SOA 2021 Health Care Cost Model

HEALTH ACTUARIAL (B) TASK FORCE
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Model Background

• 2021 health insurance rating with many current and future cost considerations
  • Trend in health care costs
  • Direct COVID-19 treatment services
  • Impact of safer-at-home guidelines on health care system service availability and consumer demand
  • Future potential costs from vaccines, diagnostic testing, etc.

• Interest from SOA members, NAIC and public interested in efficient health care insurance markets for 2021
Model Background

• Researched and developed model within SOA
• Review and feedback from a diverse Project Oversight Group across insurance carriers, actuarial consultants, regulators, health care data organizations and economists
• Grant assistance from the Robert Wood Johnson Foundation
Model Considerations

• Released last week at https://www.soa.org/resources/research-reports/2020/covid-19-cost-model/

• Model Spreadsheet
• User Guide
• Model Documentation Guide
• User Training Video
Model Limitations

• Reference tool for illustrating potential health care costs, rather than a specific rating model
• Data observations can change quickly in this environment
  • Foregone services, deferred services, restarting services
  • Level, costs and types of COVID treatments
  • Periodic updates to reflect data on both the outbreak and insurance health care costs
• Some assumptions can impact others, but not automatic in the model
• Sensitivity testing of assumptions encouraged
• Range of scenarios encouraged