



AMERICAN ACADEMY *of* ACTUARIES

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# NEWS RELEASE

IMMEDIATE RELEASE

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## Actuaries Evaluate Disease Management Programs Address Financial Impact on Medical Costs

(Washington, D.C. –April 27, 2005) With the skyrocketing cost of health care and a public focus on health care quality, many employers are looking at ways to improve the treatment of many chronic diseases, such as asthma and diabetes, through disease management programs. The American Academy of Actuaries has released the issue brief, **Disease Management: What's the Cost?**, which provides policy-makers and the public with a basic background of the issue along with a primer about the financial evaluation of these programs.

According to actuaries who work in this arena, two primary issues that need to be addressed when considering these programs include determining methodologies for medical costs and actuarial equivalence. The brief also highlights several analytical issues, including the quality, completeness, and consistency of data, regression to the mean, selection bias, and statistical validity.

As defined by the Disease Management Association of America, “disease management is a system of coordinated healthcare interventions and communications for populations with conditions in which patient self-care efforts are significant. Disease management programs: 1) Support the physician or practitioner/patient relationship and plan of care; 2) Emphasize prevention of exacerbations and complications utilizing evidence-based practice guidelines and patient empowerment strategies; and 3) Evaluate clinical, humanistic, and economic outcomes on an ongoing basis with the goal of improving overall health.”

For a copy of the issue brief, go to [http://www.actuary.org/pdf/health/disease\\_april05.pdf](http://www.actuary.org/pdf/health/disease_april05.pdf). To interview Robert N. Parke, chairperson of the Disease Management Work Group, please contact Tracey Young, the Academy's media relations manager by phone at 202-785-7872 or by e-mail at [young@actuary.org](mailto:young@actuary.org).

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The American Academy of Actuaries is the nonpartisan public policy organization for the U.S. actuarial profession. The Academy provides independent analysis to elected officials and regulators, maintains professional standards for all actuaries, and communicates the value of actuarial work to the media and public.