ACTUARIAL SOCIETY OF SOUTH AFRICA

QUANTIFYING RISK, ENABLING OPPORTUNITY

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Reflecting on the actuarial profession's commitment to the Public Interest

AGENDA

- What is Public Interest?
- Does the NHI submission reflect our commitment?
- What is the problem?
- Possible alternative models
- Way forward

The Florence Nightingale Bio

- 1820 - 1910
- English social reformer, statistician, founder of modern nursing
- Came to prominence during Crimean War
- She saw her mission: ‘To serve humanity through the prevention of needless illness and death’
- Reformed the British military health-care system
- Founded nursing training programs and defined sound professional nursing standards

The National Health Insurance (NHI) – ASSA Submission

- Agree with principle of universal coverage
- Highlights lack of analysis of impact on all stakeholders
- Highlights lack of clarity in benefit package and contracting of service providers
- Bemoans exclusion from task teams
- Highlights usefulness of ASSA NHI model

Question?

As thought leaders in understanding, modelling and managing risk, is this all we can do?

Emerging Thoughts on Professionalism by Paul Lewis

- Expresses sense of dissatisfaction with our narrow scope
- Under-utilised long-term thinkers and problem solvers
- The use of oblique methods
- Pursuing the higher goal – purpose
- Need a framework to understand complex problems
- Isn’t there something more to be done?

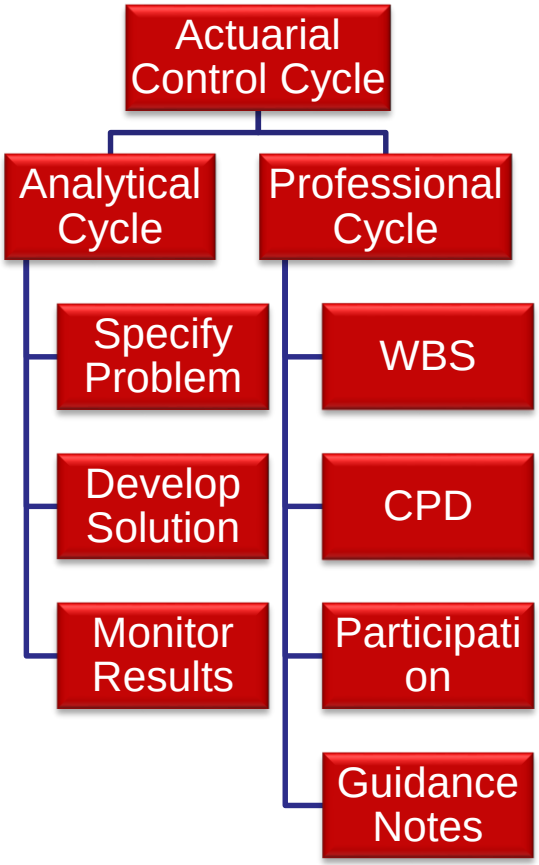
Isn’t there Something more to be done?

In reflecting on the ethical standing of leadership, a useful starting point is to contrast leadership and management … The manager treats ends as given, as outside his scope; his concern is with effectiveness in transforming raw materials into final products …

Leaders, however, are different. We expect our leaders to lead the way, to show moral courage and to embody and articulate values beyond that of efficiency. We expect leaders to talk to us, to address our concerns and to listen to us. Sometimes, we expect our leaders to see clearly, to possess a certain conviction and resoluteness represented by that overused and abused word, vision.

Current Actuarial Practice Framework

Is this perhaps constraining us?



Public Interest in the Actuarial Profession

- Indirect service to the Public – maintaining technical actuarial standards & code of ethics
- Disciplinary system & Whistle-blowing
- Influencing policy-making for public good
- No need to extend beyond commercial role

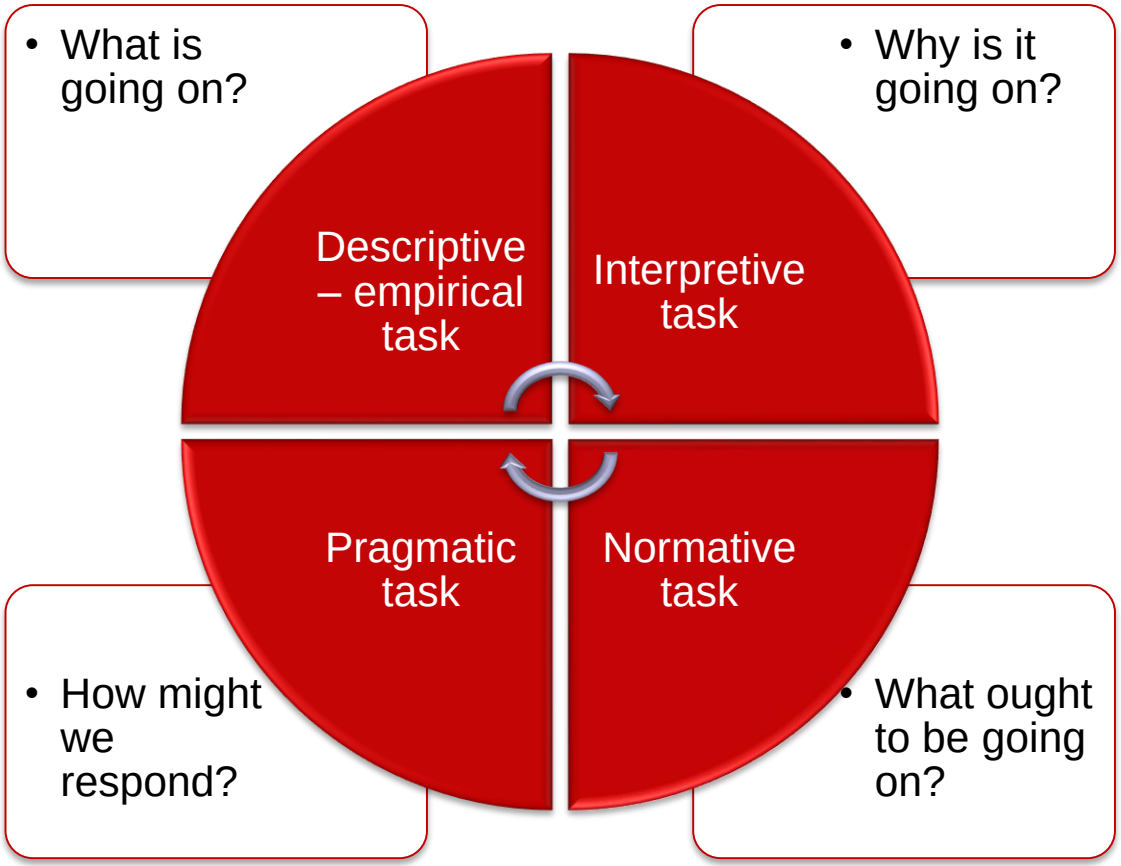
What is the problem?

We are thought managers in understanding, modelling and managing risk

What is the solution?

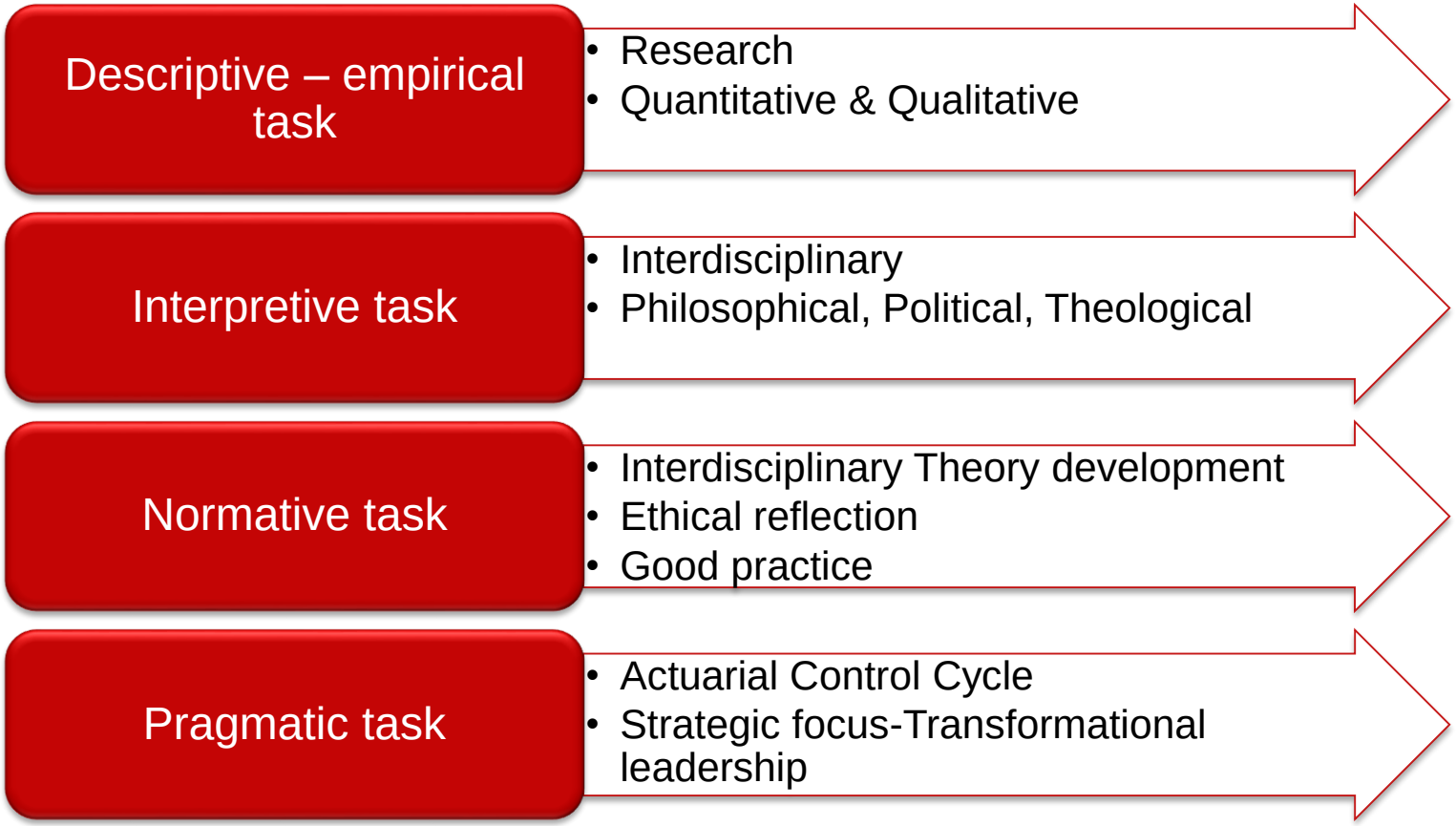
We need to develop a new framework that will enable us to address Public Interest proactively

Osmer Model used in Practical Theology



Source: Osmer RR 2008. Practical theology: an introduction. Grand Rapids: Eerdmans

Osmer Model in Actuarial Practice



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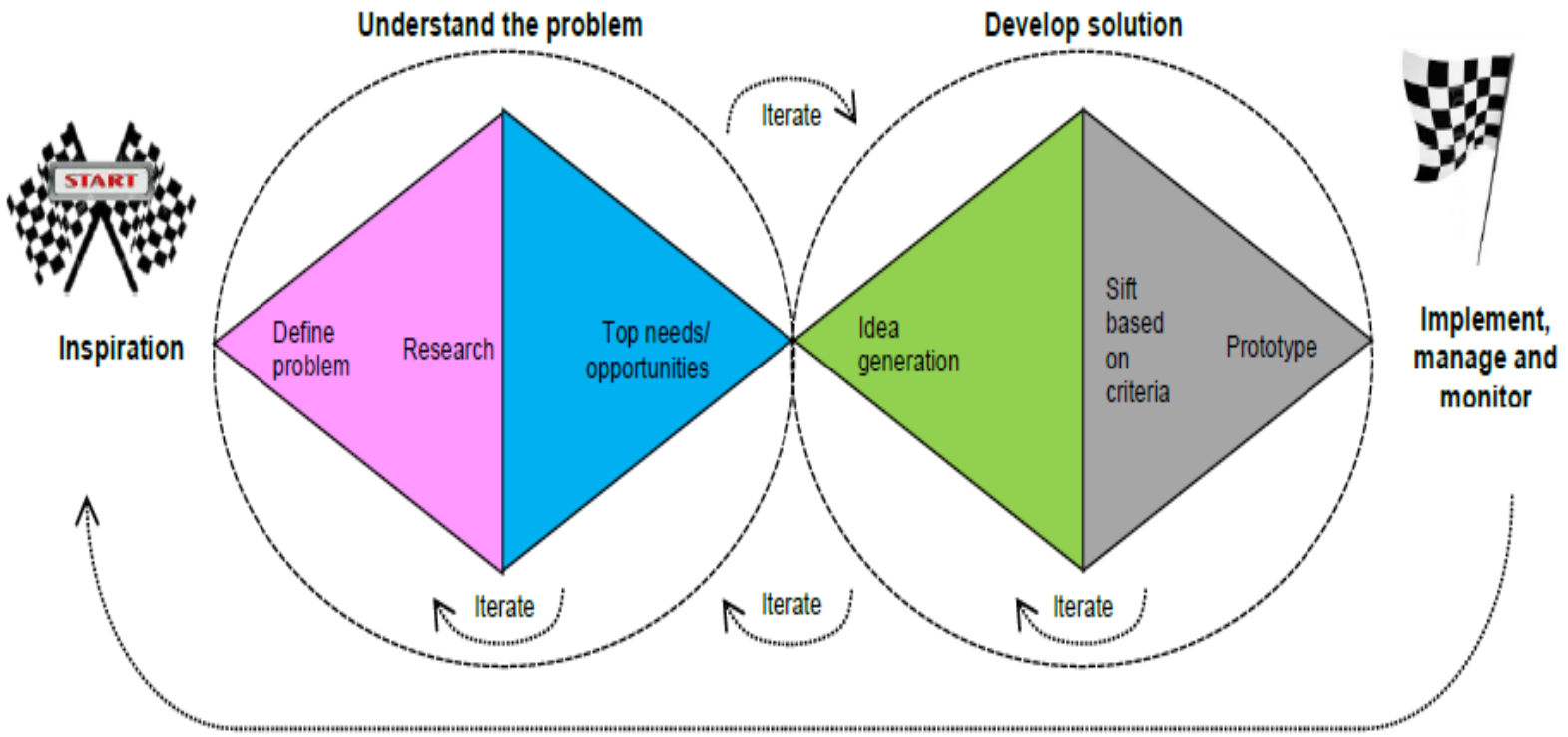
Design Thinking – The Public as the main customer



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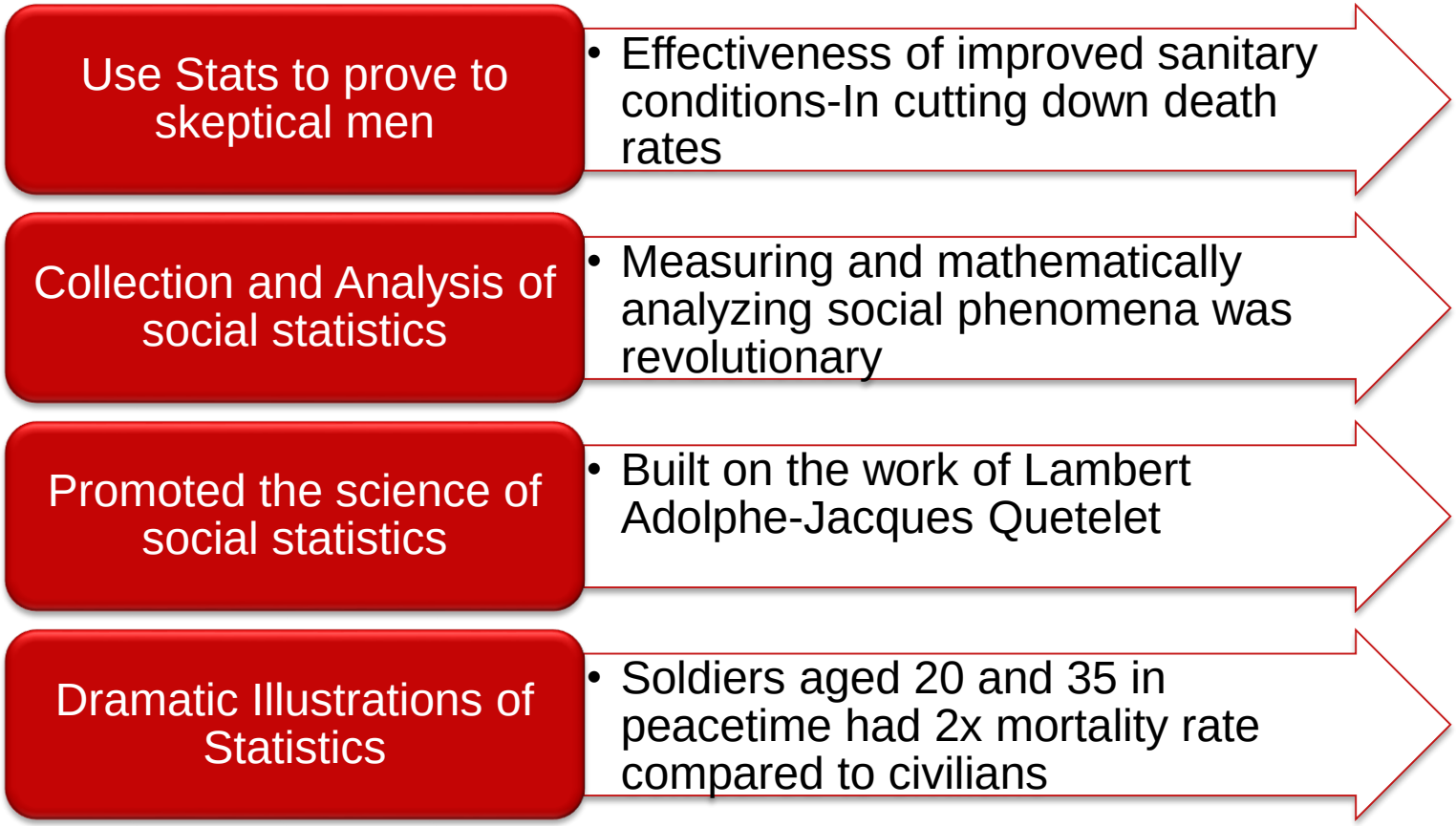
Source: Bernard Cohen, Scientific American, 1984

Pioneering use of Advanced Statistical Techniques



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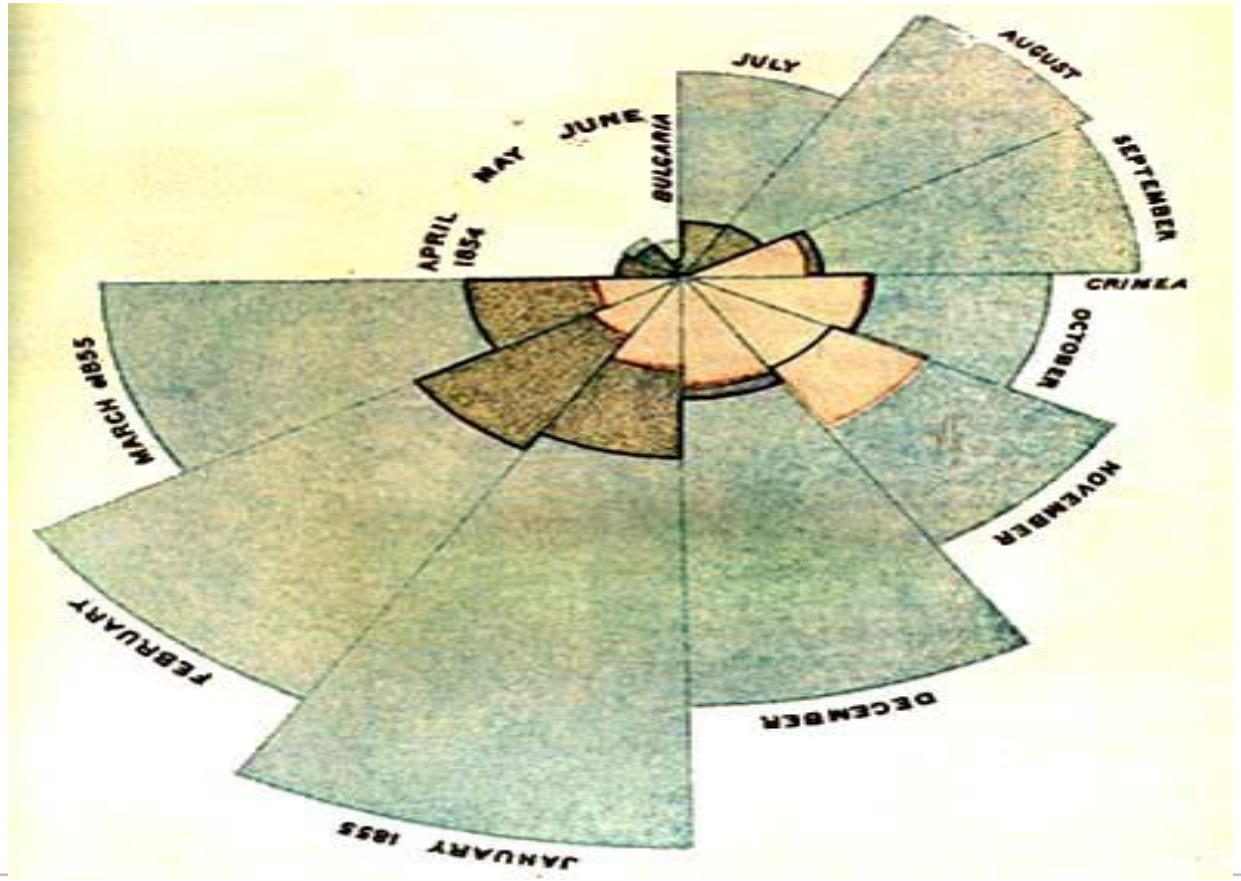


Source: http://www-history.mcs.st-and.ac.uk/Biographies/Nightingale.html

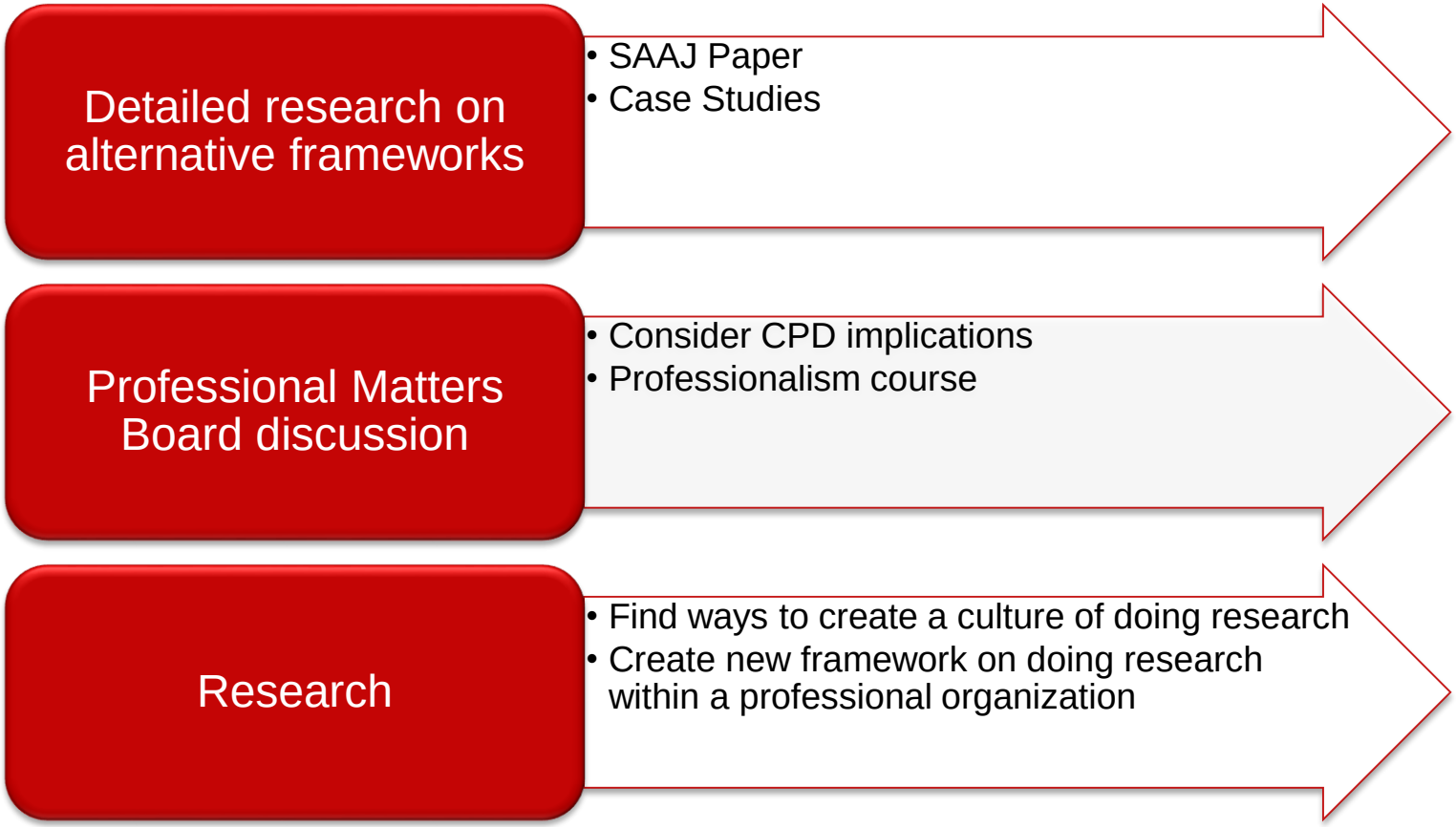
Influencing decision-makers

Writing reports, books	• Wrote and privately printed an 800 page book titled *Notes on Matters Affecting the Health; Efficiency and Hospital Administration of the British Army*
Used Graphical representation of Statistics	• Her book included a section on statistics accompanied by diagrams
Printed graphs in pamphlets and distributed	• Distributed in parliament, government and the army
Fought for the introduction of Stats in Higher Education	• To make statistics common • To avoid legislating in 'darkness'

The Florence Nightingale Model for Public Interest

- The need for a corporate and individual higher goal - calling
  - Personal professional creed
  - Corporate professional creed
- Interdisciplinary approach to problem-solving
- Research
- Purposeful and pro-active strategies to influence authorities
- Taking initiative to raise funds and use own funds for higher calling
- Spending quality time with the ‘Public’
- Systems thinking

Way Forward


Detailed research on alternative frameworks
• SAAJ Paper
• Case Studies
Professional Matters Board discussion
• Consider CPD implications
• Professionalism course
Research
• Find ways to create a culture of doing research
• Create new framework on doing research within a professional organization

Way Forward NHI

Summary of NHI Submission Research Questions

Single payer vs multiple payer	• What does research indicate? • What do our modelling results indicate? • Who needs to see this research?
Scenario Modelling	• If it is so important why not publish the NHI model results? • Is there more research that needs to be done?
Financial Impact on households	• Is this something we should do in collaboration with others and publish it?
Supplier induced utilization risk	• Have we sufficiently modelled this? • Do we have a solution?
The cost of NHI – key variables	• What is the impact of the key variables on costs? • What are the mitigating strategies?

Conclusion

There is a trust deficit

- Embracing a strong Public Interest Vision and Strategy should help restore trust

Public Interest requires commitment to a higher calling

Thought leadership must be about meaningful influence

Collaboration with other thought leaders is a must

Skin in the game – raise funds to enable detailed research work

Get on the ground – hospitals, clinics

Publish Publish Publish