



**SOCIETY OF
ACTUARIES**

Article from

Health Watch

June 2019

Issue 89

Letter From the Editor

By Marilyn McGaffin

Happy summer! This issue coincides with the Health Spring Meeting, which I hope many of you are attending. Both this issue and the Health Spring Meeting have taken many hours to put together. I would like to thank all the volunteers for their help in bringing continuing education to all of us in many formats. This issue of *Health Watch* will be the second digital version, which I find to be quite exciting.

This issue opens with two articles regarding the Affordable Care Act (ACA). The piece from Kristi Bohn covers the history of the ACA and is a summary of a study note that will be part of the fellowship exams. Greg Fann brings us up to date with the current status of ACA litigation. He explains the reasoning behind the constitutionality decisions of the court. It is quite intriguing and does make one realize the importance of actuaries' opinions in forming health care legislation.

This issue's interview with a leader in our community is with Paul Spitalnic, chief actuary for the Centers for Medicare & Medicaid Services. He is responsible for evaluating the financial status of the Medicare trust funds, projecting program costs for the president's budget, estimating national health expenditures, calculating program rates and other actuarial functions related to the Medicare and Medicaid programs. We should pay close attention to the lessons he has learned in, and the characteristics he believes are important to, his role.

The next three articles focus on Medicare. The first of these is an article regarding the effects of the payment reforms dictated by the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 legislation. Julie Witt and Jim Dolstad summarize the Society of Actuaries (SOA) project oversight group's work. This is followed by an article regarding Part D settlements, which is timely since bids have just been submitted. Kate Herbig gives us a review of the four components of the Part D settlement arrangements. Pedro Alcocer, Robert Eaton and Pamela Laboy discuss the 2019 market landscape and the challenges ahead regarding long-term services and support in the Medicare Advantage marketplace.



The last two articles touch upon very current topics within actuarial circles—provider risk management and blockchain technology. Tom Messer points out that risk sharing with provider entities without successful medical management can only raise premiums. He outlines six considerations actuaries should take into account when entering into a risk-sharing agreement with a provider. The sooner actuaries take these considerations into pricing, the sooner the risk transfer can be accomplished in an equitable manner. Rajesh Munjuluri and Puneet Budhiraja describe what blockchain technology is. They also outline the potential blockchain uses for health care. For those of us to whom this technology is new, the article is written in a very understandable way.

I have been overwhelmed by the generosity of those involved with making this issue of *Health Watch* happen. Once again, I thank you. I do hope our readers will find these articles to be of value. ■



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