ABBREV	Preferred term	Synonym term	Definition/Description
	Access		The ability to obtain health care, as determined by factors such as the availability and **affordability** of goods and services.
	Active Ingredient	**(Active) Substance, Compound**	The primary chemical substance or compound contained in a pharmaceutical. Some **pharmaceuticals** contain more than one active ingredient (**combination product**).
	Acute Care Beds		Hospital beds available for acute care, defined as curative care
	Affordability		Financial accessibility of goods and services.
	Analogous Substitution		Dispensation of a **pharmaceutical** (often **generic**) by the pharmacist with a different **active ingredient** (or **combination product**) but the same therapeutical effect instead of the product prescribed by the doctor. Cf. also **generic substitution**.
ATC	**Anatomic Therapeutic Chemical classification**	**Anatomic Therapeutic Chemical Code**	In this WHO classification system **pharmaceuticals** are divided into different groups according to the organ or system on which they act and their chemical, pharmacological and therapeutic properties.
	ATC 4 level	**ATC-4 level**	Defines a therapeutic group within the **anatomic therapeutic chemical** classification system.
	ATC 5 level	**ATC-5 level**	Defines a single **active ingredient** or a fixed combination of active ingredients within the **anatomic therapeutic chemical classification system**.
	Benchmarking		A process of measuring another organisation's product or service according to specified standards in order to compare it and improve one's own product or service.
	Bioavailability	**Bio-availability**	The amount of an **active ingredient** that is absorbed by the organism and the speed at which this occurs when introduced in a given dosage form.
	Bioequivalence	**Bio-equivalence**	Two **pharmaceuticals** are bioequivalent if they are pharmaceutically equivalent (cf. **pharmaceutical equivalence**) and their **bioavailability** (rate and extent of availability) - after administration in the same moral dose - is similar to such a degree that their effect can be expected to be essentially the same.
	Brand Name		The trade or marketing name of a **pharmaceutical.** Also **generics** may have a brand name.
	Branded Generic		Cf. **generic.**
	Capitation		A remuneration method for **general practitioners** applied by some **social health insurance / national health service.** The remuneration is based on a fixed monthly amount for each enrolled/listed patient.
CIP	**Carriage and Insurance Packaging**	**Carriage and Insurance Paid To**	A type of price quotation, indicating the delivery of goods including cargo insurance to the named place of destination at seller's expense. In an export the quotation indicates the place of destination (discharge) after the acronym CIP, for example CIP Athens.
	Central Taxation		Taxes collected through central government.
	Centralised Procedure		Way of approval of **pharmaceuticals** valid in all Member States.The Centralised Procedure is administered by the European Medicines Agency (EMEA) in London. It consists of a single application which, when approved, grants **marketing authorisation** for all markets within the European Union. This procedure is available to all new, innovative pharmaceuticals, and is obligatory for 1. biotechnology-derived products, 2. new active ingredients for treating AIDS, cancer, diabetes and "neuro-degenerative illnesses" as well as 3. **orphan drugs**. Under certain conditions the centralised authorisation can be limited for one year. If the pharmaceutical is important for public health (especially therapeutic innovations) the appraisal period can be abbreviated.
	Claw-back	**Clawback**	A system allowing **third party payers** to recoup (part of the) discounts/rebates granted in a reimbursement system between various stakeholders, e.g. wholesalers and pharmacists.
	Combination Product		A **pharmaceutical** that contains more than one **active ingredient**.
	Community pharmacy		Health care facility dispensing pharmaceuticals (POM and OTC, reimbursable and non-reimbursable **pharmaceutical**s) to out-patients. Pharmacies are subject to pharmacy legislation (e.g. national legislation regarding establishment and ownership of pharmacies), cf. **pharmaceutical retailer**
	Compulsory Health Insurance	**Obligatory Health Insurance**	Health Insurance under an obligatory scheme basing on a legal act, usually with income-related contributions. See also **social health insurance** and **voluntary health insurance.**
	Consumption-based Reimbursement		The level of r**eimbursement** depends on the expenses for **pharmaceuticals** of a patient within a certain period of time (increasing reimbursement with rising consumption).

ABBREV	Preferred term	Synonym term	Definition/Description
	Contribution		Money paid by or on behalf of insured persons to a **social health insurance** to purchase the coverage of a defined range of services (the benefit package).
CIF	**Cost, Insurance and Freight**		The cargo insurance and delivery of goods to the named port of destination (discharge) at the seller's expense. Buyer is responsible for the import customs clearance and other costs and risks. In the export quotation, indicate the port of destination (discharge) after the acronym CIF, for example CIF Athens.
	Cost-Containment	**Cost Containment**	Measures like **price freezes** taken to reduce expenditure or the rate of growth of expenditure, or the unit cost of services.
	Cost-Effectiveness Analysis	**Cost Effectiveness Analysis**	Compares the cost per unit of outcome of alternative therapies with the aim of identifying the most efficient therapy. Determines the cost incurred to obtain an increase in health benefit.
	Cost-plus Pricing	**Cost Plus Pricing**	**Pricing procedure** which takes besides the production cost of a **pharmaceutical** other cost like promotional expenses and especially a profit margin for fixation of the price into account. This share is usually expressed as a percentage of the cost.
	Cross-border trade		The act of importing **pharmaceuticals** into one country from another for the purpose of personal consumption in the import country.
	Decentralised Procedure		The Decentralised Procedure came into operation in late 2005. It is applicable in cases where a **marketing authorisation** does not yet exist in any of the EU Member States. Identical dossiers be submitted to all Member States where a **marketing authorisation** is sought. A Reference Member State, selected by the applicant, will prepare draft assessment documents within 120 days and send them to the Concerned Member States. They, in turn, will either approve the assessment or the application will continue into arbitration procedures. The new Decentralised Procedure will involve concerned Member States at an earlier stage of the evaluation than under the **MRP** in an effort to minimise disagreements and to facilitate the application for **marketing authorisation** in as many markets as possible.
	Deductible		**Out-of-pocket payment** in the form of a fixed amount which must be paid for a service or of total cost incurred over a defined period by a covered person beforehand a **social health insurance / national health service**, then all or a percentage of the rest of the cost is covered.
DDD	**Defined Daily Dose**		Technical unit developed in the early 1970ies used to measure the consumption of **pharmaceuticals** in a comparable way. The DDD is the assumed average maintenance dose per day for a **pharmaceutical** used for its main indication in adults.
	De-listing	**Delisting**	Exclusion of a **pharmaceutical** from a pharmaceutical list (e.g. **positive list**), often resulting in exclusion from **reimbursement**.
DRG	**Diagnosis Related Group**		A way of categorising patients according to diagnosis and intensity of resources required, usually for the period of one hospital stay.
	Direct Payments		Payments for goods and services which are not covered by a **social health insurance / national health service** or a v**oluntary health insurance** (including self-medication).
	Discount		A price reduction granted to specified purchasers of a **pharmaceutical**.
	Disease-specific		Eligibility for **reimbursement** is linked to the underlying disease which shall be treated.
	Dispensing fee		Payment of the pharmacist for the service of dispensing a **pharmaceutical**.
	Distance Selling		Dispensing of **pharmaceuticals** via internet or posting services.
	Distributors		Distributors rather sell products under a licence obtained from original manufacturers but most likely do not produce it by themselves.
	Effectiveness		The extent to which a specific intervention, when used under ordinary circumstances, does what it is intended to do. Clinical trials that assess effectiveness are sometimes called management trials. Cf. also **pharmacoeconomic evaluation** and **cost-effectiveness analysis.**
	Efficacy		The extent to which an intervention produces a beneficial result under ideal conditions. Clinical trials that assess efficacy are sometimes called explanatory trials and are restricted to participants who fully co-operate. Cf. also **pharmacoeconomic evaluation** and **cost-effectiveness analysis**.
	Efficiency		Efficiency measures whether health care resources are being used to maximise value for money.

ABBREV	Preferred term	Synonym term	Definition/Description
	Eligibility Scheme(s)		There are, in general, 4 types of eligibility schemes: * **patient-specific reimbursement** *** disease-specific reimbursement,** *** population-group-specific reimbursement,** *** consumption-based reimbursement**
	Essential Drug Policy		Essential **pharmaceuticals** satisfy the **primary care** needs of a population and are selected with due regard to disease prevalence, evidence on efficacy and safety, and comparative **cost-effectiveness**. An essential drug policy shall guarantee that such pharmaceuticals are available within the context of the respective health care systems at all times in adequate amounts, in the appropriate dosage forms, with assured quality and at a price the individual and the community can afford.
	Ex-factory Price	**Manufacturer Price, Procurement Price, List Price, Wholesale Purchasing Price; Ex factory Price**	The **manufacturer**'s posted price, in some countries also referred to as list price. This price does not include any **discounts** or other incentives offered by manufacturers.
	External Price Referencing	**Cross Country Referencing, International Price Comparison, International Price benchmarking**	The practice of comparing **pharmaceutical** prices across countries. There are various methods applied and different country baskets relevant.
	Fee-for Service	**Fee for Service**	Payments to a provider (for example a **general practitioner**) for each act or service rendered.
	Fixed Co-payment	**Co-payment, copayment**	A **out-of-pocket payment** in the form of a fixed amount (like for example a **prescription fee**) to be paid for a service, a **pharmaceutical** or a medical device. See also **deductible** and **percentage co-payment.**
	Framework Agreement		This is an agreement between representatives of stakeholders, which serves as a base for individual agreements (this is for example the case in France). It is not limited to price-volumes control.
	Free Pricing		Pricing system, where **pharmaceutical** prices may be freely set.
G10	**G 10 Medicines Group**	**G-10 Medicines Group**	The G 10 Medicines Group (consisting of then Commissioner Liikanen and then Commissioner Byrne, a number of European health and industry ministers, as well as leaders of the pharmaceutical and health insurance industry and patient representatives) was set up in 2001 with the aim to discuss the major issues relevant to the right balance of health objectives and industry competitiveness in Europe. In May 2002 a report was published containing recommendations on how to improve the competiveness of industry while meeting public and social health objectives. The results were followed-up in the so-called "Post G 10"-process and are discussed in the EU Pharmaceutical Forum (2006-2007). Still a lot of the recommendations are waiting for implementation.
	Gatekeeper	**Gate-keeper**	A health care person, most likely a **general practitioner** (but also paediatrician or gynaecologist), who is responsible for overseeing and coordinating all the medical needs of a patient. The gatekeeper has to authorise any referral of the patient to **secondary care** (specialist) or **tertiary care** (hospital). Referral exemptions are possible in emergencies or in some systems if patients accept higher **out-of pocket payments**.
GP	**General Practitioner**	**Family Doctor, Primary Care Physician**	A general doctor, who is the first point of contact with the health services for all non-emergency cases. See also **gatekeeper**.
	Generic		**Bioequivalent** of a branded original **pharmaceutical**, whose patent on the **active ingredient** has expired (also called **off-patent** or multi-source pharmaceutical). By law, a generic product must contain an identical amount of the same active ingredient(s) as the branded product. There are **branded generics** and **unbranded generics** on the market. Branded generics also have a specific trade name, whereas unbranded generics use the **international non-proprietary name** and the manufacturer's name.
	Generic Substitution	**Original Substitution**	Practice of substituting a **pharmaceutical**, whether marketed under a trade name or generic name (branded or unbranded generic), by a pharmaceutical, often a cheaper one, containing the same active ingredient(s). Generic substitution may be performed by prescribers (doctors) and in some countries also by dispensers (pharmacists).

ABBREV	Preferred term	Synonym term	Definition/Description
GDP	**Gross Domestic Product**		GDP is the value of goods and services provided in a country by residents and non-residents without regard to their allocation among domestic and foreign claims. This corresponds to the total sum of expenditure (consumption and investment) of the private and government agents of the economy during the reference year.
HTA	**Health Technology Assessment**		HTA is a multidisciplinary process that summarises information about the medical, social, economic and ethical issues related to the use of a health technology in a systematic, transparent, unbiased, robust manner. Its aim is to inform the formulation of safe, effective, health policies that are patient focused and seek to achieve best value.
	Hospital Price		The price of a **pharmaceutical** in hospital use.
HOM	**Hospital-Only Medicines**	**Hospital Only Medicine**	Type of classification; **pharmaceuticals** that may be only administered in hospitals (**inpatient care** and **outpatient care**).
	Human Pharmaceutical		1. Any **active ingredient** or combination of active ingredients presented as having properties for treating or preventing disease in human beings. 2. Any **active ingredient** or combination of active ingredients which may be used in human beings with a view to making a medical diagnosis or to restoring, correcting or modifying physiological functions.
	Inpatient Care	**In-patient Care**	Medical procedures that require a stationary hospital stay (perhaps of only one day).
	Internal Price Referencing	**Therapeutic Referencing**	A method to compare prices of **pharmaceuticals** in a country with the price of identical **pharmaceuticals** (**ATC 5 level)** or similar products (**ATC 4 level**) or even with therapeutical equivalent treatment (not necessarily a pharmaceutical) in a country. Often performed in the course of a **reference price system**.
INN	**International Non-proprietary Name**	**Generic Name, International Nonproprietary Name**	A **pharmaceutical** is normally identified by either its chemical or "generic" name, which often is referred to as INN or its **brand** name, which is the trade or marketing name.
	Magistral Formula		Magistral Formula is any **pharmaceutical** prepared in a pharmacy in accordance with a prescription for an individual patient.
	Manufacturer	**Pharmaceutical Industry**	Pharmaceutical companies who produce pharmaceuticals and very often also search for and develop new chemical entities, i.e. **active ingredients.**
MA	**Marketing Authorisation**	**Licensing**	A licence issued by a medicines agency approving a **pharmaceutical** for market use based on a determination by authorities that the **pharmaceutical** meets the requirements of quality, safety and efficacy for human use in therapeutic treatment. There are four application procedures possible in the EU: "**centralised procedure**" or "**mutual recognition procedure**" (MRP), "**decentralised procedure**" and "**national procedure**". For homeopathic pharmaceuticals and **medical devices** no authorisation but a registration procedure is necessary.
	Maximum Price		This term is used in a different way in different countries: e.g. in some countries it is the maximum amount which is reimbursed (cf. **reference price system**), in others it is the maximum share that is refunded by **social health insurance / national health services** expressed as percentage of the reimbursment basis.
	Medical Device		Any instrument, apparatus, appliance, material or other article, whether used alone or in combination, including the software necessary for its proper application intended by the manufacturer to be used for human beings for the purpose of: - diagnosis, prevention, monitoring, treatment or alleviation of disease, - diagnosis, monitoring, treatment, alleviation of or compensation for an injury or handicap, - investigation, replacement or modification of the anatomy or of a physiological process, - control of conception, and which does not achieve its principal intended action in or on the human body by pharmacological, immunological or metabolic means, but which may be assisted in its function by such means. This term defines a wide spectrum of products, ranging from spectacles and clutches to highly sophisticated implantable devices.
	Me-too Pharmaceutical	**Me too Pharmaceutical**	A me-too **pharmaceutical** is one that is approved after a pioneering product and which is defined as comparable or similar and is not clinically superior.

ABBREV	Preferred term	Synonym term	Definition/Description
MRP	**Mutual Recognition Procedure**		The MRP is the most common marketing authorisation procedure in the EU. It states that the **marketing authorisation** granted in one EU Member State (the so-called "Reference Member State") being "mutually recognised" as valid in other Member State (the "Concerned Member State") upon request. The legal basis is Directive 2001/83/EC, as amended by Directive 2004/27/EC, and further guidance is given in the Notice to Applicants, which forms Chapter 2 of the Rules Governing Medicinal Products in the EU.
NHS	**National Health Service**	**Beveridge System, Semashko System**	The system of social security and health services arising out of the Beveridge report in England and Wales, first published in 1943. A NHS System is financed through **central taxation** or **regional taxation**, usually covering all inhabitants/residents. The scope of services rendered is identical for every person covered and most services are offered by public institutions. In some countries people may opt for a complementary VHI (see **voluntary health insurance)** for services, which are not covered through the NHS.
	National Procedure		Independent national **marketing authorisation** procedures are still applicable during the initial stage of the mutual recognition procedure in the country that is to act as reference Member State (RMS). They are also applicable in situations in which the mutual recognition procedure is not compulsory, namely: - Bibliographical applications for pharmaceuticals with a well-established medicinal use for which no reference product is available in the EU. - Line extensions of nationally registered **pharmaceuticals** for which no harmonised product information is available within the EU. Although some changes to dossiers for nationally registered pharmaceuticals (such as a change in the strength, **pharmaceutical form** or route of administration) require the submission of a new marketing authorisation application, these changes are considered as variations to a nationally issued **marketing authorisation**.
	Negative List		List of **pharmaceuticals** which cannot be prescribed at the expense of the **social health insurance/ national health service**.
	Officinal Formula		Officinal Formula is any **pharmaceutical** which is prepared in a pharmacy in accordance with the prescriptions of a **pharmacopoeia** and is intended to be supplied directly to the patients served by the pharmacy in question (To distinguish from **magistral formula**).
	Off-patent Pharmaceutical	**Off-patent Product, Multi-source Pharmaceutical**	(Branded) **original product**, whose patent has expired as opposed to **on-patent pharmaceuticals**. Multisource products may be marketed either under the approved **international non-proprietary name** or under a brand (proprietary) name.
	On-patent pharmaceutical	**On-patent Product**	A pharmaceutical that is protected by a patent or a **supplementary product certificate** (SPC); i.e. a branded **original product**.
	Original Product	**Originator, Original Preparation**	The first version of a **pharmaceutical**, developed and patented by an originator pharmaceutical company which has exclusive rights to marketing the product in the European Union for 15 years. A original product has a unique trade name for marketing purposes, its so-called **brand** name.
	Orphan Drug		A **pharmaceutica**l which only has a limited target population or which treats a rare disease thus limiting its commercial and financial potential.
	Out-of Pocket Maximum	**Annual Ceiling**	The maximum amount (e.g. a certain percentage of income) that an insured person has to pay for all covered healthcare services for a defined period (often a year), cf. **Out-of pocket payments**.
OPP	**Out-of Pocket Payments**	**Out-Of-Pocket Payments**	The amount a person has to pay for all covered healthcare services for a defined period (often a year). It includes: * **fixed co-payments,** *** percentage co-payments** and *** deductibles**. Cf. **out-of pocket maximum** and **prescription fee.**
	Outpatient Care	**Out-Of-Hospital Care, Out-patient Care**	Medical procedures that do not require a hospital stay. They typically occur in the ambulatory of a hospital (~ outpatient clinic) or a doctor's practice. Cf. also **primary care** and **secondary care.**
	Outpatient Doctors	**Ambulatory Doctors, Ambulatory Care, Out-patient**	Health care e.g. in a doctor's office, clinic, or day surgery center (not in-patient, not in hospital). Outpatient care today is also called ambulatory care.

ABBREV	Preferred term	Synonym term	Definition/Description
	Over prescribing	**Overprescribing**	If a doctor prescribes more **pharmaceuticals** than comparable doctors (e.g. with similar patient groups or in the same region). The measure of over prescribing is of particular importance if the doctor has been approved a **pharmaceutical budget.**
OTC	**Over-The-Counter Pharmaceutical**	**Non-prescription medicine, Over-The-Counter medicine**	**Pharmaceuticals** which may be dispensed without a doctor's prescription being submitted and which are in some countries available via self-service in pharmacies a/o other retail outlets (e.g. drug stores). Selected OTC may be reimbursed for certain indications in some countries.
	Parallel Trade	**Parallel Distribution**	Parallel trades are products imported into one Member State from another (the "export" country) and placed on the market in the destination Member State, outside the manufacturer's or its licensed **distributor**'s formal channels.
	Parapharmaceuticals		Parapharmaceuticals are substances or compounds which do not correspond to the legal definition of a **pharmaceutical**. They are in any event products which, by virtue of their composition, utilisation or presentation, are compatible with the dignity of the profession of pharmacist.
	Patient-specific Reimbursement		Eligibility for reimbursement depends on the **pharmaceutical** in question (either a pharmaceutical is considered as reimbursable or as non-reimbursable).
	Pay-back	**Payback**	A cost-containment measure; a financial mechanism that requires manufacturers to refund a part of their revenue to a payer (i.g. **social health insurance / national health service**) if sales exceed a previously determined or agreed target-budget.
	Percentage Co-payment	**Co-insurance, Percentage Copayment**	Cost-sharing in the form of a set proportion of the cost of a service or product. The patient pays a certain fixed proportion of the cost of a service or product, with the **social health insurance / national health service** paying the remaining proportion.
	Pharmaceutical	**Medicine, Drug, Medicinal Product**	Any **active ingredient** or **combination product** presented for treating or preventing disease in human beings or animals. Any **active ingredient** or **combination product** which may be administered to human beings or animals with a view to making a medical diagnosis or to restoring, correcting or modifying physiological functions in human beings or in animals is likewise considered a pharmaceutical.
	Pharmaceutical Budget		Pharmaceutical budgets are a cost-containment measure of **third party payers**. The maximum amount of money to be spent on **pharmaceuticals** in a specific region or period of time is fixed ex-ante.
	Pharmaceutical Equivalence		**Pharmaceuticals** are pharmaceutical equivalents if they contain the same amount of the same **active ingredient**(s) in the same dosage form; if they meet the same comparable standards; and if they are intended to be administered by the same route. However, pharmaceutical equivalence does not necessarily imply therapeutic equivalence as differences in the excipients and/or the manufacturing process can lead to differences in product performance.
	Pharmaceutical Form		The pharmaceutical- technological form in which an **active ingredient** is made available. **Pharmaceuticals** may be administered in solid form (e.g. tablets, powders), in semi-liquid form (e.g. ointments, pastes), in liquid form (e.g. drops, infusions) or in gaseous form (inhalation).
	Pharmaceutical Retailer	**Dispensary**	Umbrella term for facilities that dispense/sell pharmaceuticals (POM and OTC) to outpatients, e.g. **private pharmacies, public pharmacies, POM dispensaries**, **self-dispensing doctors**, hospital pharmacies, pharmacy outlets, medicine chests, drugstores, supermarkets etc. In most countries the dispensation of pharmaceuticals is regulated by law, e.g. stating that supermarkets or pharmacy outlets may only sell a limited range of **OTC**.
	Pharmacoecomic Evaluation	**Pharmacoeconomics, Pharmacoeconomic Guidelines**	The comparative analysis of alternative courses of action in terms of both their costs and consequences.
	Pharmacological Class		**Pharmaceuticals** that have similar therapeutic effects and similar safety and tolerability, both in nature and extent; cf. **therapeutic group**
	Pharmacopoeia		Pharmacopoeia (literally, the art of the drug compounder), in its modern technical sense, is a book containing directions for the identification of samples and the preparation of **combination products,** and published by the authority of a government or a medical or pharmaceutical society.

ABBREV	Preferred term	Synonym term	Definition/Description
	Pharmacovigilance		Pharmacovigilance is the ongoing surveillance of product safety occurring throughout the product life cycle. The EU legislation definition is "The collection and scientific evaluation of adverse drug reactions (ADR), under normal conditions of use, for regulatory purposes. It includes collection of data on drug consumption as well as misuse and abuse".
	Pharmacy Margin		The gross profit of pharmacies expressed as a percentage of the **pharmacy retail price**.
	Pharmacy Mark Up	**Pharmacy Mark-up**	The gross profit of pharmacies expressed as a percentage of the **pharmacy purchasing price**.
PPP	**Pharmacy Purchasing Price**	**Wholesale Price, Pharmacy Purchase Price; Wholesale Selling price**	The price charged by wholesalers to the retailers (usually pharmacies). It includes any **wholesale mark up**.
PRP (gross)	**Pharmacy Retail Price (gross)**	**Gross Pharmacy Selling Price**	The price charged by retail pharmacists to the general public. It includes any **pharmacy mark ups** or **dispensing fees** and **VAT**.
PRP (net)	**Pharmacy Retail Price (net)**	**Net Pharmacy Selling Price**	The price charged by retail pharmacists to the general public. It includes any **pharmacy mark ups** or **dispensing fees** and does not include **VAT** (see also **pharmacy retail price (gross)**).
	POM Dispensary		**Pharmaceutical** retailers (e.g. pharmacies, self-dispensing doctors, hospital pharmacies) which are allowed to dispense **prescription-only medicines** (POM) to patients.
	Population-group-specific Reimbursement		Specific population groups (e.g. children, old-age pensioners) are eligible for **pharmaceuticals**, while others are not.
	Positive List	**Formulary**	List of **pharmaceuticals** that may be prescribed more or less without further conditions at the expense of a **social health insurance / national health service**. Cf. **negative list**.
	Prescription		Is an order mostly in written form (~ receipt) by a qualified health care professional to a pharmacist or other therapist for a **pharmaceutical** or treatment to be provided to their patient. One receipt may countain several items. The maximum number of items on a receipt is in many countries regulated.
	Prescription Fee	**Prescription Charge**	The patient has to pay a fixed fee for each prescription item dispensed on the expense of a **third party payer**, i.e. a form of **fixed co-payment.**
POM	**Prescription-Only-Medicines**		**Pharmaceuticals** that may be dispensed only on a doctor's prescription.
POM dispensary	**Prescription-Only-Medicines dispensary**		Umbrella term for facilities that are allowed to sell **POM** to **outpatients**, e.g. pharmacies, **self-dispensing doctors**, hospital pharmacies.
	Price Cap	**Price Ceiling**	A **cost-containment** measure which fixes ex-ante the maximum price of **pharmaceutical**, e.g. taking into consideration inflation rates and production cost. Companies are allowed to choose any price below this threshold and in exchange authorities refrain from further control of company data (profit margins, sales etc.).
	Price Control		**Pricing policies** where government authorities set the price of a **pharmaceutical** and/or indirectly influence it (e.g. statutory pricing, price negotiations, public procurement). Contrary to **free pricing**.
	Price Freeze		A popular **cost-containment** method. The price of a **pharmaceutical** is fixed at a given level, mostly for a predetermined period of time. Price freezes are sometimes based on agreements between pharmaceutical industry and authorities but in most cases it is done by law.
	Price Negotiations		A form of **pricing procedure**, where **pharmaceutical** prices are discussed / negotiated (e.g. between **manufacturer** and **social health insurance / national health service**).
	Price-Volume Agreement		Like a **framework agreement**, a volume control tool. The price of a pharmaceutical is agreed between public authorities and a manufacturer on the basis of a forecast volume of sales. If the actual sales volume exceeds the forecast, the price of the **pharmaceutical** is usually reviewed downwards.
	Pricing	**Price Setting**	The act of setting a price for a **pharmaceutical**.

ABBREV	Preferred term	Synonym term	Definition/Description
	Pricing Policies		Regulations or procedures used by government authorities to set or limit the amount paid by purchasers or the amount received by sellers (e.g. **free pricing**, **statutory pricing, price negotiation and price control**).
	Pricing Procedure		There are several methods of determining the price of a **pharmaceutical**: **internal price referencing**, **external price referencing**, **cost-plus pricing** and profit control.
	Primary Care		Primary care is provided by health care persons (mainly **general practitioners**, but also family nurses, gynaecologist or paediatrics) trained for and skilled in comprehensive first contact and continuing care for persons with any undiagnosed sign, symptom, or health concern not limited by problem origin (biological, behavioural, or social), organ system, or diagnosis. Primary care includes health promotion, disease prevention, health maintenance, counselling, patient education, diagnosis and treatment of acute and chronic illnesses in a variety of health care settings. Specialist care and hospital care are also referred to as **secondary care** and **tertiary care**.
	Private Pharmaceutical Expenses	**Household Expenses**	This term includes all forms of - **out-of pocket payments (OPP):** *** percentage co-payment,** *** fixed co-payment,** *** deductibles** as well as - **direct payments**.
	Private Pharmacy		Pharmacies in the ownership of private individual(s) (e.g. pharmacists) or private enterprises. Usually, community pharmacies are private pharmacies.
	Procurement		The act of purchasing a pharmaceutical by a third party payer via **tendering,** cf.**public procurement**
	Public Funds		Umbrella term fotr the State, regional and local government bodies as well as **social health insurance / national health service**.
	Public Pharmacy		Pharmacies in the ownership of public entities (e.g. local public authorities like communities and universities)
	Public Procurement		Buying **pharmaceuticals** by the state (e.g. public hospitals) on the basis of a tendering procedure, granting the contract to the best tenderer (pharmaceutical company / importer).
PPPs	**Purchasing Power Parities**		Purchasing power parities reflect the amount of a national currency that will buy the same basket of goods and services in a given country. When PPPs are taken into account, the differences between poorer countries vis a vis richer countries diminish.
QALY	**Quality-adjusted-life year**	**Quality adjusted life year**	A QALY is a measure of the value of health outcomes. Since health is a function of length of life and quality of life, the QALY was developed as an attempt to combine the value of these attributes into a single index number. The change in utility value induced by the treatment is multiplied by the duration of the treatment effect to provide the number of QALYs gained.
	Rebate		A partial refund following a purchase, possible in kind or in cash.
	Reference Price		cf. **reference price system.**
RPS	**Reference Price System**		The **social health insurance / national health service** determines a maximum price (= Reference Price) to be reimbursed for certain **pharmaceuticals**. On buying a pharmaceutical for which a fixed price / amount (~ the so-called reimbursement price) has been determined, the insured person must pay the difference between the fixed price / amount and the actual **pharmacy retail price** of the pharmaceutical in question, in addition to any **fixed co-payment** or **percentage co-payment** rates. Usually the reference price is the same for all pharmaceuticals in a given **ATC 4 level** and/or **ATC 5 level** group.
	Regional Taxation		Taxes collected/generated through single municipalities/communities or provinces/regions.
	Registration		Simplified licensing procedure (instead of **marketing authorisation**) that is foreseen for herbal **pharmaceuticals**.
	Reimbursable		**Pharmaceuticals** which are eligible for **reimbursement**
	Reimbursement		Reimbursement is the percentage of the reimbursement price (for a service or a **pharmaceutical**) which the **social health insurance / national health service** pays. So 100% reimbursement means that the social health insurance/national health service covers 100% of the **reimbursement price** / amount of a **pharmaceutical** or service except a possible **prescription fee**.

ABBREV	Preferred term	Synonym term	Definition/Description
	Reimbursement Category	**Reimbursement Group**	**Pharmaceuticals** eligible for **reimbursement** are often grouped according to selected characteristics, e.g. route of administration (oral, etc.), main indication (oncology, paediatric, etc.), **ATC** level, classification (**hospital-only**, etc.). In many countries different **reimbursement rates** are determined for different reimbursement categories.
	Reimbursement Price	**Public Price**	This price is the basis for **reimbursement** of **pharmaceuticals** in a health care system, i.e. the maximum amount paid for by a **third party payer.** The reimbursed amount can either be the full reimbursement price (like e.g. Austria) or a percentage share of the reimbursement price (e.g. in Denmark). In a **reference price system** the reimbursement price is lower than the full price of the **pharmaceutical**, leaving the patient to pay the difference privately (or through complementary **voluntary health insurance**).
	Reimbursement Rate		The percentage share of the price of a **pharmaceutical** or medicinal service, which is reimbursed/subsidised by **social health insurance / national health service**. The difference to the full price of the pharmaceutical or medicinal service is paid by the patients **(out-of-pocket payment)**.
	Reimbursement Scheme	**Key Reimbursement Scheme, General Reimbursement,**	The reimbursement system which covers the majority of residents in a country, in some countries also referred to as "general" **reimbursement**.
	Risk-sharing Agreement		An agreement between public authorities and one **manufacturer** which links the price of a **pharmaceutical** to a defined risk. The risk can be a risk of inappropriate use (**over prescribing** compared to targeted population or prescription of inappropriate dosages) or can be related to the **cost-effectiveness** claimed by the manufacturer.
	Sales/Pharmacy Tax		A tax - other than **VAT** - levied by a state or city on the **pharmacy retail price** of an item, collected by the retailer.
	Secondary Care	**Specialist Care, Ambulant Care**	Summarizes all types of specialised medical treatment. In many countries specialist treatment is offered not only in ambulatory care but also in **outpatient** departments of hospitals (sometimes called 'Policlinics'). Free access for patients is often only possible with referral from **primary care** services, otherwise patients are charged with **out-of-pocket payments.**
SD-doctors	**Self-Dispensing Doctor**	**Dispensing Doctor**	Physicians who have been granted the right to dispense **pharmaceuticals** to their patients.
	Self-Medication	**Self Medication**	Self-Medication refers to **pharmaceuticals** purchased without prescription.
	Sickness Fund	**Social Insurance Institution**	A single **social health insurance** institution. In some countries there are several sickness funds operating (Austria) or even competing each other (Germany). Some sickness funds are operating on a regional basis whereas others are limited to specific professional groups like farmers or self-employed persons.
SHI	**Social Health Insurance**	**Health Insurance, Bismarck System**	Social health insurance is a type of health care provision, often funded through insurance **contributions** by employers and employees as well as state subsidies. In many countries there are obligatory schemes for *(employed)* persons whose income does not exceed a certain amount/limit (= insurance obligation) in place. Social health insurance is often organised in different **sickness funds** - in some countries allowing the patient to select a sickness fund (Germany) whereas in others the membership is determined mandatory, e.g. depending on the type of occupation (e.g. Poland, Austria). In some Social Health Insurance countries persons with higher income as well as self-employed persons may opt for **substitutive private health insurance**. In addition to social health insurance in some countries **voluntary health insurance**, covering e.g. **out-of pocket payments** or allowing for free choice of doctors, is very popular.
	Statutory Pricing		**Pricing** system, where **pharmaceutical** prices are set on a regulatory basis (e.g. law, enactment, decree).
	Substitutive Private Health		Cf. **voluntary health insurance**.
SPC	**Supplementary Protection Certificate**		SPC gives **original products** a complementary period of market exclusivity beyond patent expiry to compensate for delays of marketing in the **pharmaceutical** sector. SPC are available in EU countries but such complementary protection exists in other countries.
	Switch		Reclassification of **prescription-only-medicines** to **over-the-counter pharmaceuticals** .
	Tertiary Care		Tertiary care services are provided by specialised hospitals or departments that are often linked to medical schools or teaching hospitals. They treat patients with complex conditions who have usually been referred by other hospitals or specialist doctors.
	Therapeutic Benefit		The effect conveyed on a patient following administration of a **pharmaceutical** which either restores, corrects or modifies a physiological function(s) for that patient.
	Therapeutic Group		**Pharmaceuticals** from the same **pharmacological class**, such as statins. See also **ATC 4 level**.

ABBREV	Preferred term	Synonym term	Definition/Description
	Therapeutically Interchangeable		An interchangeable pharmaceutical is one which is therapeutically equivalent to a **original product**, i.e. meaning that the two molecules both deliver a similar **therapeutic benefit** to patients.
	Third Party Payer		Any organisation, public or private, that pays or insures health care expenses for beneficiaries at the time at which they are patients, e.g. **social health insurance** or **national health service** or other **public funds**.
TD	**Transparency Directive**		Directive 89/105/EEC (of 21 December 1988) relates to the transparency of measures regulating the pricing of **pharmaceuticals** for human use and their inclusion in the scope of National **social health insurance** systems / **national health service**.
	Unbranded Generic		Cf. **generic.**
VAT	**Value Added Tax**		A sales tax levied on the sale of goods and services (compulsory for EU Member States). The VAT rate of pharmaceuticals in the EU is often lower than the standard VAT rate of 15%.
VHI	**Voluntary Health Insurance**		Health Insurance that is taken up and paid for at the discretion of individuals or employers on behalf of individuals. VHI can be offered by public or quasi-public bodies and by for-profit (commercial) and non-profit private organisations. In the European context, VHI can be classified in three different ways: - **Substitutive Private Health Insurance** provides cover that would otherwise be available provided by state. In a **social health insurance** system people who have no insurance obligation (in some countries e.g. self-employed) may opt for substitutive private health Insurance. - **Complementary VHI** provides cover for services excluded or not fully covered by the state (e.g. dental care), including cover for **co-payments** imposed by the statutory health care system. - **Supplementary VHI** provides cover for faster access and increased consumer choice.
	Wholesale		The sale of goods (e.g. pharmaceuticals) to **retailers** (e.g. **pharmacies**).
	Wholesale Margin		Gross profit of wholesalers, expressed as a percentage of the **pharmacy purchasing price**.
	Wholesale Mark up	**Wholesale Mark-up**	Gross profit of wholesalers, expressed as a percentage of the **ex-factory price**.