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# HEALTH SECTION NEWS

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## Chairperson’s Corner

by *Bernie Rabinowitz*

**T**he entire Health Section Council, including myself as the incoming chair, look forward to serving you this year. First, welcome to our newly elected Council members: Tony Wittmann, Bob McGee, Dan Skwire and Mary Ratelle; and also welcome to our other new team members: Jeff Miller, newsletter editor, and Darrell Spell, annual meeting program coordinator.

The major challenge facing our profession is to provide the actuary with the technical skills, professional

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## APCs - They’ll Change Outpatient Hospital Contracting

by *Pat Dunks & Nick Ortner*

**M**edicare’s Ambulatory Payment Classification (APC) system could become the reference standard for the majority of non-capitated outpatient hospital contracts, much like RBRVS has for physician contracts. Numerous parallels between the planned APC implementation and RBRVS’s implementation exist.

Medicare requires use for reimbursement under the original Medicare fee-for-service program. Providers nearly

always know what Medicare pays them for a given service and readily understand reimbursement that is a multiple of Medicare reimbursement.

Prior to APCs and RBRVS, providers in the same geographic area often received different reimbursement for the same service. Health plans had difficulty in comparing providers using Medicare reimbursement as a reference, because Medicare reimbursement could differ for each of their providers.

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## Chairperson's Corner

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development, and continuing education necessary to thrive in tomorrow's world.

For, example, the health care industry is evolving from merely insuring medical expenses to that of managing the delivery of health care. There are new players managing and accepting risk and many don't fully understand what actuaries are capable of doing. Other professionals are becoming involved in the evaluation of some of the financial risk aspects of health care delivery; so it is critical that we carefully study industry shifts and find ways of expanding our areas of expertise accordingly.

Your Council is working with the SOA health practice area committee on these challenges. But we need your help. To succeed we need to communicate with each other, understand our mutual needs, and share knowledge and experience. I therefore urge you to sign up for the Health Section's list serve, if you have not already done so. Don't be left out of the discussion.

Let me now report on our ongoing activities and goals for 2000.

### Spring and Annual Meetings

At time of writing, your Council is working on the program content and the recruiting of moderators and speakers for the Las Vegas spring meeting, May 22 to May 24. Bob McGee is the program coordinator for the 33 healthcare sessions and Dan Skwire is handling the six disability income sessions. I look forward to meeting many of you at the Health Section buffet luncheon where Council

members (including myself) will take a few moments to introduce ourselves and will be available for your feedback.

We have also begun work on the program for the annual meeting in Chicago, October 16 – 18. Darrell Spell and Dan Skwire are the healthcare and disability program coordinators respectively.

### Newsletter

We are planning to publish three (but preferably four) issues of the newsletter this year. We had a good response to the blast e-mail calling for articles for the June issue. We have made it easier to write articles by offering assistance to contributors. The good news for those of you who have writer's block is that we can use a lot more short articles of 300 to 500 words that express maybe just one thought or observation.

Assisting our editor Jeff Miller is an editorial board consisting of Tony Wittmann, Leigh Wachenheim, and me.

### Web Page

For those of you who have not visited our Web page, you can find it on the [www.soa.org](http://www.soa.org) Web site. Click on "Special Interest Sections" and then click on "Health."

We plan on using the Web page to promote our goal of two-way communication with the membership. The page now contains a "Health Resource List" that was put together by the Joint SOA/ Academy Committee for Communication on Health Issues (JCCHI). But this is just a beginning. Tony Wittmann is working

with JCCHI to develop the technology and expand the content of the Web page. We are also looking into including non-SOA resources such as a bibliography (books and journal articles) and links to other Web sites, together with a summary of content.

### Communications with the Section Members

We will be exploring ways of using e-mail and our Web page for conducting surveys, soliciting opinions, and creating discussion forums so that we will always be ready for the challenges of tomorrow.

On behalf of the Council I would like to thank retiring Council members Tom Wildsmith (past chair), Lee Launer, and Dale Yamamoto for their contributions over the past three years. Also thank you, John Heins (past annual meeting program representative) and Leigh Wachenheim (past newsletter editor). Finally, thanks from all of us to the SOA staff for their continual assistance and for making things happen.

If you have any thoughts, issues, comments or ideas on the above or other matters, please contact me by e-mail at [BRabinowitz@RadixHealth.com](mailto:BRabinowitz@RadixHealth.com).

*Bernie Rabinowitz, FIA, ASA, MAAA, is executive vice-president and chief actuary of Radix Health Connection LLC in Chicago.*

### ***Me? An Expert?***

If you are a health actuary who has been working in a particular field for more than a year, chances are that you are at least close to being an expert! Few health actuaries do things the same way, or have even had the same experiences.

Have you learned some lessons the hard way that other health actuaries could learn the easy way? If so, then you are definitely an expert.

The Health Section News would like to help you share your expertise. Please volunteer to write an article by e-mailing me at [Jdmfsa@aol.com](mailto:Jdmfsa@aol.com) or Bernie Rabinowitz at [BRabinowitz@RadixHealth.com](mailto:BRabinowitz@RadixHealth.com). Send us your name, phone number, subject, and estimated completion date. We are planning issues for June 2000 and September 2000.

Thank you for your continuing support of the Health Section.