Actuarial Consulting Services for Health Plans

Market reforms introduced by the Affordable Care Act (ACA) have brought more complexity for health insurers than ever before, affecting pricing and reserving decisions and, ultimately, the bottom line. An insurer’s future financial statements may be subject to additional volatility due to the ACA because of an increased need for actuarial estimates in financial reporting. That uncertainty will only increase as the competitive landscape evolves and regulations continue to change.

You could be at risk of mispricing your products, missing regulatory filing deadlines, or having incorrect estimates of amounts payable or receivable in your annual financial statements. The magnitude of these risks may be large relative to your expected net income.

We know how to help your plan succeed by providing timely, actionable advice and highly customized solutions. Our health insurance actuaries have experience working with a wide variety of plan types, product lines and geographies.

Our health care expertise and nearly 100 years in business make us a trusted advisor to health plans in a wide range of financial and strategic matters. Our actuarial consulting services can help your plan not only comply with all applicable state and federal laws, but stay financially healthy and thrive in a challenging competitive environment.

We work with you to:
- Price your products competitively
- Develop capitation rates
- Forecast your financial results, both short-term and long-term
- Establish sound liabilities for unpaid claims and other actuarial obligations
We Can Help
Our services include rate development, estimating unpaid claims and other actuarial liabilities, projecting claims and developing provider reimbursement arrangements, including capitation rates. We can review your pricing strategy to make sure it attracts the right risks on a profitable basis.

Rate Development
We work with your plan to develop rates for all product lines, including Individual, Small Group, Large Group, Children’s Health Insurance Program (CHIP), Special Needs Plans (SNP), Medicaid Programs, and Medicare Advantage. Our services include:

• Pricing of both on- and off-exchange products
• Completion of all federal and state rate filing forms and supporting documentation
• Pricing and assistance with plan design for competitive market position and regulatory compliance
• Development of rating factors by age, region, tobacco status and metal level
• Development of Rate Manuals
• Projection of Risk Adjustment and Transitional Reinsurance payments
• Support for rate review/audit process
• Review of rating strategy

Our actuaries meet the qualification standards of the American Academy of Actuaries for signing any of the statements of actuarial opinion required by the various regulatory agencies.

Financial Reporting
We develop estimates of unpaid claims and other actuarial liabilities, including:

• Incurred But Not Paid (IBNP) claims
• Payables (or receivables) for the "3 R's": Risk Adjustment, Risk Corridors and Reinsurance
• Medical Loss Ratio (MLR) rebates
• Premium Deficiency Reserves
• Risk Based Capital requirements

We can sign statements of actuarial opinion as to the adequacy of the reserves for filing with state insurance departments. We can also assist with the completion of annual filings for MLR and Risk Corridors.

Provider Reimbursement Levels
We help your plans develop reimbursement arrangements consistent with their pricing assumptions. These include:

• Discounted fee-for-service arrangements
• Capitation rates (both global and specialty)
• Risk sharing arrangements

Why Choose Us
We are the oldest, most experienced actuarial firm in North America. Our reputation is built on accurate, effective valuations and thoughtful, strategic solutions.

Accurate effective valuations. Our actuarial valuation tools and our proficiency in using them allow us to easily forecast projected liabilities far into the future. Our experience allows us to do this work efficiently without re-inventing the wheel at your expense. These efficiencies are passed on to you in the way of keeping our fees reasonable.

Thoughtful, strategic solutions. Our experience has given us an appreciation of the importance of the underlying principles of stability and security for health insurance providers. The solutions we develop are highly customized because we know that every plan faces a unique set of challenges and opportunities. With our wide range of capabilities, our actuaries can meet all of your needs for actuarial consulting services, both today and in the future.

Contact Us
Contact us at 1.866.355.6647 or hrconsulting@xerox.com.

www.xerox.com/hrconsulting

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