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Note:
- All national data is sorted by country.
- Within each section of the Journal, the items are sorted alphabetically.
- Some items may be presented more than once, in the appropriate sections, to facilitate
  the review of the Journal and identification of items of interest.

For your interest: Link to the 2003/1 OnLine Journal and browse its contents (it is organized
in the similar way to this issue).
Welcome to the second issue of the IAAHS Online Journal.

The International Actuarial Association Health Section (IAAHS) was created by the IAA on May 17, 2003, following two years of preparations and the success of the 1st International Health Seminar in Cancun in March 2002. The IAAHS promotes and facilitates international exchange of views, advice, research and practical information among actuaries involved with public and private health issues such as policy and program design, research and planning, adequacy and services delivery, sustainability, insurance, pre-funding and other financing methods. The IAAHS is managed by the IAAHS Committee, according to the IAAHS Rules.

The Online Journal was established to support and advance the objectives of the IAAHS. The goal of the Journal is to provide a forum for communications and knowledge-sharing for members of the IAAHS, health actuaries, professionals and academics, and others who are interested in private and public health issues. The journal will provide information and news about the IAAHS and its activities and about health related issues and news, and permanent reference to key health-related organizations, publications, statistics, database, articles, and the like. The Journal is international in scope, supports both practice and research on health issues, and presents the latest activities, development and research of interest in the health area, as well as related resources.

The Journal is a non-refereed publication, supported by an international Editorial Board, that will be updated frequently as contributions and communications are received. The current content was contributed by the co-editors and by the IAAHS Committee. We hope to hear from you, our reader, and encourage you to submit your opinion, contributions, comments, and requests. In particular, we would welcome ideas how to expand the Online Journal, add new section or expand current sections, etc.

The first issue (2003/1) of the Journal appeared in the last quarter of 2003. It included 135 healthcare related information items (17 news items; 91 resource items such as databases, organizations, web sites, etc.; and 27 books, articles and work papers). We hope you had the opportunity to browse it, and better even use some of the resources appearing therein.

We need your input – comments, suggestions, references and resources, articles and workpapers. The Journal will only be as successful as you, and other readers, make it. We wait your input.

Howard Bolnick Yair Babad Ibrahim Muhanna
IAAHS Chairman Online Journal Editor IAAHS Vice Chairman
IAAHS activities

In this section of the Journal you will find information about the IAAHS, what are we doing, and how you can help and participate.

You are encouraged to join the IAAHS. For a summary of the IAAHS current activities, see the Report to the IAA Council of June 2004. You do not have to be a member of the IAA to join the IAAHS; we recognize “observer” members, including non-actuaries and actuaries that are not members of the IAA, who are interested in following and participating in the IAAHS activities. Please complete the online registration form and the new member survey to become a member. The survey will help us and provide you with an opportunity to take active part in the IAAHS endeavors, and affect the activities of the IAAHS and the information it will provide to the public and its members.

The IAAHS held a very successful 1st International Health Seminar in Cancun, Mexico, in March 2002. See the program and the national health reports of the Seminar at www.actuaries.org/members/en/events/congresses/Cancun/health_seminar.htm.

Our 2nd International Health Colloquium, was held in Dresden, Germany, April 27-29, 2004, and it was a great success with more than 200 participants from 28 countries that heard 42 excellent presentation during two full days of sessions.. You are invited to read the summary of the colloquium that was sent to the members of the IAAHS, as well as the summary prepared for the Canadian Institute of Actuaries (CIA) by Claude Ferguson, and of course to browse the program where you will abstracts of all the presentations in the various sessions and links to the papers and presentations.
Conferences, colloquia, seminars, and similar activities

In this section of the Journal you will find information about and links to meetings, conferences, and other activities of potential interest to health actuaries. These activities are listed in chronological order.

**Coming future activities**

**HCTM 1st Healthcare and Management PhD Workshop**
The workshop, which is organized by the Association for Healthcare Technology and Management, will be held in Vienna, Austria, on 30-31 August 2004. For more information link to [http://www.hctm.net/events/PhD_Workshop_2004/PhD_Workshop_2004.html](http://www.hctm.net/events/PhD_Workshop_2004/PhD_Workshop_2004.html).

**21st Century Risk and Rewards for Actuaries**
An IACA, PBSS and IAAust Colloquium, to be held 10/31-11/5/2004 in Sydney, Australia.

**Applied Actuarial Research 2005 Conference**
The meeting will be held March 14-16, 2005, at the University of Central Florida, at Orlando, Florida. The Conference will include a one-day seminar on research methods for health actuaries, including an introduction to Epidemiology. For more information, contact Ian Duncan, the U.S. SOA Health Section Liaison to IAAHS, at duncan@soluciaconsulting.com.

**Special Issue of Decision Support Systems on “Decision Support in Medicine”**
Medicine is a rapidly changing field that embraces information technology at all levels. Patients who look for medical information or advice benefit from information technology and the Internet. Researchers also benefit from advances in information technology. Medical and biomedical informatics expedite the discovery of new knowledge and make existing knowledge more easily available. Practitioners use information technology for management, communication, education, and to aid medical decision taking. This special issue encourages submissions of practical and novel information technology, techniques, methods, practices, and systems in medical informatics that contribute to and advance this active and burgeoning field. Compelling reviews of the field will also be considered. Inquiries should be sent to the guest editors: Gondy Leroy, Claremont Graduate University, gondy.leroy@cgu.edu, and Hsinchun Chen, The University of Arizona, hchen@eller.arizona.edu.

**Past activities**

**The Hospital of the Future**
The 3rd international conference, organized by the Association for Healthcare Technology and Management, will be held on 7-9 September, 2003 in Warwick, United Kingdom. For details look at [www.hctm.net/conferences/2003/conference_2003.html](http://www.hctm.net/conferences/2003/conference_2003.html).
2003 International Conference on Health Policy Research
The conference theme is “Methodological Issues in Health Services and Outcomes Research”, and it is organized by the HPSS (Health Policy Statistics Section) of the American Statistical Association. It will be held in Chicago, Illinois, on October 17-19, 2003. Their URL is www.amstat-online.org/sections/hpss/ichpr.htm.

Society of Medical Decision Making meeting
The meeting was held in Chicago, Illinois, on October 19-22, 2003. For information link to www.smdm.org.

Applied Actuarial Research 2004 Conference
The meeting was held March 8-9, 2004, at the University of Central Florida, at Orlando, Florida. For details link to http://www.cas.ucf.edu/statistics/AARCagenda.pdf.

Healthcare Financial Management
The Society of Actuaries Health Practice Area has developed a 2-part series with the Healthcare Financial Management Association:
Part I: Managing Risk in Managed Care Contracts, was held on March 16, 2004, 2:00 - 3:45 pm CST. The session presented with the factors that have contributed to the accelerations in margin deterioration resulting from the fast increase in the cost of healthcare services.
Part II: Trends in Managed Care: A Survival Guide for Providers and Payers, was held on April 20, 2004, 2:00 - 3:45 pm CST. This session suggested solutions to the key issues affecting providers that have a financial impact on an organization's bottom-line, including how to make consumer driven health plans and tiered provider networks work.
For further information: http://www.hfma.org/education/audio.htm.
In the news

This section of the Journal contains reports, information about, and links to various activities and events that are of potential interest to health actuaries. First are presented non-country specific items, followed by national news information (including IAA member associations’ reports on the state of health practice in their countries) organized by country order. Within each section, the items are listed alphabetically.

National News

In this section news that have a national flavor, but not specific to a particular country, appear first. Following that, news are given in country order.

*** No items in this section in this issue ***
Health related resources

This section of the Journal presents information on and links to health resources of potential interest to health actuaries. For convenience of browsing, four subsections are included: international links, national information (organized by country, and including activities of national associations), health databases, and other health related resources. Within each subsection, the items are listed alphabetically.

International health related Links

OECD (Organization for Economic Cooperation and Development)
At [www.oecd.org](http://www.oecd.org). Their themes include, among others, Ageing Society, Health, Insurance and Pensions. In particular, they have a sub-site for Health Policy and Data, at [http://www.oecd.org/department/0,2688,en_2649_33929_1_1_1_1_1,00.html](http://www.oecd.org/department/0,2688,en_2649_33929_1_1_1_1_1,00.html); in this site they include analysis of health policies and collection of health data.

International Health Policy and Practice
The Commonwealth Fund’s International Working Group on Quality Indicators released its [first report to the health ministers](http://firstreport.healthministries.org) of Australia, Canada, New Zealand, the United Kingdom, and the United States. The report provides detailed data on 40 key health care quality indicators, which the Working Group developed to help benchmark and compare health care system performance across the five countries.

National health related links

In this section items that have a national flavor, but not specific to a particular country, appear first. Following that, items are given in country order.

CANADA

Office of Health and the Information Highway (OHIH)
The Office of Health and the Information Highway (OHIH) was created in the summer of 1997 and is Health Canada's focal point for e-health, multi-channel government service delivery and privacy issues. OHIH works collaboratively with its Health Canada partners, Government of Canada departments, provincial/territorial governments, and other stakeholders to: Develop policies/guidelines; Contribute to the development of standards; Research domestic/international developments; Provide strategic advice; Develop awareness about the benefits of adopting technology; and Identify/share best practices and lessons learned. The link is [http://www.hc-sc.gc.ca/ohih-bsi/about_apropos/index_e.html](http://www.hc-sc.gc.ca/ohih-bsi/about_apropos/index_e.html).
Updated links
In the first issue of the online journal there were two national health related links which are not valid anymore. Below is the updated information:


- German Supervisory Authority: The online journal of the Authority which started in January 2003. Includes the statistical tables which the supervisor publishes regularly for the calculation of private health insurance according to Article 54 of the Council Directive 92/49/EEC of 18 June 1992 (third non-life insurance Directive). The journal also will contain changes of German insurance laws and directives. The journal is not limited to health insurance, and not limited to actuarial subjects. The link is: [http://www.bafin.de/cgi-bin/bafin.pl?sprache=0&verz=06$P$resse_amp_Publikationen*03$PSu$blikationen*02$V$eröffentlichungen_der_Bundesanstalt_für_Finanzdienstleistungsaufsicht_VerBaFin_x28_VerBaFin_x29$&nofr=1&site=0&filter=&ntick=0](http://www.bafin.de/cgi-bin/bafin.pl?sprache=0&verz=06$P$resse_amp_Publikationen*03$PSu$blikationen*02$V$eröffentlichungen_der_Bundesanstalt_für_Finanzdienstleistungsaufsicht_VerBaFin_x28_VerBaFin_x29$&nofr=1&site=0&filter=&ntick=0)

Private Health Insurance in the year 2003

Models of transferring aging provisions upon switching private health insurers
Recently the IFO institute for economic research has finished a research project about models of transferring aging provisions upon switching private health insurers, and alternatives to provide for health care costs in old age. In the German private health insurance system, an insurer switch is currently associated with losing the old age provision. In the project it was explored how a rule to transfer the aging provision can be designed that makes switching insurers easier and, at the same time, does not harm those left behind with the original insurer. A description of the project and a list of resulting publications may be found in [http://www.cesifo.de/servlet/page?_pageid=56&_dad=portal30&_schema=PORTAL30&pa_id=102300](http://www.cesifo.de/servlet/page?_pageid=56&_dad=portal30&_schema=PORTAL30&pa_id=102300). The first publication in this list is the main one. It has 334 pages. Two shorter ones are available under [http://www.ifo.de/pls/guestci/download/CESifo%20Working%20Papers%202004/CESifo%20Working%20Papers%20January%202004/cesifo1_wp1116.pdf](http://www.ifo.de/pls/guestci/download/CESifo%20Working%20Papers%202004/CESifo%20Working%20Papers%20January%202004/cesifo1_wp1116.pdf) and [http://www.cesifo.de/pls/guestci/download/CESifo+Working+Papers+2003/CESifo+Working+Papers+February+2003+/cesifo_wp862.pdf](http://www.cesifo.de/pls/guestci/download/CESifo+Working+Papers+2003/CESifo+Working+Papers+February+2003+/cesifo_wp862.pdf).

The "Citizen Insurance"
In these days there is a big discussion in Germany about the future development of health insurance as a whole. The proposal which is favored by the governing parties is the so called "Citizen Insurance" (Bürgerversicherung). The premium would be related to the income (up to a certain limit). The income would include not only employment income (like today in the public health insurance) but also property income. The Citizen Insurance would be compulsory for each citizen. There will be no private insurance (full cover) anymore for civil
servants, self-employed and high income employees. The private insurance would be restricted to supplementary health insurance. Here are some links to this subject:

http://www.soziale-sicherungssysteme.de/bericht/krankenversicherung/4_3.html
http://www.medizin.uni-koeln.de/kai/igmg/Buergerversicherung.pdf
http://www.buergerversicherung-aktuell.de/index00.html
http://www.pkv.de/downloads/Zipperer_Admin.pdf

The "Premium Model"
The main opposition party favors the so called Premium Model. According to this model, the premiums in the public health insurance would change from salary dependent premiums to equal premiums for all (premium per capita). Low income recipients would be supported by tax revenues. See: http://www.cdu.de/tagesthema/30_09_03_soziale_sicherheit.pdf.

MEXICO

- Institute of Security and Social Service for State Workers: www.issste.gob.mx
- Mexican Institute of Social Security: www.imss.gob.mx
- Mexican Population Council: www.conapo.gob.mx
- Ministry of Health: www.salud.gob.mx
- National Institute of Statistics, Geography and Informatics: www.inegi.gob.mx
- Virtual Health Library: http://bvs.insp.mx

UNITED STATES

Amednews.com
The newspaper of the American Medical Association (AMA) for America’s physicians. The URL is http://www.ama-assn.org/amednews.

American Academy of Actuaries
The American Academy of Actuaries represents and unites actuaries from all practice areas, and acts as the profession's voice on public policy and professionalism issues. The URL of their homepage is http://www.actuary.org/. For a good link to various Academy materials on specific health care issues, and in particular risk based capital links, link to http://www.actuary.org/health/index.htm.

American College of Preventive Medicine (ACPM)
The American College of Preventive Medicine (ACPM) is the national professional society for physicians committed to disease prevention and health promotion. ACPM's 2,000 members are engaged in preventive medicine practice, teaching and research. Many serve on ACPM committees and task forces and represent preventive medicine in national forums, contributing to the organization's role as a major national resource of expertise in disease prevention and health promotion. ACPM was established in 1954. The URL is www.acpm.org.
American Health Insurance Plans (AHIP)
AHIP is the voice of America's health insurers. AHIP is the national trade association representing nearly 1,300 member companies providing health insurance coverage to more than 200 million Americans. AHIP’s goal is to provide a unified voice for the healthcare financing industry, to expand access to high quality, cost effective health care to all Americans, and to ensure Americans' financial security through robust insurance markets, product flexibility and innovation, and an abundance of consumer choice. The URL is http://www.aahp.org/template.cfm.

NCHS (National Center for Health Statistics)
The Nation’s principal health statistics agency, with compiled statistical information to guide actions and policies to improve the health of the people. A unique public resource for health information, a rich source of information about America’s health. The URL is http://www.cdc.gov/nchs/.

PubMed Central (PMC)
The U.S. National Library of Medicine's digital archive of life sciences journal literature. Access to PMC is free and unrestricted. Learn more about how publishers can participate in PMC. Also, read about how NLM is scanning the back issues of PMC journals and making these digitized copies available in PMC. The URL is www.pubmedcentral.gov.

Society of Actuaries Health Section and the Health Benefit Systems Practice Area Listserver
This is a joint effort to bring several new list serves defined primarily by product line. List serves are e-mail discussion groups where members exchange messages about a particular topic. With list serves, subscribers receive all the messages posted, unless a subscriber elects [after joining the list serve] to receive only a daily digest of the messages. For more on how list serves work, visit http://www.soa.org/list/guidelines.html. The five new health list serves replace the previous Health Section list serve and are designed to provide members with forums that are focused on specific industry issues, including:

a. Large Group Medical Issues, such as provider-contracting challenges, medical trend analysis, trends in product development, and disease management programs.
b. Individual and Small Group Medical Issues, such as updates on state regulations relative to the individual or small group market, marketing trends, and association versus individual forms.
c. U.S. Healthcare Policy Issues, such as proposed legislation and opportunities for increasing the visibility of the actuarial profession in policy debates.
d. Employee Benefits Issues, such as defined-contribution plans and retiree medical.
e. Performance Assessment Issues, such as criteria definition, methods of measurement, and cost effectiveness analyses.

To join any of the list serves, visit http://www.soa.org/sections/health_benefit_list.html.
Health databases

*** No items in this section in this issue ***

Other Health related sources

Healthcare Information and Management Systems Society (HIMSS)
HIMSS (Healthcare Information and Management Systems Society) is the healthcare industry's membership organization exclusively focused on providing leadership for the optimal use of healthcare information technology and management systems for the betterment of human health. Founded in 1961 with offices in Chicago, Washington D.C., and other locations across the country, HIMSS represents more than 14,000 individual members and some 220 member corporations that employ more than 1 million people. HIMSS frames and leads healthcare public policy and industry practices through its advocacy, educational and professional development initiatives designed to promote information and management systems' contributions to ensuring quality patient care. HIMSS Mission is to lead change in the healthcare information and management systems field through knowledge sharing, advocacy, collaboration, innovation, and community affiliations. The URL is http://www.himss.org/asp/abouthimss_homepage.asp, (see also JHIM, below)

Institute for Healthcare Improvement (IHI)
A not-for-profit organization driving the improvement of health by advancing the quality and value of health care, at http://www.ihi.org/about/.

Journal of Healthcare Information Management (JHIM)
Journal of Healthcare Information Management is the only journal specifically for healthcare information and management systems professionals. Each issue examines the implications of a specific topic (such as Scheduling, Community Health Information Networks, TQM) in the areas of clinical systems, information systems, management engineering, and telecommunications in healthcare organizations. The journal is published by the Healthcare Information and Management Systems Society at www.himss.org, and its URL is www.himss.org/asp/publications_jhim.asp.

Medscape from WebMD
Medscape offers specialists, primary care physicians, and other health professionals the Web's most robust and integrated medical information and education tools. Medscape’s goals are to provide clinicians and other healthcare professionals with the most timely source of clinical information that is highly relevant to their patients and practice; to make the clinician's task of information gathering simpler, more fruitful, and less time-consuming; and to make available to a broad medical audience clinical information with the depth, breadth, and validity needed to improve the practice of medicine. Medscape automatically delivers to you the specialty site that best fits your profile. This is a very extensive resource, with “Medscape Today” for daily news and feature updates, with a weekly newsletter (sent to those

Public Health Data Standards Consortium
On November 2-3, 1998, the National Center for Health Statistics (NCHS) of the Centers for Disease Control and Prevention, in conjunction with the Agency for Healthcare Research and Quality (AHRQ) and the National Committee on Vital and Health Statistics (NCVHS), convened a workshop to examine the implications of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) for the practice of public health and health services research. Workshop participants developed consensus recommendations for establishing a consortium to organize the public health and health services research communities on data standards. The URL is http://www.cdc.gov/nchs/otheract/phdsc/.

Waterloo Institute for Health Informatics Research (WIHIR)
The Institute was launched by the University of Waterloo on 6/26/2003. The new institute is a trans-disciplinary research collaborative aimed at the advancement of health through the discovery and development of new Health Informatics concepts and tools. The WIHIR is the first university-approved institute dedicated to Health Informatics research in Canada, and one of few in North America. For more information: http://hi.uwaterloo.ca/hi/index.html.
Books, reviews, articles and reports

This section of the Journal presents links to books, reviews, articles and reports that are of potential interest to health actuaries, as brought to the attention of the Journal. First are links to works by IAAHS members and works that have been presented in or submitted to IAAHS activities. Then are presented works from other sources. Within each section, the items are presented in alphabetical order.

At this time, there is no additional classification of the presented items. Over time, when we will have sufficient material, we intend to create subsections for specific products (e.g., medical expense insurance, managed care, LTC, critical care, income protection, prescription drug insurance, dental insurance, supplemental products, etc.), as well as subsections for special non-product topics (such as risk adjustments, evidence-based medicine, health systems, medicine in developing countries, infectious diseases such as AIDS and SARS, genetic testing and health insurance, financial management of health insurance, social health insurance). We would welcome your input both with regard to the subsections to be included, and with regard to items to be presented by the Journal.

By IAAHS members and from IAAHS activities

Actuarial Bibliography of German Health Insurance
A bibliography contributed by Erich Schneider of about 260 papers and projects with annotations and further links, that refer to long term care, mainly in Germany (though sometimes with comparisons to other countries) for the years 2000-2003. It is in German. See also from other sources: http://www.gesis.org/Information/SowiNet/sowiOnline/altenpflege/Altenpflege_gesamt.pdf.

“Are the New ISESs the Mexican Managed Care Organizations?”
By Eduardo Lara di Lauro (Milliman Mexico Salud). One of the most important changes in the Mexican insurance industry has been the establishment of the Specialized Health Insurance Institutions (or ISESs, from its acronym in Spanish.) ISESs are privately held, governmentally regulated institutions that have sole authorization to operate comprehensive health insurance in Mexico. This article offers a brief overview of how and why ISESs—currently in their implementation stage—were formed, and highlights key issues surrounding their development.

“A Comparison of the HIV Epidemics in South Africa and Brazil”
By Resanne de Silva and Lara Wayburne. South Africa cannot fight the war against HIV and AIDS in isolation and alone. A country at the forefront of the war against HIV is Brazil, from whom valuable lessons can be learnt, despite the dangers of comparing HIV infections in different countries. This article explores similarities and differences between the nature of HIV and national responses to the epidemic in both South Africa and Brazil, providing a platform for evaluating the South African AIDS experience in an international context.
“Further Analysis of Future Canadian Health Care Costs”
Robert Brown and Uma Suresh provide further research on future health care costs, the impact wide use of advance directives might have on these costs and the differentiation between the two. The article appeared in NAAJ (North American Actuarial Journal) Vol. 8 No. 2 (April). Abstract available on the NAAJ Web page at http://www.soa.org/bookstore/naaj04_01.html. For copies of an article in its entirety, contact Wargin at kwargin@soa.org.

The Israeli Healthcare Reform – National Health Law
Two articles that analyze the 1995 healthcare reform in Israel which introduced a National Health Law and its stakeholders are available. The first is “Evolution of a Healthcare Reform – the Israeli Experience,” by Tuvia Horev, Yair Babad and Shifra Shvarts, which appeared in IJHTM (International Journal of Healthcare Technology and Management), Vol. 5 No. 6, 2003, pp. 463-473. The second is “Healthcare Reform Implementation: Stakeholders and Their Roles - the Israeli Experience,” Tuvia Horev and Yair Babad, was accepted for publication by Health Policy.

“Mexican Healthcare Model Reform”
By Eduardo Lara di Lauro (Milliman Mexico Salud). One of the most clear and unquestionable indicators to measure the development of a nation is without doubt, its populations’ health. Given the importance that has the healthcare system and model in a country and its close relationship with the actuarial work, we consider relevant analyze the trends that are taking place in Latin America and particularly in Mexico. Due to the space limitations following we are just going to give a just brief explanation of the Mexican Healthcare Model that the Ministry of Health has established as a “Target”, by the end of the current administration in 2006, as well as some reflections and comments respect such Model.

From other sources

“Consumer-Driven Health Plans: Are They More Than Talk Now?”
By Jon R. Gabel, Anthony T. Lo Sasso, and Thomas Rice. This paper reports marketplace developments for consumer-driven health plans in spring 2002, details available evidence about the performance of consumer-driven health plans concerning access to care, risk selection, cost containment, use of information, and legal issues. It finds that these health plans are now a central pillar of health insurers’ business strategy and that an estimated 1.5 million persons are enrolled in them.

“Defined-Contribution Health Insurance Products: Development and Prospects”
A new model is working its way into the benefit offerings of large employers, signaling a shift from traditional managed care plans, by Jon B. Christianson, Stephen T. Parente, and Ruth Taylor.
“Disability – Global Trends and International Perspectives”
A 7/2001 paper by Professor Les Mayhew, presented to the Staple Inn Actuarial Society. Disability among populations is widespread and although many studies on disability exist worldwide there is a lack of comparability not only between countries and also between studies in the same country. Yet despite a lack of clarity disability is an increasingly major issue in public policy terms from the standpoints of equal opportunities, the increasing burden of age-related disability, work participation, social security benefits and so forth. One of the main problems is that disability is defined differently for different purposes so that there is no consistent overview of disability among populations, or the implications for disability policies. The first part of this paper addresses these deficiencies by reviewing and analysing global data on disability and relating it to ageing, health status, and functional measures of disability. It finds that a major cause of disability in future years will be ageing but that the prevalence of disability will depend on socio-economic factors and trends in healthy life expectancy. The second part of the paper considers policies for tackling disability particularly the financial aspects and the role of the public and private sectors and finds a multiplicity of institutional arrangements in place. The paper concludes by identifying five major issues for public policy economic development, ageing and long term care, the importance of developing work potential, and the need for international standards in the area of disability data.

Little attention has been paid to estimating health expenditures on the elderly in developing countries and even less on developing methodologies to project expenditures on this sub-group of the population. Developing countries typically do not have the longitudinal data sets that one sees in the more developed or high income countries. This creates its own challenges. The purpose of this paper is to present an approach that uses a National Health Accounts (NHA) framework within which to examine this issue. National Health Accounts is a tool that allows for an estimation of the total health financing resources in a health system (public, private and external) including the sources of these funds; how the funds flow through financing intermediaries; and the end use of these funds (by providers; functions or population sub-groups). The National Health Accounts methodology is combined with econometric models to estimate both the base case as well as project expenditures in the future within the context of differing macro-economic growth scenarios. Econometric models are necessary both to simulate population profiles but also to predict demand for health care; where individuals will go for care (choice of provider) and out-of-pocket expenditures. In addition to presenting the methodology we will apply this to one country and present the results of that application. A paper by A. K. Nandakumar.

The Role of Private Health Plans in Medicare: Lessons from the Past, Looking to the Future
“The Top 10 Articles Every Health Actuary Should Read”
Article list compiled by the Society of Actuaries’ Health Practice Area Communications Committee and selected from articles included in the Literature Review research project recently sponsored by the Society of Actuaries’ Health Benefit Systems Practice Area and the Health Section.

“Value-Based Purchasing: A Review of the Literature”
By Vittorio Maio, Neil I. Goldfarb, Chureen Carter, and David B. Nash of Jefferson Medical College at Thomas Jefferson University. In order to understand the strategies, extent, and impact of current value-based purchasing (VBP) activities, the authors performed a comprehensive literature review of peer-reviewed journals, non-journal publications, and reports by governmental and nonprofit organizations from 1995 to March 2002. A related issue brief by Neil I. Goldfarb and colleagues draws on interviews with experts to further examine the extent of current value-based purchasing efforts and identify the key obstacles to achieving broader engagement and greater impact.
Research issues of interest to IAAHS members

This section of the Journal is devoted to research projects of interest to IAAHS members, requests of IAAHS for support on challenges they encounter, and similar issues. We encourage the IAAHS members, and other interested readers, to contact the Journal with research issues and projects they believe should be publicized, with request for help and advice, etc. It should be noted that the emphasis is on practical projects and issues, as these are of paramount important ot the IAAHS members.

In January 2004 the IAAHS has established a future projects subcommittee. Its objectives are to review and recommend project topics to promote that are either (1) internally-oriented - communications and joint activities of health actuaries in various supranational organizations, or (2) externally-oriented - joint activities with other organizations (such as a IAA - World Bank meeting on health topics). The subcommittee submitted its report at the IAAHS 2nd International Health Colloquium that was held in Dresden, Germany on April 28-29, 2004. In this report you will find a list of current projects of interest to IAAHS members, as well as a list of projects worked on by the health Section of the Society of Actuaries (SOA). You are welcome to join any of these activities; please contact the Online Journal editor for details.

Summary of a request: cost of drugs by age

The original request was: “I am trying to find sources for a reasonable expected rate of increase in average medical cost per person for drug expenses as a function of his age.”

The following documents summarize the responses to this request: Cost of Drugs Private German Market 081403.pdf and drugcost.pdf. It was also noted that there are also other related studies such as a risk adjustment studies and age curves. See the SOA Health Section supported research at http://www.soa.org/sections/hlth.html. You are welcome to add your responses and comments.

Requests for information and calls for papers

Long Term Care Coverage
Yair Babad and colleagues request data on of month by month mortality of long term care patients, by age, gender and ADLs (Activities of Daily Living), as well as morbidity by age, gender and ADLs among LTC insureds, for academic research of LTC. Please send all material to Yair Babad.

Chronic vs. Acute Care
From Steven Siegel, Research Actuary at the Society of Actuaries: The deadline for submitting an abstract or outline in response to the Call for Papers (CFP) on Chronic vs. Acute Care (issued by the SOA’s Health Benefits Systems practice area) has been extended
As mentioned previously in the Health E-News, the Health Benefit Systems practice area is interested in taking a fresh look at the issues related to the acute-care focus of the U.S. healthcare system and the challenges of providing coordinated care for persons with chronic conditions. The intent of the CFP is to encourage a deeper exploration of this topic from a multidisciplinary perspective. The resulting papers will form the basis of a symposium to be sponsored by the SOA. The CFP can be found on the SOA website at http://www.soa.org/ccm/content/research-publications/research-projects/chronic-versus-acute-care/.
IAAHS International Colloquium 2004 - Program

28-29 April 2004, Dresden, Germany

Wednesday, 28. April 2004

Prof. Kurt Wolfsdorf  Welcome speech (talk)

09:00  Plenary: Opening Ceremony  Health Care Reforms using a Public-Private Partnership  
(Chair: Howard Bolnick and Rainer Fürhaupter)

Bernd Raffelhüschen  Health Care Reform in Germany (presentation)  
Jürgen Wettke  Changes and Challenges of the US and the European Health Systems (presentation)  
Karl-Burkhard Caspari  Supervision of a Lifelong Private System (paper)  
Ad Kok  The Dutch Health System in Transit. Finally? (presentation)

13:30  Parallel Sessions: A) Health Care Financing Systems in Ageing Populations  
(Chair: Ibrahim Muhanna)

Howard Bolnick  Planning Healthcare for the 21st Century (paper)  
Ever-expanding life expectancy is increasing the size of elderly populations with profound social and economic consequences for developed nations, including future cost of their healthcare systems. Most existing long-term healthcare cost projections are driven mainly by changing demographics (aging populations). This simplified approach fails to recognize the many variables, and complicated interactions among them, that affect the future of health, healthcare, and healthcare costs. This study presents a framework incorporating key healthcare cost drivers. Using the framework, the study then presents three plausible futures for healthcare and broad, non-modeled estimates of their costs, which point to a very wide range of potential future costs. By taking the next step and building actuarial models based on the framework presented in this study, actuaries and health economists can create a powerful tool for health policy makers and health officials to better understand the long-term consequences of decisions taken during their stewardship of healthcare systems.

Svenja Rodrig  and Hans-Olaf Wiesemann  Influence of Demographic Change on Health Care Costs (presentation)  
The analysis presented in this document investigates the question of whether the increase in life expectancy causes financial stress for health insurance systems or not. In particular, the authors focused on the financial impact of the “costs of dying” and how much these costs contribute to the total health costs. The article analyses an in-patient and an out-patient tariff of a large private health insurance company in Germany. It is based on health care costs of people who died in 1999 and of those who continued to live. The percentage of the costs of dying is often overestimated. However, the costs of those who continued to live increased over-proportionately. In
particular, this was true for the insured people over 80 years. The claim that the increase of life expectancy only postpones the high costs in the future and has no impact on the financial conditions of health insurance is doubtful. Older people live longer and have more opportunity to take medication and receive therapy for a longer period. Therefore we argue that longer life expectancy and other factors like progress in medical technology pose a severe threat on the financial stability of health insurance.

Kerstin Schmidt and Stefan Heyers German Private Health Insurance – the Insurance, Political and Financial Risks (presentation)

We will start by outlining the main characteristics of German Long-Term Health Insurance. Then we will discuss the main risks that companies face in this business, and the way they are correlated with each other. As a conclusion, we would like to sketch some ideas how the upcoming risks could be tackled.

Prof. Nandakumar and Jonathan Wilwerding Health Expenditure on the Elderly (CV, paper and presentation)

In the next fifty years, the share of the world population aged 65 or older will double, the average age will rise from 26.5 to 36.2, and the fast-growing 80+ age group’s share will quadruple rising from 3% to 8% (UN Population Division 1998). What is more the process is speeding up. Today, about two-thirds of all older people are living in the developing world; by 2025, it will be 75%. Although some countries could be considered to still be in the pre-transitional phase of the demographic transition with high fertility and mortality rates, in most developing countries there will be a very significant increase in the size of the population over 65 in the next 25 years. Virtually all of the available literature on the costs of aging pertains to the developed countries. At this stage, we simply do not know what proportion of total health expenditures in developing countries is spent on the aged or if that proportion is rising or falling. There are good reasons to think that it will rise, and rise sharply because of the very rapid increase in the number of old people. It is critical to be able to predict what the impact of these changes is likely to be on total health expenditures, and on the demands for public sector care. In this technical note we present an econometric approach to modeling health expenditures on the elderly in developing countries.

13:30 Parallel Sessions: B) Cost Drivers in Healthcare Systems

(Chair: Brent Walker)

Jürgen Becher Influence of Longevity and Ageing on Morbidity and Costs (CV and presentation)

Objectives: Many publications deal with the influence of longevity on morbidity of the population and the implications in terms of health care expenditures. Unfortunately nearly all these studies focus only on single aspects such as drug consumption, nursing home, length of stay in hospital, etc. This article presents one of the first differentiated survey about the single factors worldwide. So it was the general objective of the CoCB (Competence Centre for Biosciences) study to elaborate a clear survey in a maze of contradictory publications. Method: Comprehensive research in the medical and bioscience database MEDLINE during the period of 1990 until June 2002, connected with keyword-triggered research in the
Internet. Ultimately 64 international studies and publications were considered. Results: Six essential major factors were identified and analysed in terms of their trends: restricted activities of daily living, chronic diseases, subjective perceptions of health condition, ambulatory expenses, hospital based expenses, drug prescriptions and expenses for long term care. On balance there is a clear trend towards an extension of the health care expenditures with increasing age. However there are three factors, where a compression might be expected: perception of health care condition, reduction of severe activities of daily living and reduction of health care expenditures in the last year before death (with increasing age). Apart from these not very reassuring predictions, the galloping ageing of many societies (ratio employed to job inactive generations) and volume effect (the baby boom generation grows old) will make financing of health care expenditures very difficult. Conclusions: Private life and health care industry will be affected in many ways. Health care insurance and long-term care insurance will require higher premiums with increasing age (necessity for adaptation for premiums). Annuity insurance have to cover longer periods than expected with a potential need for additional reservation. Additional expenses especially for old people will withdraw money from personal consumption. A remarkable shift of morbidity and mortality spectrum can be expected in the medium term: better survival and potential cure of ischemic heart disease and cancer will lead to a higher prevalence of neurodegenerative diseases (Alzheimer’s disease will be the prevailing issue of next decades! ) and orthopedic diseases. Implications on new and innovative insurance product are most likely and have to be discussed.

Brent Walker Experience of DRGs in Australia (paper and presentation)
George E. Thomas Care or Cure - Loss Prevention in Health Insurance (CV, paper and presentation)

Loss prevention in health insurance is an area which has not been sufficiently explored. Theoretical need for applying risk management principles for loss prevention and loss minimisation in health insurance. Models of non-life insurers' containing losses using risk management principles. Discussing the possibility of health insurers' containing losses through better health risk management. Simple and practicable steps that can be taken for managing and minimising health insurance losses. Scope for research and information-sharing to provide a healthier life to health insureds.

Florian Buchner "Steeping" of Health Expenditure Profiles (CV and presentation)

Problem: It is well-known for a long time, that health care expenditure per capita for elder people are a lot higher than per-capita-expenditures for younger people, we call this correlation of average per capita-expenditure and age "expenditure profiles". If health care expenditures for the elderly grow faster than for younger people, the expenditure profiles become “steeper”, we created the term "steeping" for this phenomenon. Methods and Data: Data of the largest German private health insurer are used to investigate the phenomenon of "steeping" profiles over a period of 18 years. Different insurance plans for inpatient, outpatient services, and supplementary insurance plans are investigated. We develop three instruments for measuring the phenomenon of "steeping": (1) time trend of the simple relation between per-capita-expenditure of the old to the young, (2) comparison of the linear slope of per-capita expenditure in the different age groups and (3) time trend in parameters of nonlinear
modeling of expenditure profiles. Pros and cons of these methods are discussed.

Results: A steeping in most examined insurance plans in the period of observation was found with all three methods. The health plans of men show stronger "steeping" than those of women, inpatient plans show stronger "steeping" than outpatient plans. Because of the given structure of data detailed research of causes of “steeping” is not possible. But by conceptual discussion it becomes clear: Neither the correlation between health expenditure and time until death nor the improving life expectancy nor the combination of both can help to explain the phenomenon of “steeping”.

keywords: health care expenditure, expenditure profiles

13:30 Parallel Sessions: C) Actuarial and Statistical Health (Insurance) Theory
(Chair: Yair Babad)

Maria-Cristina Gutiérrez-Delgado  Cash-flow Analysis for the Catastrophic Expenses Fund (CV, paper and presentation)
We develop a cash flow analysis for the Catastrophic Expenses Fund, which is a financial instrument introduced in the recent reforms to the Mexican General Health Law. This analysis allows us to recommend a course of actions aimed to preserve the financial sufficiency given the income constrains and the increasing expenses that this fund will faced.

Semyen Spivak and Svetlana Abdyusheva  Inverse Problems in Markov Models and Medical Insurance (CV, paper and presentation)
This paper considers decision of inverse problem of Markov model corresponding to a special medical insurance scheme. Two mutually opposite problems arise when using Markov processes for modeling. Direct problem is to calculate probabilities of corresponding states and other characteristics of process. It is assumed that parameters of model are available. Inverse problem is to evaluate parameters of model by using experimental output data. In Markov model input parameters are forces of transition from state to state. When dealing with queuing problems or insurance models these values are unknown in advance. Meanwhile, statistical information about output results for some models can be found in special literature. This paper considers the parameter estimation for Markov models in medical insurance.

Antonio F. Gualtierotti  Some Tools for Understanding Health Insurance Data: The Case of Switzerland (CV and paper)
There have been, in Switzerland, many _theories_ of health insurance from which peremptory policies were born to live to a disappointing and frustrating end. The reason seems to have been that these _theories_ systematically ignored the facts that were supposed to be gathered into a data base speci_cally designed by law to monitor the system. This paper summarizes the lessons learned while studying a small portion of the data in that data base and describes some practical means for coming to terms with such data.

Erich Schneider  Unisex Calculations in Health Insurance (CV and presentation)
In November 2003 the EU-Commission has published a proposal for a new council directive. According to these directive it will be not allowed anymore to use sex as a factor in the calculation of premiums and benefits for the purpose of insurance. In the
presentation it is shown that the discussion about unisex tariffs has a very long history in health insurance. The arguments of the EU-Commission are examined. Different alternatives for the realization of the directive and their consequences are displayed. The link to the underlying council directive of the EC, edited on 5 November 2003, is under the number SEC(2003) 1213/1 at http://europa.eu.int/.

Thursday, 29. April 2004

09:00 Plenary: Genetics
(Chair: Howard Bolnick and Rainer Fürhaupter)

Jens Reich Introduction to Genetics (presentation)
Angus Macdonald Genetics and Underwriting in Health Insurance (presentation)
Achim Regenauer Medical Progress and New Genetics - Facing Another Cost Explosion? (presentation)

11:30 Parallel Sessions: P1) Reinsurance
(Chair: Heinz-Werner Richter)

Wolfgang Hölzle Planning, Management and Controlling of International Health Reinsurance Portfolios (presentation)
The presentation will show that, within the MedNet business model, the role of a reinsurer changes from a pure risk carrier to a proactive risk manager in the healthcare field. Through its own service provider MR performs important functions along the value chain of a primary health insurer for clients in selected markets. These functions include not only the management of primary health insurance business but also the gathering and evaluation of data as well as implementation of measures derived there from. We will demonstrate how standardised data formats, actuarial methods and tools can be used to prepare a detailed planning, to assure continued transparency and to conduct deviation analyses even from the distance. At the same time we will show how reinsurers can proactively support primary insurers in adapting their wordings and rates and in improving their internal processes and procedures. To this aim, we describe standardised methods and tools used to renew group business, conduct performance analyses and adjust premiums at product level. A large portion of our presentation of methods and tools will cover the dynamic assessment of claims reserves geared to the specific operative requirements of each individual company.

11:30 Parallel Sessions: P2) East Asian Markets
(Chair: Rainer Fürhaupter)

Naonori Yakura and Nitsuru Hata Health Care Financing System in Ageing Populations of Japan (presentation)
In Japan, every person is required to participate to one of the public health insurance schemes. Therefore, public health insurance benefits cover most of Total Domestic Health Expenditures in Japan. Through the judging and disbursing organizations (the
typical organization is Social Insurance Medical Fee Payment Fund), the public health insurance schemes compensate insurance medical institutions for providing medical service by the Fee-for-Service that are decided by the Ministry of Health, Labor, and Welfare. We explain about the basic structure and some features of the public health insurance schemes in Japan. And then, we explain about the Medium-Term Financial Management Approach, the financial crisis of public health insurance schemes, 1997 Amendments and 2002 Amendments to public health insurance schemes. Furthermore, we introduce the actuarial analysis of medical expenditures and the latest long-term outlook of the public medical expenditures and the public long-term care expenditures. And then, we would like to explain how we should reform health insurance schemes in Japan for a rapid progress of the aging of Japanese population.

Keywords: Health Service System for the Elderly, The Medium-Term Financial Management Approach, Financial crisis, 1997 Amendments, The arc elasticity of medical expenditures to price, 2002 Amendments, Lifetime Medical Expenditure, Long-Term Estimates of National Medical Care Expenditures, Long-Term Estimates of Long-Term Care Benefits, Future Prospect on the Benefits and Burdens related to Social Security, Basic Principles for the Medical Care System and the Medical Fee Schedule, The transformation of the medical insurance system including the integration and restructuring of insurers, Creation of a new medical care system for the elderly, Respect for selection by patients and offering of information, System to offer efficient medical care of high quality

Chen Tao

Pricing Private Health Insurance Products in China (CV, paper and presentation)

In this paper an overview of how to price private health insurance products in China is given. In the beginning the Chinese private health insurance market and products are analyses. Then the statistical data and assumptions in pricing are discussed. Following it, the actuarial models and premium calculating methods used in pricing process in China are described. The regulation of private health insurance business in China, especially the pricing and re-rating are also involved. The perspective of Chinese private health insurance and some recommendations to develop health actuary are given in the end of this paper. Keywords: Private health insurance, products pricing, health actuary

The following is a brief outline of the paper:
1. The market and product of private health insurance in China
2. Data resource and actuarial assumptions of pricing
3. Actuarial model and pricing process in practice
4. Actuarial regulation of private health insurance business in China
5. Future of private health insurance and health actuary in China

* This research got financial support from the Chinese Nature Science Fund (project number: 70102030)
**11:30 Parallel Sessions: P3) Underwriting**
(Chair: Erich Schneider)

**Aree Bly**  
Adapting Actuarial Tools For Use in Other Countries ([paper](http://www.milliman.com/health/publications/research_reports.asp?id=1352) and [presentation](http://www.milliman.com/health/tools_and_models/medical_underwriting_guidelines/mcontent.pdf))

Actuarial tools are key in many decisions made in the healthcare market. The consistency and efficiency of these tools is always evolving. As the world becomes smaller, and there is more sharing of information and standardization, the need for tools that can operate in multiple markets is increasing. The adaptation of these tools requires careful planning and execution to ensure that the final result is a tool that is useful in the new country and is still valuable from a cost/benefit perspective. There are many considerations when adapting such tools.

**Jonathan Shreve**  
Medical Underwriting: Approaches and Regulatory Restrictions  
(CV and [presentation](http://www.milliman.com/health/publications/research_reports.asp?id=1353): the presented Medical Underwriting paper and Actuarial Tool presentation)

The selection of the appropriate risks for a health plan is a critical function, as 15% of individuals generate 80% of the costs. This paper discusses the tools and techniques of underwriting, which include deny coverage, ridering out conditions, using rating classes and pre-existing condition exclusions. Sample conditions and their pattern of claim costs are presented from underwriting research, with a discussion of which of the techniques would be most effective with each condition. Sample regulations from a number of countries are presented. Keywords: medical underwriting, pricing, risk selection, healthcare

Links:  
Additional links:  

**13:30 Parallel Sessions: Health Insurance Practices: A) Full Coverage**
(Chair: Ernst- Wilhelm Zachow)

**Heinz-Werner Richter**  
Actuarial Foundations of Full Coverage with Ageing Reserves in Germany ([presentation](http://www.milliman.com/health/tools_and_models/medical_underwriting_guidelines/mcontent.pdf))

A brief outline of the main features of the two health insurance systems in Germany is necessary to understand the rules of the private health insurance market. The presentation gives a survey of the requirements and the calculation of the private health insurance in Germany. The actuarial foundations includes techniques both from the life and non-life insurance. Hints referring to the legal framework are given, which have deep impacts on the calculation scheme.

**Keiji Kanemura and Nobuyuki Imanaka**  
Private Medical Insurance in Japan ([presentation](http://www.milliman.com/health/tools_and_models/health_cost_guidelines/hcontent.pdf))

In Japan, public health insurance is compulsory and, in principle, it covers most of the direct medical costs. While private insurance companies also sell medical products,
unlike the public insurance, the benefits in their products are based on a fixed amount (for example, the amount of benefit for hospitalization will be fixed by multiplying the daily benefit by the duration of hospitalization, a given amount of benefit will be paid when an insured suffers from a disease which is specified in the policy conditions, and so forth) for a marketing reason in connection to the governmental health insurance system. We will be glad to give you a description of the status of private medical insurance which has varied due to competitions among insurers with the aforementioned background. Also, we would like to explain what causes lie in the situation where the private medical insurance offers long-term coverage (coverage period also means the period in which the premium rates are guaranteed in this context.) for 10 years and longer or for life, and how we should manage the risks which may be caused by this long coverage period. Keywords: Medical Insurance of Private Insurers, Hospitalization, Surgery, Trend in Private Medical Insurance, Long Term Coverage Period, guaranteed premium rate, Reserving, Right to change the assumptions (written with Tadayoshi Otsuka)

Daniel Bailey  The Role of a Physician-Initiated Managed Care Organization in the U.S. (paper and presentation)

13:30 Parallel Sessions: Health Insurance Practices: B) Long Term Care
(Chair: Helga Riedel)

Allen Schmitz  The Current State of the LTC Insurance Marked in the U.S. (presentation)
This session will cover: Brief History of LTC financing in the U.S.; Discussion of the role of public and private programs; Demographic and Cost Information; LTC Insurance Products/Trends; LTC Insurance Market Trends; and LTC Insurance Risks.

Roland Weber  The German Private (Compulsory) Long-Term Care Insurance and Its Relation to the German Social Security System (CV, paper and presentation)
With respect to the private (compulsory) long-term care insurance, ways and limits of the integration of the private health insurance sector into the social security insurance scheme are briefly outlined. Following some introductory remarks on the German health care and the establishment of the compulsory long-term care insurance (PPV) in 1995, the basic conditions of the PPV are highlighted as well as their specific effects on the calculation. In this regard, it becomes evident that the calculation models of the PPV and the private health insurance (PKV) differ essentially. Finally, the extent to which the model of the PPV may serve as a pattern also for the integration of the private health insurance sector into the social security scheme is discussed.

Hans-Jürgen Andres  A Munich Re LTC Claims Study (presentation)
In the course of a representative claims study in the area of private compulsory LTC insurance in Germany, Munich Re has compiled and studied an extensive body of data and developed procedures in order to close some gaps (e.g. as regards the influence of cases where the person is in need of longer-than-average nursing care) in the international statistics. The original data from Germany is modified to make it usable for other countries taking account of national special features (e.g. differing...
health status and different life expectancies). The methodology of these investigations and illustrative results are presented.

**13:30 Parallel Sessions: Health Insurance Practices: C) Critical Illness**
(Chair: Sue Elliot)

Sue Elliott  
**UK Critical Illness market** ([presentation](#))

Critical illness (CI) had its original origins in South Africa in the early 1980's, although cancer riders had previously been sold in the US, Japan and Israel. It has developed in other countries such as the Asia Pacific, Australia, Canada, the UK and the US in various different guises. It has had varying degrees of success in each of these regions. In the UK it is the fastest growing healthcare product. It’s a simple product in concept, but some very complex issues are starting to emerge, in the UK in particular, stemming largely from the potential financial impact of medical advances. Such advances are largely beyond the control of the insurance industry, but they need to be kept abreast of and factored into any long-term pricing decisions or product development. The product is currently profitable in the UK, but there are concerns regarding the robustness of definitions against legal challenges as consumers become more aware and the potential impact of medical advances given that the claims trigger is based on diagnosis. In fact 2003 started with several high profile announcements of significant increases to CI premiums largely due to increased reinsurance terms. This presentation provides some background on the UK market, the current drivers of morbidity experience, trends in the experience, some thoughts on the future of the UK CI market and finally a very brief comparison with other parts.

Wolfgang Droste  
**Asia Pacific Results of GenRe’s Recent CI Survey** ([presentation](#))

This paper summarises the findings of a claim analysis covering more than 16,000 claims records and 4,000,000 lives in force as at 31 December 2000 under critical illness policies in Hong Kong, Malaysia and Singapore. The claim analysis focuses on cancer claims, comparing insured lives and population incidence. Further, incidence rates, smoker/non-smoker differential, selection effects and trends are analysed and compared with international data.

**15:15 Parallel Sessions: Health Insurance Practices: A) Supplemental Private Medical Indemnity Insurance**
(Chair: Aisling Kennedy)

Eduardo Lara di Lauro  
**An Overview of Private Medical Insurance in Latin America, with a particular focus on Mexico** ([presentation](#))

Karel Coudré  
**Developments in the Complementary Private Health Insurance System in Belgium** ([CV, paper](#) and [presentation](#))

Lisa Beichl  
**Criteria for Developing Effective Managed Care Techniques in global Markets** ([CV and presentation](#))

The goals to increase effectiveness and efficiency in the health delivery and payer markets make perfect sense from a theoretical perspective. In practice, however, the introduction of managed care techniques in non-US markets has not been met with resounding success. There are myriad of reasons for these weak results. In examining
the roots of managed care program failure, it is primarily the absence of measurable goals or outcomes from the various parties that lead to unfulfilled strategies. This is due primarily to lack of standardization and insufficient data capture. Keywords: Managed Care, Risk Management

15:15 Parallel Sessions: Health Insurance Practices: B) IAS and Solvency for Health Insurers
(Chair: David Paul)

David Paul
Overview: IASB Phase 1 & 2 / IAA and IAIS Proposals
(presentation)
This brief presentation will set the scene for the UK, Australian and German experiences which follow. National supervisors around the globe are being given a lead by the solvency proposals emanating from the International Actuarial Association and from the International Association of Insurance Supervisors. The general trend is towards risk-based methods but there is diversity between discretionary approaches and more formulaic methods. In Europe new over-arching “Solvency II” directives will be formulated and local national supervisors must interpret what is and what will happen. Development of International Accounting Standards for insurance accounting is falling behind the timetables originally intended. This makes it more difficult to develop the ideal of simultaneous development of solvency and company accounting with consistent cross referencing between entries to the extent possible.

David Paul
Internal Models for Capital Assessment - UK Experience
(paper)

Gayle Ginnane
Solvency & Capital Adequacy for Australian Health Insurers
(presentation)
This presentation will describe the Australian prudential standards for private health insurance organisations introduced in 2001 and the experience in implementing those standards. The standards use risk-based methods. At the solvency level the standards are largely formulaic. At the capital adequacy level there is more discretion for companies to decide their prudential margins. The paper also compares the current Australian regulatory system with the Insurance Core Principles established by the International Association of Insurance Supervisors. For more information see the PHIAC website at www.phiac.gov.au.

Kai Spier
From Statutory to International Accounting – Experiences of a German Health Insurer
(presentation)
With the many merging operations and the hausse of the stock markets between 1998 and 2000, the wave of IAS/US-GAAP swept over to the European insurance enterprises. Owing to the special properties of the German insurance business and missing IAS standards this meant a discovery journey for finding appropriate models and techniques satisfying the demands of an NYSE (US-GAAP) and complying with the national standards and conditions. Moreover, the German health insurance comprises risk components which are a mix of life and casualty insurance. Thus it may well be interesting to get an insight into the practical operations of international accounting of a German health insurance company (s.o.) under the aspects of selected
examples, experiences and risks. The report ends with a short preview on possible phase I/II consequences.

15:15 **Parallel Sessions: Health Insurance Practices: C) Income Replacement**  
(Chair: [Ermanno Pitacco](#))

**François Berger**  
**Income Replacement in France: Payment And Reserve Calculation**  
[paper](#) and [presentation](#)

**Barry Senensky**  
**Predicting Return to Work with Data Mining**  
[presentation](#)

Claim Analytics, a Canadian company founded by two actuaries, has developed a mathematical model to predict likeliness of return to work for long term disability claims. The model uses a number of data mining techniques to rank each claim with a number from one to ten, one being least likely to return to work, and ten being most likely. The model has proven its ability to successfully predict return to work, by accurately ‘predicting’ return to work for a body of claims studies whose outcome was already known. The model is operational, and is used as a tool for claims managers to help optimize resource allocation and maximize return to work opportunities for their claimants. For further information, please see [www.claimanalytics.com](http://www.claimanalytics.com).

**Vittorio Zaniboni**  
**The Income Protection Covers in the World of Employee Benefits: The Experience of the Generali Network**  
[presentation](#)

In the world of Employee Benefits for the Multinational Companies in which the Generali Employee Benefits Network operates, the Income Protection covers have a very important role. Income protection covers are one of the benefits offered by multinational employers which requires the strictest cooperation between the Employer and the Insurer, and at the same time is becoming more and more one of the most "demanding" product for Insurance companies in terms of profitability monitoring, risk profile analysis and claim management. Working in this scenario on a worldwide scale requires flexibility at the highest degree and the continuous effort of harmonization of local situations, which very often largely differ one from the other.
Communications with the IAAHS Online Journal

The Journal is a non-refereed, information and communication vehicle for the IAAHS members and other interested parties. Thus, all submissions related to the IAAHS objectives are welcome, whether related to the personal health arena, public and social health issues, or to insurance and health services issues. We hope to hear from you about your activities and work-in-progress, what is happening in your national arena, emerging areas of interest or issues, actuarial developments in the health insurance, evaluation of new publications, data resources of interest to other IAAHS members, and the like. Moreover, we will gladly welcome requests for cooperation and help, or requests for suggested resources on various topics, and will publicize them, with the hope that some of the readers will respond either directly or through the Journal.

In particular, we will welcome reports of work-in-progress and your articles, as well as current news. As the Journal is non-refereed, you may consider a publication of an early version of the work in the Journal, and request responses so as to improve the quality of the final work which will eventually be published elsewhere.

We would also welcome your comments and input concerning changes, enhancements, additional sections to be added to the journal, expansion of current sections, and other enhancement to the Online Journal and its contents. We are considering adding product-oriented sections (such as medical care insurance, managed care, long term care, critical illnesses, dental insurance) and special topics sessions (such as AIDS and SURS, health care financing in developing nations). We would like to hear your interests, preferences and suggestions.

Finally, we would be very grateful for additional links, health related sources, databases, and the like.

The Journal success depends mostly on you and your input and participation. We hope to soon hear from you…

How to contact the IAAHS Online Journal

You are encouraged to contact the Journal with your contributions, comments, and requests. To this end, please contact the editor, Yair Babad.