



**SOCIETY OF
ACTUARIES**

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Leader Interview

With Greger J. Vigen

Greger J. Vigen, MBA, is the founding chair of the Health Payment Reform subgroup of the Society of Actuaries (SOA) Health Council. He served on the board of directors for Physician Associates IPA and was co-chairperson of the payment workgroup for the Dartmouth Brookings ACO Learning Network. Previously, he worked for major purchasers through Mercer with financial responsibility for 2 million lives (including California Public Employees' Retirement System). His projects have included development of stronger networks and collaborative provider contracts across the country. Several of these products form the foundation for county-level Exchange products.

ON BEING AN ACTUARY

Health Watch (HW): How and when did you decide to become an actuary?

Greger Vigen (GV): My father worked for a property-casualty insurer and mentioned an actuarial career as an option. So, I passed some early exams while getting my undergraduate math degree and MBA. After graduation, an actuarial profession offered continually interesting work, a potential impact and a long-term career using math skills within a business context. And the health and pension work that interested me were both fast-growing industries.

HW: What other careers did you consider? Or if you have had other careers, can you describe them?

GV: I interviewed with two other types of companies with interesting work in fast-growing industries: computer design/programming and management consulting. Each had its unique strengths and weaknesses. Management consulting offered

high-level business projects with extensive on-the-job learning, but required massive hours. Computer programming was very rapidly growing, but it was very detailed, technical work without a clear route to develop broader skills.

HW: What was your favorite job before you became an actuary?

GV: I worked extensively part-time while going to college, such as ongoing seasonal work on tax returns and teaching swimming, plus various odd jobs I could pick up, such as tutoring, usher, library aid, and so forth. No particular favorite. Tax work gave a partial understanding of taxes and finance. Teaching let me watch kids improve before my eyes and use some of my mother's expertise.

HW: What has been most crucial in your development as an actuary?

GV: The core question is always the same: How can my colleagues and I do better? This means continuing improvement and learning, but in a practical context—directed learning that matters, supports my firm and/or clients and is built upon my fundamental technical skills as an actuary and an MBA.

Then I needed to make good business and personal decisions: choose a growing industry, work for one of the better companies, take a broad view of my job, work with strong people with diverse skills, avoid the worst clients, selectively take the harder projects, fix on one specific personal weakness at a time. Along the way, I strengthened related skills, such as communications, computers and business.

HW: Looking at your career as an actuary, do you see any important learning milestones or turning points in your career?

GV: There were various major events along this continuous-improvement track.

I moved from an insurance company to a major consulting firm after getting my FSA. This was essentially a decision to pursue a long-term career offering advice rather than trying to become an executive in a large organization.

My consulting role was somewhat unusual. My firm had many strong general health consultants and a strong local presence with major employers, but little actuarial expertise. So, I built a strong financial role across all our clients, not just my own personal clients. In effect, I became “a consultant to other consultants”—the expert adviser on any tough financial issues, sometimes within a multidiscipline team.

Eventually, my expertise and business breadth offered me many opportunities to have a large positive impact, including work for many large employers; leader of the national professional development for health actuaries at my firm; lead consulting role for CalPERS, a jumbo client that buys health care for more than a million members; and founding chair of the Society of Actuaries (SOA) Health Payment Reform subgroup.

When my core expertise of networks and provider-based care began to be used across the country, I became an independent consultant. There is some direct client work for major provider organizations and carriers working to create strong collaborations. Working as a consultant, I can download knowledge to other actuarial consultants as subcontractors.

HW: As an actuary, what keeps you awake at night?

GV: The health industry has many challenges, including the current coronavirus crisis. The industry is rapidly changing;

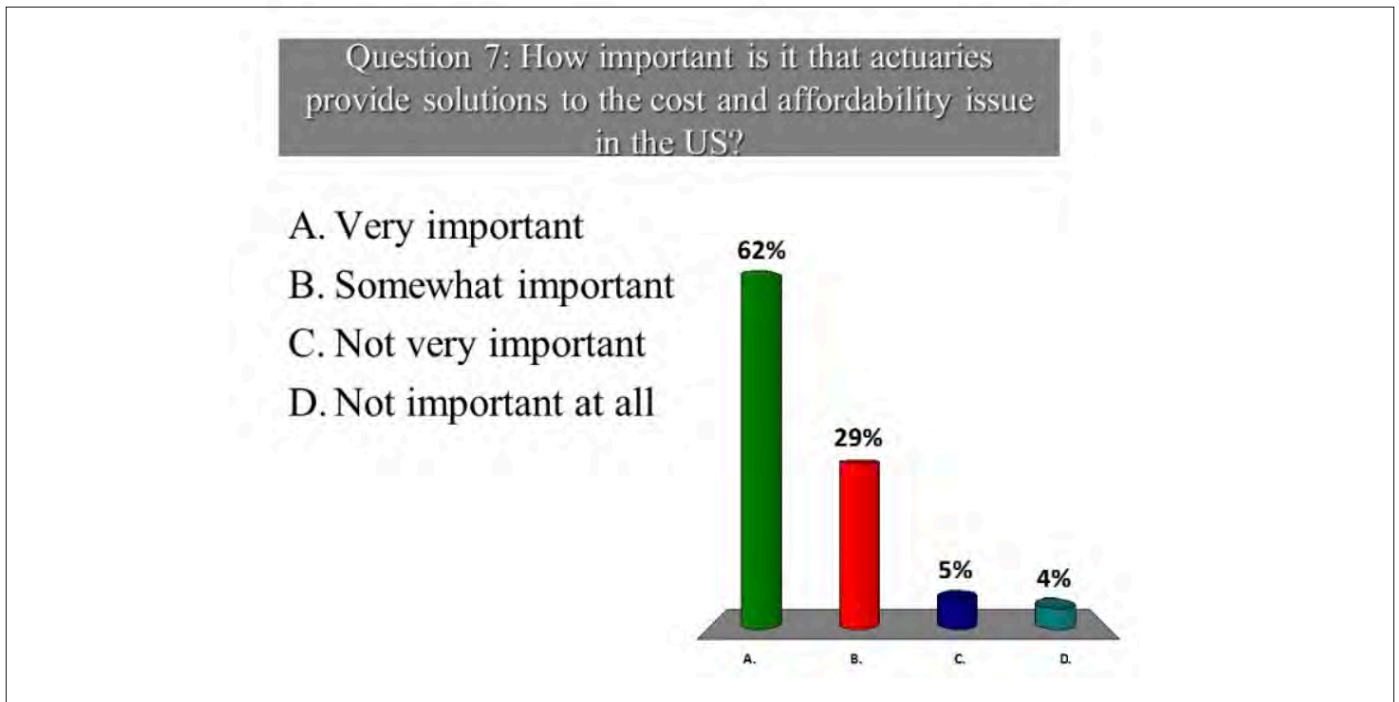
leading actuaries must create solutions, beyond production work. Health actuaries have an opportunity and a responsibility to create a valuable, affordable health system. A decade ago, we asked about 200 health actuaries at an SOA session about our role. Ninety-one percent said it is important “that actuaries provide solutions to the cost and affordability issue in the U.S.” This request and challenge continues to drive my work and my actions.

The polling result from the 2011 survey appears in Figure 1. I use this as an ongoing personal reminder of what needs to be done.

HW: What do you think the actuarial profession should focus on to remain relevant?

GV: We need to continue to do two things: provide strong, practical, immediate support for members and create a powerful ongoing future role. This is an ongoing challenge, since these push in different directions. Actuaries need practical training and ongoing education with a very detailed understanding of today’s world. The future role requires people to create and implement the powerful new innovations that will be used five years from now. For example, the health industry is facing a major short-term crisis, but there is also an ongoing massive external transformation of the health industry underway. The

Figure 1
Survey Results



Source: Pantely, Susan, and Vigen, Greger, “Accountable Care and Medical Homes Polling Questions,” 2011 SOA Health Meeting.

ongoing struggle is to balance practical support versus disruptive but essential innovation.

ON BEING A LEADER

HW: How much did your actuarial training prepare you for this role? What additional training—formal, informal or otherwise—did you need to be successful?

GV: My actuarial training created depth—a strong practical and accurate technical financial expertise. My MBA created breadth—a wide business perspective across the industry. But this was just the starting place; continuing improvement is essential. Sometimes it adds depth. Three of us did a 300-page inventory of 123 major health innovations and published it for an SOA research paper on health care measurement. Other times it is about breadth. I track many key developments outside the profession on an ongoing basis.

For me, the final part of leadership is a commitment to share important information and deliver possible ideas and solutions for others.

HW: What are the most important lessons you've learned in your role?

GV: It's hard to shrink this into a short answer. Two early lessons apply to most people. Work with good strong people. Early continuous improvement while taking hard but possible projects creates an interesting and rewarding career.

The later lessons work for me, but not for other people with different personal goals. I still work on the important but tough problems. Some people really appreciate this; others do not. If you remember the old quote, "Grant me the serenity to accept the things I cannot change, courage to change the things I can and wisdom to know the difference." I'm still trying to improve a thing or two.

HW: Let's say you're hiring your successor. What characteristics will help you choose the correct candidate?

GV: I am primarily a consultant and adviser rather than a line manager. Succession planning is different for consulting. It is about continuing personal growth of many people rather than a single replacement for a line-management position. In fact, these people are already moving past me. The people that I support

typically have similar characteristics: strong starting technical expertise, a broad business perspective, want to prepare for the future environment, and aim to have a positive practical impact. I also subcontract for many other actuarial consultants.

HW: Describe the biggest one or two challenges that you have faced in your role.

GV: Continuous improvement means overcoming many continuous challenges—lots of small early challenges as part of normal growth. But, in the middle of my career, I accepted some big challenges. Two come to mind.

My jumbo client faced a very difficult and visible financial problem with a jumbo supplier. More than two years were required to successfully address it, and my role shifted from moment to moment. I was involved in extensive detailed analysis, executive alignment of allies, member education, input on legal issues, review of competing public advertisements in the local newspaper and so on. Eventually, there was a big short-term financial win for my client, but this particular business battle is ongoing.

One other big challenge is ongoing as the world continues to change. How do we keep improving? Inertia versus change? How soon to act? How to educate? A colleague once recommended the 1994 book *Changing for Good* (by James O. Prochaska, John Norcross and Carlo DiClemente). Although dated, I still read it from time to time as a reminder of how people make important changes.

HW: What advice would you give to another actuary going into a leadership position for the first time?

GV: The first jump in leadership and management is supervision. This is a natural for many people, since it refines existing skills rather than building new ones. The new supervisor has already built deep expertise and often already supports others.

So, let's talk about the second jump in role instead of the first jump. The actuary needs to be prepared for a big stretch. Your technical role will be very different—you will need to make decisions without all the details and develop a respect for other types of expertise. Much better communication and people skills are needed. You are managing far more people and must work indirectly through their supervisors. ■