



NEWS RELEASE

Immediate Release

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Actuaries: Priority on Health Reform and Retirement Security Signals Tough Choices Ahead

WASHINGTON – 26 Feb. 2009 – The **American Academy of Actuaries** announced today its support of efforts to address the nation’s long-term fiscal challenges and is urging policymakers to reach bipartisan solutions to reform the U.S. health care system and restore retirement security for all Americans. The actuaries said that addressing these issues needs to be a top priority regardless of any other actions taken in response to the current economic and fiscal crisis.

“There are tough choices ahead, but the time to make them is now,” said the American Academy of Actuaries Senior Health Fellow **Cori Uccello**, following this week’s White House fiscal summit and President Obama’s address on Tuesday to the joint session of Congress. “The health care reserve fund in the president’s budget confirms his commitment to these issues.”

Uccello said that actuaries know how to develop sustainable and solvent systems to ensure fiscally responsible health care and retirement policies. She also said she agreed with the president’s decision to focus on rising health spending especially given the latest projections revealing that health expenditures will continue to grow faster than the economy.

According to the Centers for Medicare and Medicaid Services, national health spending is projected to nearly double by 2018, reaching \$4.4 trillion and consuming 20.3 percent of the gross domestic product. Public spending growth is also expected to accelerate rapidly, largely because aging baby boomers will be enrolling in Medicare. By 2018, public sources will account for more than half of all health spending.

“It is important to recognize that Medicare’s issues cannot be solved in isolation from the broader problems of the health care system,” Uccello said.

The American Academy of Actuaries said it is encouraged that addressing Social Security’s and Medicare’s long-term financial challenges are top priorities on the president’s domestic policy agenda.

“Policymakers must enact comprehensive Medicare reform not only to restore the program’s solvency, but also to improve its long-term sustainability by lowering the growth of total
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Medicare spending as a share of the federal budget and of the overall economy,” Uccello said. “There is no single solution. Viable options will likely require a shared burden among taxpayers, Medicare beneficiaries, and the health care industry.”

Regarding Social Security, the American Academy of Actuaries said it will continue to urge policymakers to address the program’s long-term actuarial imbalance now by increasing Social Security’s retirement age, citing that the imbalance is partially attributed to increased longevity—a demographic problem that requires a demographic solution.

“The present economic crisis highlights the importance of retirement security,” said **Tom Terry**, the American Academy of Actuaries vice president for pension issues. “By making Social Security a top priority now, policymakers will ensure that they have a full range of policy options to choose from.”

For more information or to schedule an interview with Cori Uccello or Tom Terry, please contact Andrew Simonelli, assistant director of communications for the American Academy of Actuaries, at 202.785.7872. For more information on the American Academy of Actuaries, please visit: www.actuary.org.

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The American Academy of Actuaries is a 16,000-member professional association whose mission is to serve the public on behalf of the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.