# Group and Health Core U.S. Exam

**Fall 2017/Spring 2018**

## Important Exam Information:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tr>
<td>Exam Registration</td>
<td>Candidates may register online or with an application.</td>
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<tr>
<td>Order Study Notes</td>
<td>Study notes are part of the required syllabus and are not available electronically but may be purchased through the online store.</td>
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<tr>
<td>Introductory Study Note</td>
<td>The Introductory Study Note has a complete listing of all study notes as well as errata and other important information.</td>
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<tr>
<td>Case Study</td>
<td>A copy of the case study will be provided with the examinations. Candidates will not be allowed to bring their copy of the case study into the examination room.</td>
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<tr>
<td>Past Exams</td>
<td>Past Exams from 2000-present are available on SOA website.</td>
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<td>Updates</td>
<td>Candidates should be sure to check the Updates page on the exam home page periodically for additional corrections or notices.</td>
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### Learning Objectives

1. Describe plan provisions typically offered under:
   a. Group and individual medical, dental and pharmacy plans
   b. Group and individual long-term disability plans
   c. Group life and short-term disability plans
   d. Supplementary plans, like Medicare Supplement
   e. Group and Individual Long-Term Care Insurance

### Learning Outcomes

The candidate will be able to:

a) Describe typical organizations offering these coverages  
b) Describe each of the coverages listed above  
c) Evaluate the potential financial, legal and moral risks associated with each coverage

### Syllabus Resources

  - Ch. 5 Medical Benefits in the United States
  - Ch. 6 Dental Benefits in the United States
  - Ch. 7 Pharmacy Benefits in the United States
  - Ch. 10 Health Benefits in Canada
  - Ch. 11 Group Life Insurance Benefits
  - Ch. 12 Group Disability Income Benefits
  - Ch. 13 Group Long-Term Care Insurance

  - Ch. 1 A History of Managed Health Care and Health Insurance in the United States *background only*
  - Ch. 2 Types of Health Insurers, Managed Health Care Organizations and Integrated Health Care Delivery Systems

  - Ch. 2 The Products, pp. 39-83
### Exam

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<tr>
<td>2. Calculate and recommend a manual rate for each of the coverages described in Learning Objective 1</td>
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### Learning Outcomes

The candidate will be able to:

- a) Identify and evaluate sources of data needed for pricing, including the quality, appropriateness and limitations of each data source
- b) Develop a medical cost trend experience analysis
- c) Calculate and recommend assumptions
- d) Calculate and recommend a manual rate
- e) Identify critical metrics to evaluate actual vs. expected results
- f) Describe the product development process including risks and opportunities to be considered during the process
- g) Apply actuarial standard of practice in evaluating and projecting claim data

### Syllabus Resources

- **Group Insurance, Skwire, 7th Edition, 2016**
  - o Ch. 3  Product Development
  - o Ch. 20 Pricing of Group Insurance
  - o Ch. 21 Estimating Medical Claim Costs pp. 337-355
  - o Ch. 22 Estimating Dental Claim Costs
  - o Ch. 23 Estimating Pharmacy Claim Costs
  - o Ch. 24 Estimating Life Claim Costs
  - o Ch. 25 Estimating Disability Claim Costs
  - o Ch. 26 Pricing Group Long-Term Care Insurance
  - o Ch. 34 Medical Claim Cost Trend Analysis
- **Essentials of Managed Health Care, Kongstedt, 6th Edition, 2013**
  - o Ch. 22 Underwriting and Rating
  - o Ch. 5 Setting Premium Rates
- GHC-101-13: Group Disability Insurance (Sections 4 & 7)
- GHC-103-13: The Challenges of Pricing Health Insurance for the 2014 Exchanges
- GHC-105-17: Pricing Considerations for Drugs Covered under Pharmacy Benefit programs
- GHC-107-17: CIA Study on Canadian Group LTD Termination Experience (1988-1997) p.6-17
- **Mechanics and Basics of Long-Term Care Rate Increases,** Long-Term Care News, August 2014
- **ASOP 23, Data Quality (excl appendix)**
- **ASOP 25, Credibility Procedures (excl appendix)**
- **ASOP 41, Actuarial Communications (excl appendix)**
### Learning Objectives

3. Evaluate and recommend an employee benefit strategy

### Learning Outcomes

The candidate will be able to:

- a) Describe structure of employee benefit plans and products offered and the rationale for offering these structures
- b) Describe elements of flexible benefit design and management
- c) Recommend an employee benefit strategy in light of an employer’s objectives

### Syllabus Resources

  - Ch. 19 Health Benefit Exchanges pp.319-321
- **The Handbook of Employee Benefits**, Rosenbloom, 7th Edition
  - Ch. 1 The Environment of Employee Benefit Plans
  - Ch. 2 Functional Approach to Designing and Evaluating Employee Benefits
  - Ch. 7 Consumer-Driven Health Plans
  - Ch. 18 Selected Additional Benefits, (pp. 491-496)
  - Ch. 24 Strategic Benefit Plan Management
  - Ch. 25 Cafeteria Plan Design and Administration, (pp. 671 – 699)
  - Ch. 32 Employee Benefit Plans for Small Companies (pp. 869-877)
- **Canadian Handbook of Flexible Benefits**, McKay, 3rd Edition
  - Ch. 7 Flexible Accounts – Health Spending, Personal, and Perquisite, sections 7.1 – 7.3, 7.5 - 7.7
  - Ch. 16 Adverse Selection

- GHC-106-16: Health Plan Payroll Contribution Strategies and Development for Employers
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**Learning Objectives**

4. Describe and Evaluate Government Programs providing Health and Disability Benefits in the U.S.

**Learning Outcomes**

The candidate will be able to describe and evaluate benefits and eligibility requirements for:

a) Medicare including Part D  
b) Social Security Disability Income  
c) Medicaid and Children’s Health Insurance Program (CHIP)

**Syllabus Resources**

  - Ch. 9 Government Health Plans in the United States  
  - Ch. 29 Medicare-Related Rate Filings and Certifications
- *The Handbook of Employee Benefits, Rosenbloom, 7th Edition*
  - Ch. 21 Medicare Part D Prescription Drug Benefits, (pp. 533-546)
  - Ch. 24 Health Plans and Medicare
- GHC-800-15: AAA Issue Brief: Medicare's Financial Condition, Beyond Actuarial Balance
- GHC-811-16: Medicaid 101 MACPAC
- GHC-812-16: Medicaid A Primer (pp. 1-33)
- GHC-813-16: Medicaid and Long Term Services and Supports (pp. 1-10)
- GHC-814-16: Expanding Medicaid to the New Adult Group Through Section 1115 Waivers
- Payment Reform Under the Medicare-Medicaid Financial Alignment Demonstrations, Health Watch, May 2013
- Risk Adjustment in State Medicaid Programs (Health Watch, January 2008)
- ASOP 49, Medicaid Managed Care Capitation Rate Development and Certification (through page 12)
### Exam

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<tr>
<td><strong>Learning Objectives</strong></td>
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<tr>
<td>5. Understand how to prepare and be able to interpret insurance company financial statements in accordance with US Statutory Principles and GAAP</td>
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| **Learning Outcomes** |
| The candidate will be able to: |
| a) Prepare financial statement entries in accordance with generally accepted accounting principles |
| b) Interpret the results of both statutory and GAAP statements from the viewpoint of various stakeholders, including regulators, senior management, investors |
| c) Apply applicable standards of practice |

| **Syllabus Resources** |
| o Ch. 1 Interpreting Financial Statements |
| o Ch. 3 Financial Forecasting |
| o Ch. 4 Managing Growth |
| o Ch. 35 Group Insurance Financial Reporting |
| o Ch. 41 Analysis of Financial and Operational Performance |
| GHC-806-15: Financial Reporting Implications Under the Affordable Care Act |
| GHC-807-16: US GAAP for Life Insurers, Herget 2nd Edition, Chapter 1 |
| Statement of Financial Accounting Standards No. 60 (excl. Appendix B) |
| ASOP 21, Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas |
# Exam: Group/Health CORE US

## Learning Objectives

6. Evaluate the impact of regulation and taxation on companies and plan sponsors in the US

## Learning Outcomes

The candidate will be able to:

a) Describe the regulatory and policy making process in the US

b) Describe the major applicable laws and regulations and evaluate their impact

c) Apply applicable standards of practice

## Syllabus Resources

  - Ch. 4 Health Care Policy and Group Insurance
  - Ch. 15 Principles of Health Insurance Regulation
  - Ch. 16 Regulation in the United States
  - Ch. 18 The Affordable Care Act
  - Ch. 19 Health Benefit Exchanges (pp. 307-319)
  - Ch. 28 Group Insurance Rate Filings and Certifications

- **The Handbook of Employee Benefits**, Rosenbloom, 7th Edition
  - Ch. 25 Cafeteria Plan Design and Administration, pages 699-720

- GHC-802-13: AAA Health Reform Implementation: Understanding the Terminology *(background only)*

- GHC-808-15: Affordable Care Act Risk Adjustment: Overview, Context, and Challenges

- GHC-810-15: Risk Transfer Formula for Individual and Small Group Markets Under the Affordable Care Act (pages E3-E16)

- GHC-815-16: Kaiser Foundation: Examining Health Care Reform: Medical Loss Ratio

- **Implications of Individual Subsidies in the Affordable Care Act—What Stakeholders Need to Understand**, HealthWatch, May 2014

- **ASOP 8, Regulatory Filings for Health Plan Entities (excl appendix)**

- **ASOP 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Small Employer Health Benefit Plans (excl appendix)**

- **ASOP 50, Determining Minimum Value and Actuarial Value Under the Affordable Care Act** (through page 7)
### Exam

**Group/Health CORE US**

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<td><strong>7.</strong> Evaluate Retiree Group and Life Benefits in the United States</td>
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### Learning Outcomes

The candidate will be able to:

- a) Describe why employers offer retiree group and life benefits
- b) Determine appropriate baseline assumptions for benefits and population
- c) Determine employer liabilities for retiree benefits under various accounting standards
- d) Describe funding alternatives for retiree benefits
- e) Apply actuarial standards of practice to retiree benefit plans

### Syllabus Resources

  - Ch. 8 Retiree Group Benefits (pages 118-129)
- *Statement of Financial Accounting Standards No. 106*
  - Appendix C – Illustrations 4 and 5 only
- GHC-816-16: US Employers’ Accounting of Postretirement Benefits Other Than Pensions Study Note
- *ASOP 6, Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions* (through page 38)