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HOLIDAY READING

SATIRE

"The first thing we do, let's kill all the actuaries"

Alan Cassels MPA

My thesis is simple: Many decisions about where we will live and how we will be cared for as we grow old are not made by humans, they're made by actuaries. And that's why we need to slay them.

If the first thought popping in your head is, "What the heck is an actuary?" don't feel bad. No one really knows what an actuary does. They are the invisible men (and women) of the insurance industry; the behind-the-scenes, uber-mathematicians and statistical whiz types who frolic in the risk management playground trying to predict how often and how bad things will get. When researching how they do it I found a very reliable source (a bumper sticker) that proclaimed: "Actuaries do it with frequency and severity."

In essence, they try to figure out what the future is likely to cost. Actuaries can calculate the probability and the cost of catastrophe, and help people be sufficiently prepared and sheltered from whatever storms might come their way.

By now, you're getting a warm glow about actuaries. You can imagine your mother saying: "Isn't it good that we have such nice people who keep us safe?" To which you should reply: "Mom, don't be ridiculous." Real people don't hire actuaries, companies do, especially insurance companies and others who have a stake in predicting how you're likely to live when you get old. Don't get all warm 'n' fuzzy about these math nerds who will likely try to imprison you in a home for the aged, stick your offspring with a massive bill and ply you with tons of prescription pharmaceuticals. We're talking Godzilla with a spreadsheet.

You will typically find actuaries hanging around investors and developers of seniors' homes for two simple reasons: operating a seniors' home involves zillions of variables and lots of money to fund the armies of medical consultants, specialists, pharmacists, nurses, care aides, and all the assorted cooks, laundresses, cleaners and cobblers. So who's there to help tweak the model? Actuaries.

If you ask an actuary what life in Canada will be like when you turn 95, will he consult the spreadsheet and say you'll likely be playing joyfully with your great-grandchildren in your garden? Probably not. Chances are, the actuary will point to some degree of statistical certainty and say that by 95 you'll be in an overheated home for the aged, likely drooling in a wheelchair, impatiently waiting for your Jello. Actuaries are realists, another reason why we hate them.

Perhaps we shouldn't blame the actuaries for delivering

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the truth. Any good business model tries to substitute expensive inputs for cheaper ones — they want to maximize financial returns and tend to squeeze out the expensive human factors (nurses, and other aides, for example) in turn for lots of medication, technology and automation. If you can use technology to help with all the downsizing, outsourcing, right-sizing, smartsizing or whatever it's called to keep the paid staff to a bare subsistence level, you're doing the job you're hired to do.

Let's take the drug delivery system for example, which is now down to a fine art. Any time I visit a seniors' home I'm always left breathless at the sheer volume and size of the

pharmaceutical bubble packs floating around. I wonder with so many drugs, whether patients have any space left in their stomachs for food. A typical conversation might go like this:

Nurse: "Here dear, have some Jello? It's grape."

Mrs. McGillicutty: "Not tonight nurse, I've got 34 more pills to swallow before I tuck in for the night."

Nurse: "Let me get you some apple juice then."

And so on.

It's a tightrope those actuaries help businesses walk. If the residents are over-drugged, that increases the chances they'll be soon shuffling off the mortal coil and you lose a paying customer. Too few drugs and the cranky seniors are more likely to act out, throwing their Jello or complaining about the &%%\$*\$\$ soup being cold again. Aggressive clients usually require more care aides and nurses to help calm them down. Easier-to-handle clients, however, means a higher statistical likelihood of being harmed by pharmaceuticals (about 44% of all reported adverse drug events in Canada are in seniors). Clearly less-drugged but perhaps more nurse-intensive situations are really expensive, so

you can't go all mamby pamby in that direction either. But the actuaries have got it all figured out.

It seems to me that things are pretty stacked against the pesky human factors (namely patients, nurses and doctors) who are outgunned by the pharmacies and pharmacists, the bubble pack makers, and the Jello manufacturers. And the actuaries.

Me? I think we need a new system where caring for humans, instead of caring for spreadsheets wins out. How do we start with a tall order like that? Do we rewrite Dick the Butcher's infamous words (in Shakespeare's *Henry VI*, as he was speaking of lawyers) and say: "The first thing we do, let's kill all the actuaries."

Kinda drastic, but it might be a start.

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Correspondence: Alan Cassels, cassels@uvic.ca

Affiliation: Drug policy researcher, University of Victoria, Victoria, BC

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