



SOCIETY OF ACTUARIES

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LEADERSHIP LEARNINGS FROM THE AFFORDABLE CARE ACT

BY KARIN SWENSON-MOORE

2013 WAS QUITE A YEAR. For health actuaries like me, understanding and implementing the Affordable Care Act (ACA) offered challenges and opportunities far beyond expectations. As I thought about the year and my role as a pricing actuary, I noted many leadership and management lessons from both internal work and observations of activities externally. Here are some of my key learnings that I will keep in mind as we move to see the results of the initial implementation and work through future decisions.

Create realistic and flexible project plans. Building new systems and processes (e.g., new models, rating engines or insurance exchanges), or overhauling existing systems to meet new requirements, is hard. So is taking the time to create a plan. Most of us like to jump in and get to work! Planning is critical for identifying key intermediate and final deliverables, time and resources needed, and gaps to be filled. Moving along the plan timeline, we need to constantly re-evaluate and adjust for the inevitable roadblocks, new information and unanticipated requirements, as well as work through our constant juggling of work priorities.

Of course, the best laid plans still may go haywire. Our internal actuarial pricing teams created a great plan to ensure we

submitted our 2014 filings for consumer and small group products on time and worked hard to manage and adjust to the timeline. We still had several long weekends to complete the work on time, but it would have been far more difficult to complete the filing process successfully without investing up front in the planning.

Sometimes simpler is better. The initial implementation of an important new system needs to work. That likely means some of the ideal features won't be part of the initial rollout. It's much easier to gain support for adding more features after you've received kudos for a successful first phase than to have a complete failure because you tried to include too much too soon. In addition, incorporating the knowledge gained from that initial implementation provides a springboard for more bells and whistles. Of course, my organization's implementation of required activities to support ACA can be improved, and we've spoken with other insurers and regulators that felt the same way. Completing the work for 2014 gave all of us lots of ideas to make it easier and better next time.

Peer review and testing are critical to project success. No matter how smart, innovative or experienced the team,

everyone benefits from a second opinion, and new systems need thorough testing to be successful. It's easy to let project timelines slip and shortchange the review and testing, but it's critical that we don't let those tasks disappear. (Our actuarial professional standards won't allow it either.) In my organization, we sought external peer review for our pricing and filing work to ensure we had a complete and fresh perspective on our assumptions and methodology. We found plenty of value in working through alternative approaches with our independent reviewers.

Keep your boss informed. When I think about my own experience and projects that didn't go well, lack of candid informing almost always plays a role. As a manager, I want to know the truth about project status and what is or is not going well, in terms that I can understand and carry forward if needed. I can help adjust expectations with customers if I'm in the loop along the way. I'm also far more sympathetic to the situation if I have time to plan the communication of a failed project to my own manager and ensure he's not caught in an unpleasant conversation without being informed. I've also learned the importance of regular and detailed communication of progress to all stakeholders. Our 2014



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ACA product and rate development process included regularly scheduled updates to senior leaders, ensuring they had accurate understanding of our status, and time to adjust course as needed.

If you're the boss, make sure you're listening to your people. Leaders often have multiple projects for which they are accountable, and it's easy to get distracted from the issue being discussed or to hold onto our personal beliefs even when the evidence suggests an alternative would be better. We have smart people working for and with us, and they have thoughtful and important things to say that need to be heard as a call to action. Based on recent headlines regarding the exchanges' technology troubles, it seems that many state and federal exchange leaders, as well as elected officials, could have benefited from better active listening skills as well.

Change and ambiguity can be overwhelming for your team. It's hard to do something new with continually evolving regulatory guidance and information. As I ponder my teams' work to price and file

our 2014 ACA consumer and small group products, we did our best to start analysis early, reflecting our best thinking. However, we still needed to rework multiple pieces of our analysis as state and federal guidance varied from our expectations or was adjusted throughout the process. In addition, much of the process was new, so even our most experienced staff felt like beginners. This created frustration for staff, but provided management with the opportunity to support and work through the change curve.

Simple recognition goes a long way. Our pricing teams worked really hard this year. Not everything was completed quite as we hoped or planned; still, much good work was completed, and we achieved good results. We all like to have our contributions acknowledged. I wrote each of my team members a personal note to bolster spirits during some of the especially challenging times in the filing development process. We also enjoyed a group celebration dinner, complete with award certificates for each person.

Help bring opposing views to achieve a common goal rather than fighting for

the win. When used effectively, multiple views and discussion of varying opinions provide a richer perspective on an issue and most likely a better decision to resolve the issue. "Effective" in this case means all parties understood the goal, provided their views, and agreed to support the final decision. Almost all of our government leaders say they want to improve the U.S. health care system. They continue to disagree on the best way to make that happen. After the ACA was passed, I found it frustrating to have the debate and repeal attempts in Congress continue for months, seeming to be more focused on "winning" than how to most successfully support the legislation to achieve common goals. Within our organizations, we often have to support a strategy or decision with which we disagree. It is our job as leaders to find the best way to make that decision a success. 

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