

Comment #1 – 6/21/17 – 12:34 p.m.

Hello,

I am writing to provide commentary on the draft of ASOP 42.

I am concerned about this statement in ASOP 42 related to collectability of risk sharing amounts:

“The actuary should include any such amount due from the providers only to the extent that the actuary reasonably expects it to be collectible.”

The way I read this statement, it seems we are going to be required to opine on collectability of provider risk sharing assets when estimating those amounts. It seems to me that as actuaries we are not equipped to opine on the collectability of any asset. Requiring actuaries to determine if assets are collectable is unduly burdensome and outside our skill set.

A little earlier in the draft, it says “the actuary should consider the collectability of the amount due”. I think this is more appropriate language. While an actuary should consider the collectability of an asset, the onus of determining the expected collectability of the asset should not be placed on the actuary.

Thanks!

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