

American Academy of Actuaries Health Equity Work Group

Presentation to the NAIC
Special (EX) Committee on
Race and Insurance, Workstream Five

Cori E. Uccello, MAAA, FSA, FCA, MPP
Senior Health Fellow



AMERICAN ACADEMY *of* ACTUARIES

Objective. Independent. Effective.™

Academy Health Equity Work Group Charge

- Evaluate actuarial practices in the context of health equity
 - Identify and monitor actuarial data sources and methodologies that may contribute to health disparities
 - Assess the extent to which actuarial practices contribute to health disparities
 - Explore options for addressing identified actuarial drivers of health disparities
 - Identify areas in which actuarial methods can contribute to improving health equity
- Educate actuaries and other stakeholders on health equity issues
- Apply an equity lens when considering the impact of current or proposed health care policies



Initial Phase—Identify and monitor actuarial data sources and methods that may affect health disparities

- Are there actuarial methodologies or modeling techniques that perpetuate disparities?
- Are there actuarial methodologies that reduce disparities?
- If the data needed to measure a specific variable are not available, is a proxy appropriate? What should an actuary consider when using such a proxy? Does the data used measure the intended items?
- Does the use of historical data embed disparities in projections?
- Are assumptions appropriately determined and applied?
- What sorts of analyses should be performed to explicitly identify inequities?



Initial phase—Specific areas of exploration

- Benefit design
- Provider contracting/network development
- Pricing
- Population health
- Likely areas of overlap
 - Use of historical data
 - Risk adjustment / risk stratification



Initial phase—Develop list of questions and topics to explore further

- Publish list in first quarter of 2021
- Comprehensive list will be starting point for further analysis
 - Inclusion on list will not imply pre-determination that item leads to increased disparities
 - After further analysis, we may conclude that particular practices contribute to inequities, others improve health equity, and others have no impact
- We will explore options to address:
 - Identified actuarial drivers of disparities
 - Nonactuarial drivers that might be addressed through actuarial methods



Shared goals and opportunities to coordinate

- The goals of the NAIC and the Academy's Health Equity Work Group are aligned
- The Health Equity Work Group can provide frequent updates regarding our process and findings
- Potential to coordinate with NAIC on specific solutions to ensure that regulation of insurance industry is consistent with goals of health equity



Questions?

