



SOCIETY OF ACTUARIES

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## Paper on aspect of drug card programs earns Fellowship credit

by Donald A. Jones

The Education and Examination Research Paper Committee recently awarded 30 Fellowship credits to Stephen J. Kaczmarek, ASA, for his paper, "A Quantitative Analysis of Factors Affecting Formulary Compliance in Prescription Drug Card Programs." This is the 13th such paper approved for Fellowship credit under the Future Education Methods program.

The paper notes that the strong trend toward higher pharmacy benefit costs has focused attention on the effectiveness of cost containment methods in managed pharmacy plans. The type of formulary used is a signifi-

cant plan design feature and influences the types of drugs used, thereby impacting costs. Formulary compliance has been traditionally defined as the percentage of drugs used that are on the formulary's preferred list. Under this method, the less restrictive a formulary's preferred list is (thus offering a wider range of drugs and prices), the greater the compliance achieved will be. Kaczmarek presents a model for measuring compliance by gauging the formulary's effectiveness at reducing use of nonpreferred drugs. Four groups with three different types of formularies are studied and their effectiveness is measured using the

proposed model.

Dale Griffin, FSA, and Patrick Meek, Pharm.D. (University of Wisconsin-Madison School of Pharmacy) refereed the paper. Samuel Cox, FSA, served as the candidate's supervisor and provided reviews to the Committee.

Copies of the paper are available from Ellen Bull, SOA staff librarian (phone: 847/706-3575; fax: 847/706-3599; e-mail: [ebull@soa.org](mailto:ebull@soa.org)).

**Donald A. Jones, professor of mathematics, Oregon State University, chairs the SOA's E&E Research Paper Committee. He can be reached by e-mail at [jonesd@math.orst.edu](mailto:jonesd@math.orst.edu).**

## New Section, newsletter focus on LTC topics

Learn about the newest SOA Section and its activities in the first issue of *Long Term Care*, the Section's newsletter.

Approved by the SOA Board of Governors in January 1999, the Long Term Care Insurance Section grew out of SOA members' high

degree of interest in long-term care topics. James Glickman, now the Section's council chair, noticed the strong attendance at LTC sessions at SOA meetings and launched a successful drive to form the Section.

The newsletter's first issue was sent to Long Term Care Insurance

and Health Section members in September.

The first issue is posted on the SOA Web site ([www.soa.org](http://www.soa.org) under *Areas of Interest, Special Interest Sections*).

## IN MEMORIAM

**Roy W. Aikman**  
ASA 1950, MAAA 1966

**Floyd A. Bash**  
ASA 1952, MAAA 1968

**James M. Bates**  
ASA 1948, MAAA 1966

**Charles Buell**  
FSA 1971, MAAA 1966

**Marilyn A. Hughes**  
FSA 1976

**Theodore Louis Juergens**  
ASA 1988, MAAA 1989

**Robert S. Makohoniuk**  
FSA 1990, FCIA 1990

**Thomas B. Morrison**  
FSA 1932, FCIA 1965,  
MAAA 1966

**Lucille Murray**  
FSA 1967, MAAA 1966

**George W. Young**  
FSA 1946, MAAA 1965