



SOCIETY OF ACTUARIES

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Chairperson's Corner

by Karl G. Volkmar

The "section-year" runs from late October to late October, beginning and ending during the annual meeting each fall. This is when the Health Section Council (HSC) turns over—three of the nine HSC members officially rotate off the HSC (but, thankfully, they usually still help out!) and three newly elected members join the crew. Please note, however, that this year is different than prior years—everyone is effectively new to the HSC this year. This is not due to a strike or a mass exodus—six of the HSC are, in fact, returning—but due to significant changes being implemented in conjunction with this "changing of the guard." As you may know, the elected HSC has served section members for nearly 25 years. They have served their members primarily by:

- Providing continuing education opportunities primarily through the Spring and Annual SOA meetings;
- Providing communication and networking opportunities (e.g., Health Section News, meeting events, etc.); and,

- Soliciting, oversight and sponsorship of practical short-term research.

The Health Benefit Systems Practice Advancement Committee (HBSPAC) is an appointed committee of the SOA that has served all practicing health actuaries by (for example):

- Providing thought leadership to the SOA.
- Developing and maintaining external relationships with other professions, associations, etc.
- Soliciting, oversight and sponsorship of longer-term research.

As a result of the SOA's governance audit we've been hearing about for some time, the decision was made to merge these two groups into one. The surviving group is called the Health Section Council, but it really could be renamed. It will only be through the effective integration of the energy,

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Book Review

Disease Management Program Evaluation Guide

by William R. Lane

Actuaries who work with medical insurance, either as plan actuaries who must price the cost of coverage, or as employee benefits actuaries who must advise employers as to how well disease management programs are working, will find the "Disease Management Program Evaluation Guide" a good working reference.

The Disease Management Association of America (DMAA) has compiled a lot of basic information on the evaluation of disease management programs into one relatively short book (less than 80 pages).

The book talks about the issues facing anyone who is attempting to evaluate disease management (DM) programs for cost effectiveness. It discusses the most accurate ways to make such evaluations and why these approaches tend to be very difficult to implement in the real world. Page 33 has a chart covering a dozen ways to study cost effectiveness and gives some comparative thoughts on each, such as relative accuracy, relative ability to implement in the real world, relative time frame to implement and whether a control group is needed in order to use this approach.

The book touches briefly on a number of important considerations such as timing, trend, appropriate measures, how to establish a "population," causation, regression to the mean and the general validity of the results. It also provides a checklist for evaluating your own DM evaluation process. Since it is a short book, it cannot cover these topics in depth and often simply highlights the problem without lengthy discussion as to how to solve the problem.

One aspect of the book that I found difficult was the heavy use of "insider" language. "Pre-post" designs may be familiar to DM specialists, but I had some difficulty getting up to speed with the lingo. To alleviate this problem, readers should consider also acquiring the companion volume, "Dictionary of Disease Management Terminology."

I found the book well worth reading and would strongly recommend it to anyone who needs to study the cost benefit of medical interventions. 📖



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