



Contact: Stacey Muller
Milliman, Inc.
Tel: +1 262 796 3490
stacey.muller@milliman.com

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Press Release

Results from the Actuarial Challenge: The Individual Health Market

Significant drops in uninsured rates and reductions in out-of-pocket costs among finalists

Seattle — May 5, 2017 — The Robert Wood Johnson Foundation (RWJF) and the actuarial and consulting firm Milliman announce the results of the Actuarial Challenge: The Individual Health Market, a collaborative event for health actuaries to test different approaches to increase stability in the individual health insurance market.

The *Actuarial Challenge* elicited innovative ideas and proposals from informed actuaries to move the individual health insurance market further toward the goal of universal access to quality health services and providers in a financially secure and stable way. Actuaries considered the costs the solution places upon individuals, employers, healthcare providers, taxpayers, and other health sector stakeholders.

The [results](#) of the Challenge are now available. Fourteen proposals were submitted by teams of actuaries. A panel of actuarial judges chose five for which simulation modeling was conducted by Milliman. The results for those five proposals indicate the possibility of a significant drop in the number of uninsured people under four of the proposals and reductions in total out-of-pocket costs (premium and benefit cost-shares) from 6 percent to 45 percent.

“The release of the challenge results is timely, given the current prominence of individual market reform as a policy issue,” said Katherine Hempstead, Senior Advisor at the RWJF, “Actuaries have a unique perspective and expertise, and there are aspects of these proposals that are highly relevant to current policy discussions.”

The analyses illustrate the impact of each proposal on health plan issuers, health care providers, employers, and on funds needed from government or other sources to make these reforms successful. Results are shown on both a total dollar basis and a per member basis.

The American Academy of Actuaries and the Society of Actuaries, the two largest professional actuarial organizations in the nation, helped promote the Challenge among their members.

Rebecca Owen, Health Research Actuary with the Society of Actuaries, who also served as one of the judges for the Challenge, stated, “The Actuarial Challenge has been a great opportunity



for actuaries to make their voices heard and ideas for reform considered as part of the important national discussion on improving and stabilizing the individual health market.”

Jim O'Connor, a principal with Milliman, cautioned, “In evaluating each proposal, it is important to not only consider how much premiums are reduced, but also how those reductions can be achieved and how other important stakeholders in our healthcare system are affected.”

Those interested in more information about the *Actuarial Challenge*, the results mentioned above, and the specific proposal papers submitted by each participating team should visit the *Actuarial Challenge* website at <http://challenge.actuary.org/> or contact the Challenge at stacey.muller@actuarialchallenge.com.

The proposals expressed in the submitted papers do not necessarily reflect the views of the Robert Wood Johnson Foundation, Milliman, the American Academy of Actuaries, the Society of Actuaries, or the employers of the Actuarial Challenge participants, and should not be viewed as an endorsement by any of these organizations.

About Milliman

Milliman is among the world’s largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. It is the leader in providing actuarial consulting services to the health industry, helping clients balance competing priorities in today’s healthcare environment. For further information, visit www.milliman.com.

About the Robert Wood Johnson Foundation

For more than 40 years the Robert Wood Johnson Foundation has worked to improve health and health care. It works with others to build a national Culture of Health enabling everyone in America to live healthier lives. For more information, visit www.rwjf.org Follow the Foundation on Twitter at www.rwjf.org/twitter or on Facebook at www.rwjf.org/facebook.