussion," said James C. Hickman, Ph.D., Foundation trustee. "The Foundation believes it's important that we share the thinking that this conference stimulated to an even wider audience."

"The purpose of the symposium was not to be a forum for creating policy, or even creating a consensus on the issues," according to Charles G. Hertz, M.D., vice president and chief medical director for MetLife. "The main objectives were to present factual information, to iden-

tify the key issues facing the various disciplines represented, and to allow for an open discussion."

Driving the need to bring issues to the forefront is the rapid scientific advancements being made by the Human Genome Project. The National Institutes of Health's (NIH) Human Genome Research Institute is currently about two years ahead of schedule in its goal to identify the 3 billion component code letters of the human genetic makeup and the location of all its genes by 2005. "This information will allow identification of genes that contribute to specific diseases," Hertz said, "which in turn will lead to diagnostic tests and

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company retirement plans would be around to help support people in retirement. Respondents said they expected to draw their retirement income from money they put into a plan at work (87%), Social Security benefits (85%), money an employer put into a plan for them (81%), and other personal savings (68%). Few counted on income from part-time work (28%), inheriting money (15%), or support from other family members, including children (1%). To get a full report of survey results, which also included questions on how willing respondents were to invest Social Security funds in equities, contact Cecilia Green at the SOA (phone: 847/706-3561; e-mail: cgreen@soa.org).

The next issue to tackle

To actuaries and many others, it became apparent that Medicare's fiscal health would reach a crisis point even sooner than Social Security financing. Choosing Medicare as the subject of the second consumer education program was a natural in helping carry out the Foundation's overall mission of using actuaries' skills to help understanding and resolution of society's social problems. The SOA Communications Department received a \$110,000 grant to plan and implement it.

The "On the edge of change: Time for a Medicare checkup" brochure poses a typical reader's question, "Will Medicare be there for me?" It answers, "Only if Congress takes action soon ... and not just band-aid approaches that keep Medicare going for a few more years at a time. Recent legislation has only bought a little more time. Long-term reforms must be made to meet the needs of the next generation of beneficiaries."

Roland (Guy) King, former Health Care Finance Administration (HCFA) chief actuary, oversaw the content of the brochure, written by the SOA Communications staff. Reviewed by experts from the SOA and the American Academy of Actuaries, with technical assistance from HCFA, it explains the causes of Medicare's financing problems in easy-to-understand terms. It also outlines some approaches to Medicare finance

reforms and suggests the reader become more informed.

Partnership with HFMA

To extend this program's reach, the Foundation formed a partnership with the Healthcare Financial Management Association (HFMA). With 34,000 financial management professionals as members employed in all types of healthcare facilities and firms, much of HFMA's professional development and education programs are carried out through its 70 chapters.

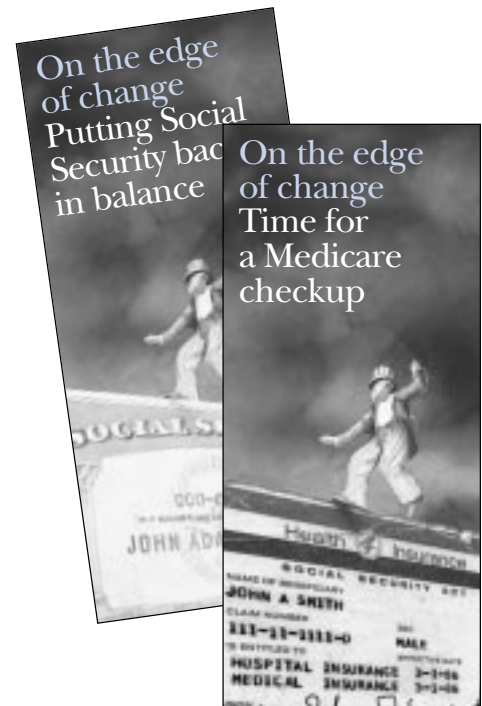
HFMA chapters will use the SOAF brochure at local Medicare education events, modeled on last year's successful program, "HFMA Serves America: Making Medicare Easier." This U.S. public education campaign directly touched the lives of more than 35,000 senior citizens in 30 states. Chapters explained the complexities of Medicare using tools such as call-in Medicare hotlines, seminars, health fairs, radio talk shows, public service announcements, posters, and videotapes.

"This partnership complements each group's goals and strengthens the SOAF's mission to collaborate with other entities for a multidimensional approach," said Roland Baker, SOAF trustee overseeing the program. "The HFMA, another nonpartisan organization like the SOAF, wants to help beneficiaries and their families make Medicare use easier. The SOAF wants to help them understand where the funding for their Medicare benefits comes from and what steps the government must take to keep them intact. In addition, the Foundation especially liked the personal touch through the local events."

Plans are being developed for HFMA chapters along with actuaries and actuarial clubs to explore ways to combine their expertise and resources to help make the local events even more successful than last year's. To get more information on local events, contact Cecilia Green at the SOA, or call HFMA's toll-free number — 800/252-HFMA (4362), ext. 362 — or visit the group's Web site at www.hfma.org.

Ordering Medicare brochures

SOA members, SOAF charter



Two brochures in the Society of Actuaries Foundation's "On the edge of change" consumer education series are now available, with up to 200 free. See the sample of the new "Time for a Medicare checkup" brochure and order blank in this mailing.

investors, and those who ordered Social Security brochures can order 200 Medicare brochures at no charge. Others pay a nominal fee for quantities above 50. See the sample brochure and order blank in this mailing. The Medicare and Social Security brochures can also be viewed and ordered through the SOAF Web site at www.soa.org/foundation.

Summary of OASDI and Medicare programs

Robert J. Myers, former chief actuary of the Social Security Administration, has completed a revision of his *Summary of the OASDI and Medicare Programs*. This 62-page document describes the programs as of January 1998. Copies may be obtained by writing to him at 9610 Wire Avenue, Silver Spring, MD 20901, and enclosing five 32-cent stamps (U.S. or Canadian) and a self-addressed mailing label.

SOA to open office in Asia

The SOA will open a satellite office in Hong Kong later this month in keeping with the SOA's increasing Asian membership and the region's rapidly growing interest in the actuarial profession.

The office will serve the SOA's 600 members in Asia, support the new Asia Committee, and help promote the rising interest in actuarial science as China and other Asian countries become more economically sophisticated and successful.

Patrick Cichy, a Society employee over the past two years, will move to the office in the newly established role of

coordinator of Asian services. He will work with Yuan Chang, chair of the Asia Committee. The office will be located initially in the MetLife office in Hong Kong. (Chang is chairman and CEO, MetLife Greater China Operations.)

The satellite office's responsibilities will include:

- Generating programs for SOA members in Asia
- Preparing agendas, setting up meetings, and monitoring progress of activities for the Asia Committee
- Making arrangements for visiting actuarial VIPs

- Providing information on the actuarial profession to the public in Asia

Correspondence for the office should be addressed to: Patrick Cichy, Society of Actuaries, 11/F., Bank of East Asia Building, 10 Des Voeux Road Central, Hong Kong. Cichy also can be contacted by telephone at 852-2973-4000 or by fax at 852-2826-9189. Information about the office and the Asia Committee is available from Yuan Chang and Clement Cheung at their *Directory* addresses or from Linden Cole at the SOA office.

Genetic testing presentations (continued from page 14)

potential preventative or therapeutic treatments and cures."

The existence of such information creates the need to address several questions:

- Who should undergo genetic testing and for which specific genes?
- How will privacy and confidentiality be handled?
- Who has the right to the information besides the person tested — the family, spouses, physicians, insurers?
- What exactly defines "genetic information?" (Currently, factors influenced by genetic makeup, such as family history, blood pressure, cholesterol levels, height, and weight, are used for medical and insurance assessments.)

Arthur L. Caplan, Ph.D., director of the Center for Bioethics, University of Pennsylvania, said at the conclusion of the symposium, "I'd like to see the people in this room go away thinking not so much of substance about genetics, ethics, and insurance, but what you — in your own work and at your own organization — can do to carry forward

on these important themes on which we've had such a useful dialogue."

The Foundation anticipates the symposium publication to be available for purchase early in 1998. Among the presentations to be covered are those from actuaries Phillip J. Lehpamer, vice president and actuary at MetLife, on "Principles of Risk: Health, Disability, Life"; and Jim Hickman, University of Wisconsin-Madison, and David J. Christianson, American Academy of Actuaries Task Force on Genetic Testing, on "Actuarial Implications

of Genetic Testing." Other key presentations were "The Human Genome Project" by Francis S. Collins, Ph.D., M.D., director of the NIH Human Genome Research Institute, and "Predictions and Precautions" by Karen H. Rothenberg, J.D., M.P.A., University of Maryland Law School, and member of the National Action Plan for Breast Cancer.

Watch for announcements of availability and cost of the publication.

Cecilia Green can be reached by e-mail at cgreen@soa.org.

Upcoming SOA meetings and seminars

On Dec. 8-9, the conference "Integrated Approaches to Risk Measurement in the Financial Services Industry" will be held at James H. "Sloppy" Floyd Building, Atlanta. Information is available from Sue Berg at the SOA office (phone: 847/706-3545; fax: 847/706-3599; e-mail: sberg@soa.org).

Additional seminars planned for 1997 include "Applications of Derivatives" and "Medicare/Medigap Insurance." For updates on all seminars, watch for future SOA mailings. Seminar information also is posted on the SOA Web site (www.soa.org) under Continuing Education.