



AMERICAN ACADEMY
of ACTUARIES

NEWS RELEASE

Immediate Release

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Actuaries: Health Care Reform Must Address Costs

WASHINGTON – 17 July 2009 – The American Academy of Actuaries is calling on all health care reform stakeholders to revisit cost issues considering recent reports that have questioned the sustainability of new legislation.

“Especially given the Congressional Budget Office’s (CBO) most recent estimates, all stakeholders must engage in a new dialogue to establish mutual understanding as to what will lead to real and quantifiable health cost savings,” said **Al Bingham, Jr.**, the American Academy of Actuaries vice president for health issues.

Bingham said the actuaries believe that a new dialogue, and subsequent legislation, must strive for a cost-savings program that is achievable, credible and “score-able.”

“Unless health care spending is controlled, health reforms to reduce the number of uninsured will not achieve their goals,” Bingham said. “If health spending continues to grow at the projected pace, health insurance premiums will continue to increase as well. Thus efforts to rein in health insurance premiums will be negated if rising health spending drives premiums to their original levels within a few years and even higher thereafter.”

In addition to reemphasizing the need to create a sustainable health care system by addressing spending growth through the ongoing reform process, the American Academy of Actuaries has advised policymakers that in order for insurance markets to be viable, they must attract a broad cross section of risks and that market competition requires a level playing field. These concepts are expanded upon in written testimony filed with the U.S. House of Representatives Committee on Ways and Means, available at:

http://actuary.org/pdf/health/health_systems_june09.pdf.

For more information or to schedule an interview with Al Bingham, Jr., please contact Andrew Simonelli, assistant director of communications for the American Academy of Actuaries, at 202.785.7872. For more information on the Academy, 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.