



AMERICAN ACADEMY *of* ACTUARIES

American Academy of Actuaries¹ RBC Work Groups Progress Report to NAIC Health RBC (E) Working Group August 22, 2008

Medicare Part D RBC Subgroup

The Medicare Part D RBC Subgroup is currently working on updating its 2005 report to the NAIC on Medicare Part D RBC Risk Factors. The purpose of this update is to address changes in the Part D risk-taking structure, and to incorporate company information now that the companies have experience in operating Medicare Part D plans. The subgroup is working with the Centers for Medicare and Medicaid Services' Office of the Actuary to request data from that agency to aid in the analysis, and is also exploring the possibility of an industry survey to augment the data from CMS. The subgroup plans to have a report on any suggested changes to risk factors completed in time to be included in the RBC formula for 2009.

Stop-Loss Work Group

The Stop Loss Work Group is continuing its work in refining the update of the 1994 report to the NAIC on stop-loss factors. The Academy is working collaboratively with the Society of Actuaries to review and create a new statistical analysis of the data because of inconsistencies identified in the prior analysis. Once the analysis is complete, the work group will start the modeling process again. No specific timetable is identified at this time for delivery of the updated report.

If there are any questions regarding this report, please contact Dianna Pell, State Health Policy Analyst, at (202) 785-6924 or pell@actuary.org.

¹ The American Academy of Actuaries is a professional association with over 16,000 members, whose mission is to assist public policymakers 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.