Session 98, Where are we Headed: Disruptions for the Health Actuary

SOA Antitrust Disclaimer
SOA Presentation Disclaimer
2019 Health Meeting

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Session 098: Where are we Headed: Disruptions for the Health Actuary

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Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants.

The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

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- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
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- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

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Today’s Panelists

Moderator
Michael Niemerg, FSA MAAA
  • Predictive Modeling Manager, Milliman IntelliScript

Panelists
Michael Cohen, PhD
  • Senior Consultant, Wakely Consulting
Puneet Budhiraja, ASA MAAA FCA
  • SVP., Chief Actuary, Capital District Physicians' Health Plan, Inc.
Dylan Ascolese, FSA MAAA
  • Director of Commercial Pricing, Tufts Health Plan
Today’s Agenda

• Changes in healthcare financing / delivery
• Changes in the analytics landscape
• Misc.
• Polling of Audience (https://health.cnf.io)
What brought you to this session?

- I want to hear thoughts about the changing healthcare landscape: 79%
- I want to be one of the cool kids and talk about data science: 16%
- What session is this again: 3%
- Other: 2%
The Changing Healthcare Landscape: “What-If” Scenarios
Scenario 1

Medicare For All
Scenario 2

Medicaid/ Medicare Buy-In Option or Government Option on the Exchanges
Scenario 3

Status Quo – no significant new legislation in the next 10 years
Scenario 4

Deregulation – weakening / de facto repeal of PPACA
Scenario 5

New entrants in Healthcare Financing or Delivery
– InsureTech, Amazon, Wal-Mart, etc…
Thought Question

Politics – How might the next election cycle disrupt things?
Which scenario do you think best describes the future 10 years from now?

- Medicare For All: 6%
- Buy In Government Options: 48%
- Status Quo: 17%
- Deregulation: 5%
- New Entrants: 24%
The Changing Analytics Landscape: Trends
Trend 1

Proliferation of Analytics – Will it continue? Where might it expand? How to get an edge?

Gartner Hype Cycle

- Peak of Inflated Expectations
- Plateau of Productivity
- Slope of Enlightenment
- Trough of Disillusionment
- Technology Trigger

TIME

VISIBILITY
Trend 2

Actuaries and Data Scientists – will we become BFF?
Actuaries and Data Scientists will collaborate a minimal amount and mostly stick to their niches

Actuaries will collaborate heavily with Data Scientists

Actuaries will become Data Scientists themselves

This fad will pass; the abacus will make a comeback

Which do you think best represents the future?
Trend 3

Proliferation of Data: Social Data, Wearables, Financial Data, Etc...
Do you currently or expect to within the next 5 years use non-traditional data sources at your company (pricing, marketing, member outreach, etc...)?

- Yes: 58%
- No: 18%
- Not Sure: 23%
Trend 4

Bias, Privacy Concerns, HIPAA, Consumer Backlash
Bringing it together
Which do you think will have the largest impact on the day to day functioning of an actuary ten years from now relative to today?
Career

What can we as practicing actuaries do to stay relevant?
How will an actuary of the future be different?
Change is a constant...

Final thoughts from panelists