

9th CCHFI Trinidad and Tobago

Management Efficiencies in Planning Care for the Elderly - Actuarial and Business Perspectives

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Health • Benefits • Employee Assistance • Retirement

Business. Needs. People.

Planning and Managing Risk

- Within Health Insurance much of the risk management and planning tends to focus on the short-term
 - Risk is measured by estimating claims over the next year
 - An assessment of capital adequacy requirements or reinsurance needs is undertaken
 - Premiums or contribution rates are established
 - There is an ongoing assessment of the loss ratio and financial position
 - Adjustments are made as needed
- There are no long-term promises or commitments
 - Payment of claims stop for services after the last paid premium

Planning and Managing Risk

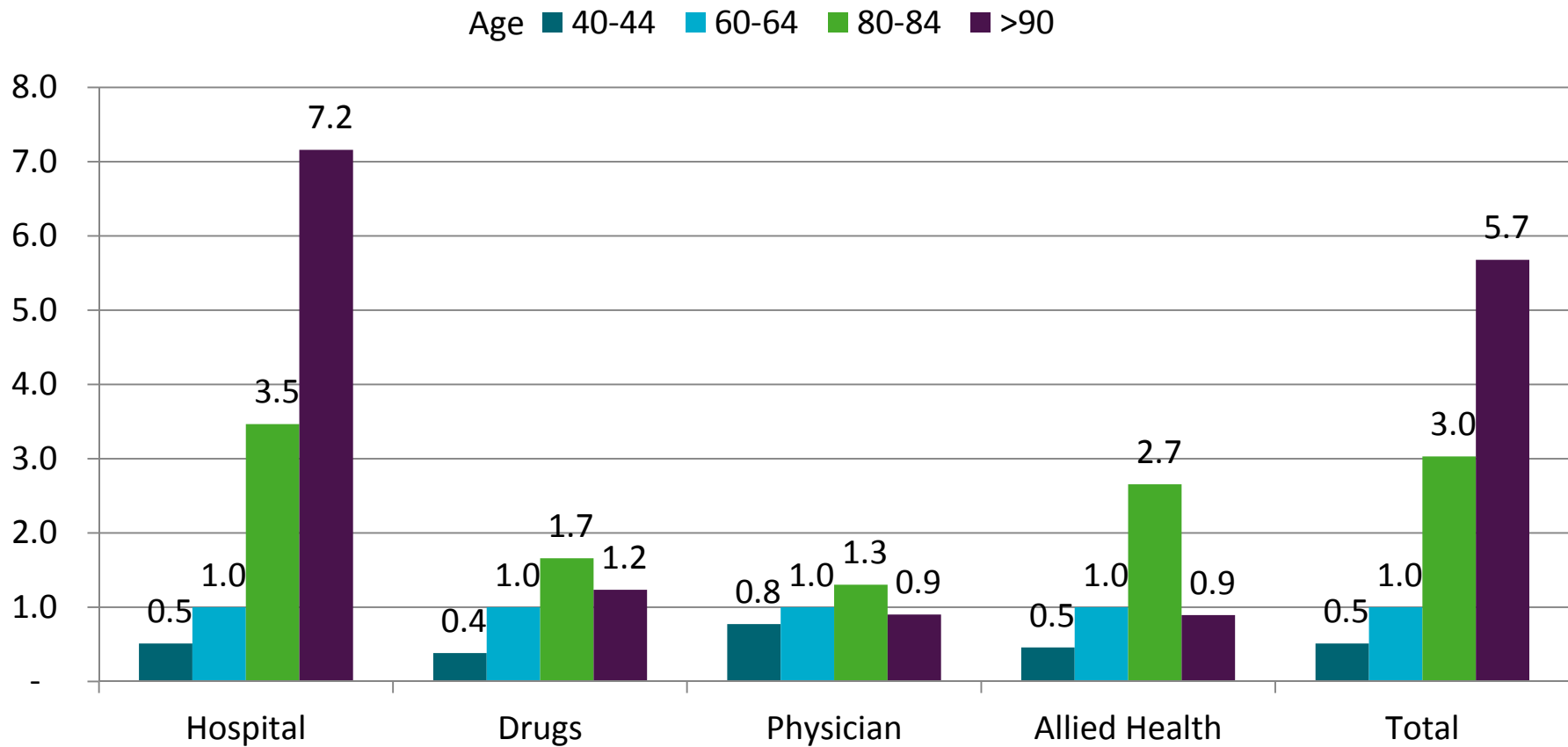
- Governments and social insurance programs can't afford to focus only on the short-term
 - Consider the planning work typically undertaken by a pension plan
 - Strong culture of long-term planning and risk management
 - Commitments are modelled long into the future
 - Regular assessments of financial position are undertaken
 - Sustainability of the program is reviewed
 - Corrective actions and policies can be developed
- Why should the planning for health programs be any different?

Planning for the Elderly

- Defining the problem:
 1. Is it due to the cost of care for the elderly?
 2. Is it an increased number of elderly due to the ageing of the population?
 3. Is it due to the elderly living longer?
 4. Is there sufficient capacity within the healthcare system to deliver the care?
- It's all of the above (and more)!

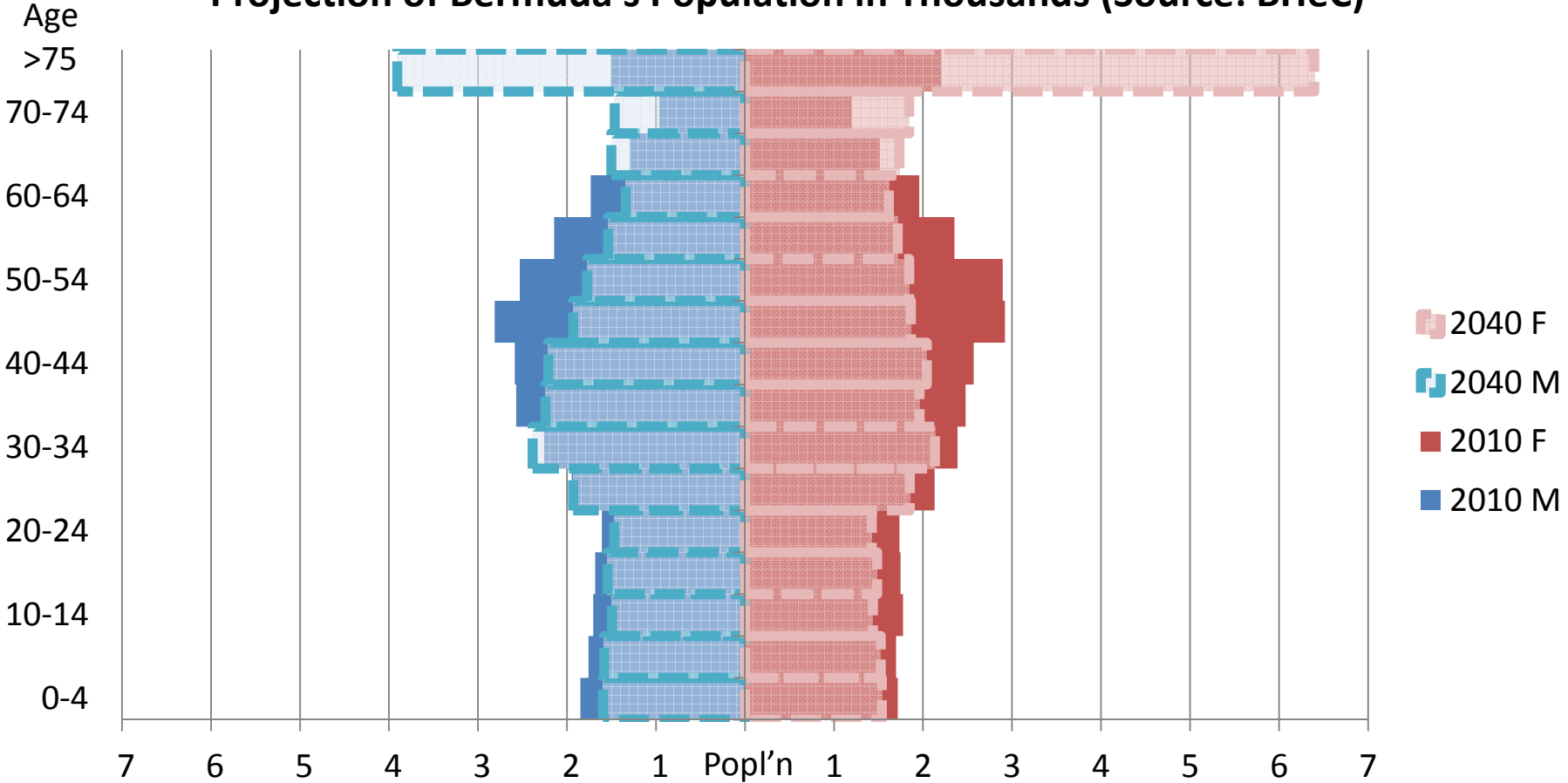
1. Cost of Care

Relative Costs of Care in Bermuda (Source: BHeC)



2. Increasing Number of Elderly

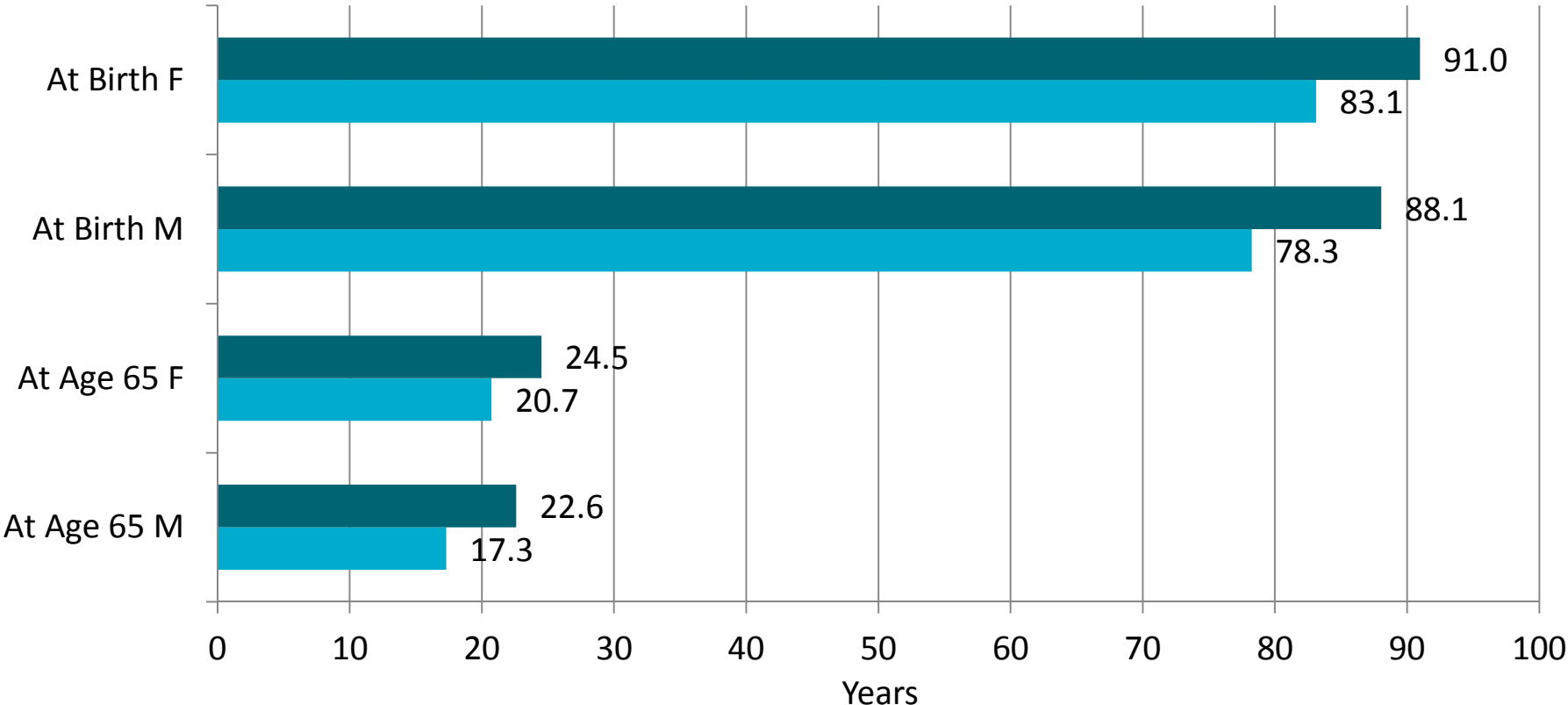
Projection of Bermuda's Population in Thousands (Source: BHeC)



3. Longer Lifespans

Change in Life Expectancy

■ Today ■ In 1994



4. Capacity - Human Resources

- Human Resources:
 - On average, the elderly visit a general practitioner 30% to 40% more often than a person of working age
 - A Canadian report* found that the supply of physicians will need to increase by 46% over the next 25 years to keep up with increased demand as a result of aging and population growth
- What might be the effect of a physician/specialist shortage?
 - Worse health and economic outcomes?
 - Delays in receipt of care, care being directed to the ER?
 - Prioritization of urgent or complex cases?
 - Rationing of care?

*Sustainability of the Canadian Health Care System and Impact of the 2014 Revision to the Canada Health Transfer sponsored by the CIA and SOA

4. Capacity - Infrastructure

- Infrastructure for the aged
 - The prevalence of need for assisted living care in a non-residence based setting rises significantly from age 75
 - Retirement residences
 - Skilled nursing long-term care facilities
 - Hospital based facilities
 - Palliative care facilities
- As demand for services increase, will healthcare systems be able to deliver care in the appropriate setting and at an affordable cost?
 - Major infrastructure requires long-term planning

Final Thoughts

- Are there any silver linings?
 - Technology
 - Outsourcing offshore
- Pension plans are prefunded
 - Should healthcare be prefunded?
- Call to Action
 - Q. When is the best time to plant a tree?
 - A. Twenty years ago.



Business. Needs. People.

Thank You

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