

Group and Health Advanced Exam
FALL 2013

Important Exam Information:

Exam Date and Time	A read-through time will be given prior to the start of the exam—15 minutes in the morning session and 15 minutes in the afternoon session.
Exam Registration	Candidates may register online or with an application.
Order Study Notes	Study notes are part of the required syllabus and are not available electronically but may be purchased through the online store.
Introductory Study Note	The Introductory Study Note has a complete listing of all study notes as well as errata and other important information.
Case Study	A case study will not be used for this examination.
Past Exams	Past Exams from 2000-present are available on SOA website.
Updates	Candidates should be sure to check the Updates page on the exam home page periodically for additional corrections or notices.

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Learning Objectives	
1. The candidate will understand how to evaluate the effectiveness of traditional and leading edge provider reimbursement methods from both a cost and quality view point	
Learning Outcomes	
The candidate will be able to:	
<ul style="list-style-type: none"> a) Calculate provider payments under standard and leading edge reimbursement methods b) Evaluate standard contracting methods from a cost-effective perspective c) Describe the credentialing and contracting process for providers d) Understand accountable care organizations and medical patient home models and their impact on quality, utilization and costs e) Evaluate the effectiveness of pharmacy benefit manager on controlling costs and providing quality care f) Describe quality measures and their impact on key stakeholders 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Essentials of Managed Care</i>, Kongstvedt, 6th Edition <ul style="list-style-type: none"> ○ Ch. 4 Network Contracting and Provider Payment ○ Ch. 5 Provider Payment ○ Ch. 9 Physician Practice Behavior and Managed Care ○ Ch. 10 Data Analysis and Provider Profiling in Health Plans ○ Ch. 11 Prescription Drug Benefits in Managed Care ○ Ch. 12 Introduction to Managed Behavioral Health Care Organizations • GHA-100-13: <i>The Handbook of Employee Benefits</i>, 7th Edition, 2011, Ch. 9 Health Care Quality: Are We Getting Our Money's Worth? • GHA-101-13: A First Look at ACOs Risky Business: Quality is not enough • GHA-102-13: Evaluating Bundled Payment Contracting • Measurement of Quality and Efficiency: Resources for Health Care Professionals • Commonwealth Fund Paper – The Final Rule for the Medicare Shared Savings Program 	

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Learning Objectives	
2. The candidate will understand how to describe and evaluate the functions underlying a well-run health plan	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none">a) Compare the relationship between different marketing channels and how each market impacts the underlying needs of the consumers.b) Describe the product development process including risks and opportunities to be considered during the processc) Describe the claims adjudication process<ul style="list-style-type: none">i. Identify data required to adjudicate claimsii. Understand techniques for identifying and preventing claims processing errorsiii. Understand techniques for identifying and preventing fraudd) Understand the basic processes of member services including<ul style="list-style-type: none">i. Understand the basic process of call centersii. Understand the basic staffing and management issues in member servicesiii. Understand the basics of how a plan addresses member concerns and grievancesiv. Understand proactive approaches a plan may take to measuring and maintaining member satisfactionv. Understand the legal and regulatory aspects of member servicese) Understand the basic activities of sales and marketing within a managed care organization<ul style="list-style-type: none">i. Understand how marketing differs from salesii. Understand compensation of sales and marketing personneliii. Understand the different segments of the health care market differ depending on the market segmentiv. Understand how sales and marketing differ by marketv. Understand how metrics are used in the sales and marketing process	
Syllabus Resources	
<ul style="list-style-type: none">• <i>Essentials of Managed Care</i>, Kongstvedt, 6th Edition<ul style="list-style-type: none">○ Ch. 16 Marketing and Sales○ Ch. 17 Enrollment and Billing○ Ch. 18 Claims and Benefit Administration○ Ch. 19 Health Care Fraud and Abuse○ Ch. 20 Member Services• <i>Group Insurance</i>, Bluhm, 6th Edition<ul style="list-style-type: none">○ Ch. 46 Product Development	

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Learning Objectives	
3. The candidate will understand how to evaluate techniques for claims utilization and disease management	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none"> a) Describe, compare and evaluate care management programs and interventions b) Estimate savings, utilization rate changes and return on investment as it applies to program evaluation c) Describe operational issues in the development of a study including acceptable methods for dealing with the issues d) Perform a literature review about program evaluation e) Describe value chain analysis as it applies to the planning and management of disease management and other intervention analysis f) Apply the actuarially adjusted historical control methodology g) Calculate chronic and non-chronic trends in a manner that reflects patient risk h) Apply methodologies to reduce random fluctuation and maintain validity for disease management effectiveness studies 	
Syllabus Resources	
<ul style="list-style-type: none"> • <i>Managing and Evaluating Healthcare Intervention Programs</i>, Duncan <ul style="list-style-type: none"> ○ Ch. 1 Introduction ○ Ch. 2 Care Management Programs and Interventions ○ Ch. 3 Actuarial Issues in Care Management Evaluations ○ Ch. 4 Estimating Savings, Utilization Rate Changes and Return on Investment – A Selective Review of the Literature on Program Evaluation, Exclude Appendix 4.2 ○ Ch. 5 The Use of the Value Chain in Disease Management Program Planning ○ Ch. 6 Understanding the Economics of Disease Management Programs ○ Ch. 7 Measuring Disease Management Savings Outcomes ○ Ch. 8 An Actuarial Method for Evaluating Disease Management Outcomes ○ Ch. 9 Understanding Patient Risk and Its Impact on Chronic and on-Chronic Trends ○ Ch. 10 Random Fluctuations and Validity in Measuring Disease Management Effectiveness for Small Populations ○ Ch. 11 Comparative Analysis of Chronic and Non-Chronic Insured Commercial Member Cost Trends ○ Ch. 12 Testing Actuarial Methods for Evaluating Disease Management Outcomes 	

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Learning Objectives	
4. The candidate will understand how to formulate, calculate and evaluate carrier reserving techniques	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none">a) Describe the types of claim reserves (e.g., due and unpaid, ICOS, IBNR, LAE, PVANYD)b) Explain the limitations and applications of the various valuation methods:<ul style="list-style-type: none">i. Lag methodsii. Tabular methodsiii. Case reservesiv. Projection methodsv. Loss ratio methodsc) Calculate appropriate claim reserves given datad) Identify adjustments to IBNR (margins, trend, seasonality, claims processing changes, etc.)e) Evaluate data resources and appropriateness for calculating reservesf) Describe, calculate and evaluate different types of reserves and explain when each is required<ul style="list-style-type: none">i. Deficiency reservesii. Active life reservesiii. Premium reservesiv. Deferred acquisition costsv. Claim administration expense reservesvi. Calculate the reserves given datag) Demonstrate adequacy of the reserve<ul style="list-style-type: none">i. Gross premium valuationii. Asset adequacy analysisiii. Recast analysis	
Syllabus Resources	

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- *Group Insurance*, Bluhm, 6th Edition
 - Ch. 42, Short-Term Reserves
 - Ch. 43, Claim Reserves for Long Term Benefits
- GHA-109-13: *Individual Health Insurance*, Bluhm
 - Ch. 6 Reserves and Liabilities
- GHA-103-13: Health Reserves (Lloyd)
- GHA-30-13: *2009 Health Meeting*
 - [Session 17 Claims Payment Issues](#)
 - [Session 78 The Art of Reserving](#)
- [The New IBNR Study](#), HealthWatch, February 2010
- [AAA Premium Deficiency Reserves Discussion Reports](#)

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Learning Objectives	
5. The candidate will understand and prepare a Statement of Actuarial Opinion (SAO) for selected Health Matters	
Learning Outcomes	
<p>The candidate will be able to:</p> <ul style="list-style-type: none">a) Describe the U.S. Qualifications Standards and Statements of Actuarial Opinion (SAOs) as outlined in the Standardb) Discuss specific issues with respect to these classes of SAOs<ul style="list-style-type: none">i. Certification of health reservesc) Develop documentation for an SAOd) Discuss approaches to deal with obstacles to producing an unqualified SAOe) Describe common situations where insurance regulations or Medicare laws call for a signed SAO by a qualified actuaryf) Describe the continuing education credits for signing SAOs	
Syllabus Resources	

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- *Group Insurance*, Bluhm, 6th Edition
 - Ch. 23, Actuarial Certification of Reserves
 - Ch. 24, Small Group Rate Filings and Rate Certifications
- [Health Section News, 10/2004, Read, Write, Think](#)
- [AAA Qualification Standards](#), January 2008
- [Introduction to ASOPs](#)
- [ASOP 5, Incurred Health and Disability Claims](#)
- [ASOP 7, Analysis of Life, Health and Property Casualty Cash Flows](#)
- [ASOP 8, Regulatory Filings for Health Plan Entities](#)
- [ASOP 12, Risk Classification](#)
- [ASOP 17, Expert Testimony by Actuaries](#)
- [ASOP 19, Appraisals of Casualty, Health and Life Insurance Businesses](#)
- [ASOP 21, Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas](#)
- [ASOP 22, Statement of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers](#)
- [ASOP 23, Data Quality](#)
- [ASOP 25, Credibility Procedures](#)
- [ASOP 26, Compliance with Statutory and Regulatory Requirements for the Actuarial Certification of Health Insurance Reserves and Liabilities](#)
- [ASOP 28, Statements of Actuarial Opinion Regarding Health Insurance Liabilities and Assets](#)
- [ASOP 41 Actuarial Communications](#)
- [ASOP 42 Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims](#)
- [ASOP 45 The Use of Health Status Based on Risk Adjustment Methodologies](#)

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Learning Objectives	
6. The candidate will understand how to apply principles of pricing, benefit design and funding to an underwriting situation	
Learning Outcomes	
The candidate will be able to:	
<ul style="list-style-type: none">a) Understand the risks and opportunities associated with a given coverage, eligibility requirement or funding mechanismb) Evaluate the criteria for classifying risksc) Recommends strategies for minimizing or properly pricing for risksd) Describe basic approaches to credibility theorye) Apply the credibility theory to a given underwriting situation	
Syllabus Resources	
<ul style="list-style-type: none">• <i>Group Insurance</i>, Bluhm, 6th Edition<ul style="list-style-type: none">○ Ch. 26, Underwriting Large Groups○ Ch. 27, Underwriting Small Groups○ Ch. 28, Managing Selection in a Multiple Choice Environment○ Ch. 37, Experience Rating and Funding Methods• GHA-104-13: Actuarial Aspects of Employer Stop Loss• GHA-105-13: Group Disability Insurance (section 6 only)• GHA-106-13: Group Life Insurance Sections 5 & 7• GHA-107-13: Pricing Medicare Supplement Benefits, Section VI• GHA-108-13: Medical Underwriting: Approaches and Regulatory Restrictions (Shreve-Milliman Research Report)• Modeling Anti-Selective Lapse and Optimal Pricing in Individual and Small Group Health Insurance, HealthWatch, February 2010	