Glossary Used
Ability-to-pay

The economic capacity of an individual or organization to offer payment, usually in money, to obtain a good or service (Health Sector Reform and Sustainable Financing: a learning module of the Health Reform Online programme of the World Bank, www.worldbank.org/healthreform/flagship/class/module1/)

Agencification

Agencies being disaggregated from the minstrel hierarchy, agencies are supposed to be more autonomous, innovative, adaptable, responsive and efficient. In other words, agencies are expected to function in a more business like fashion.

Cost-effectiveness efficiency

Cost-effectiveness efficiency occurs when inputs are combined so as to minimize the cost of any given output. The requirement may also be stated such that output is maximized for a given cost. (Health Sector Reform and Sustainable Financing: a learning module of the Health Reform Online programme of the World Bank, www.worldbank.org/healthreform/flagship/class/module1/)

Effectiveness

The effects of the activity and the end-results, outcomes or benefits for the population achieved in relation to the stated objectives. The ratio between the achievement of the programme activity and the desired level which, during the planning process, the planners had proposed would result from the programme activity. The degree to which a plan, a programme or a project has achieved its purpose within the limits set for reaching its objective. The extent to which actions achieve predetermined objectives. An expression
of the degree to which a programme has produced the effects as planned or desired. An expression of the desired effect of a programme, service or institution in reducing a health problem or improving an unsatisfactory health situation. (Health for All: WHO Terminology Information System 1997, www.who.int/terminology/ter/wtd0012.html)

The essential difference between efficiency and effectiveness is that the latter is related to the results achieved (or planned to be achieved), and the former to the cost, in terms of resources, of achieving those results. The latter approaches the meaning of the technical term cost-effectiveness. Costs are not involved in this measurement as they are in that of efficiency. Thus, effectiveness measures the degree of attainment of the predetermined objectives and targets of the programme, service or institution. The assessment of effectiveness is aimed at improving programme formulation or the functions and structure of health services and institutions through analysis of the extent of attainment of their objectives. Where feasible, the extent of attainment should be quantified. Where this is not feasible, a qualitative analysis of the relevance and usefulness of the achievement has to be performed however subjective and impressionistic such an analysis may be, until a more precise way of measuring is developed. The evaluation of effectiveness should also include an assessment of the satisfaction or otherwise expressed by the community concerned with effects of the programme, service or institution. (Hogarth J. Glossary of Health Care Terminology. Copenhagen, World Health Organization Regional Office for Europe, 1978)

**Essential Drug list**

An essential drug list names the drugs considered optimal treatment choices to satisfy the healthcare needs of the targeted population at a cost of the programme can afford. An essential drugs list is the guiding model that indicates priorities in drug need to make sure that a regular supply of safe and effective drugs is continuously available in sufficient
quintiles in a health system. The concept of essential drugs was introduced by WHO in 1997.

Equity

Fairness in the allocation of resources or treatments among different individuals or groups. (Health Sector Reform and Sustainable Financing: a learning module of the Health Reform Online programme of the World Bank, www.worldbank.org/healthreform/flagship/class/module1/)

Fee-for-service

Fee-for-service refers to a payment mechanism whereby a provider or health care organization receives a payment each time a reimbursable service is provided (e.g., office visit, surgical procedure, diagnostic test) (Health Sector Reform and Sustainable Financing: a learning module of the Health Reform Online programme of the World Bank, www.worldbank.org/healthreform/flagship/class/module1/)

Health Policy

A formal statement or procedure within institutions (including government) that gives priority to health or that recognizes health goals. It involves health services and those sectors outside health services that affect health. Sectors involves may include agriculture, energy, transport, industry, trade, aid, social welfare, environment, education and science. Health policy is often enacted through legislation or other forms of rule-making which define regulations and incentives which enable the provision of health services and programmes, and access to those services and programmes. Health policy is currently distinguished from health public policy by its primary concern with health services and programmes. Future progress in health policies may be observed through the extent to which they may also be defined as healthy public policies. As with most policies, health policies arise from a systematic process of building support for public health action that

**Health System**

The complex of interrelated elements that contribute to health in homes, educational institutions, workplaces, public places, and communities, as well as in the physical and psychosocial environment and the health and related sectors. A health system is usually organized at various levels, starting at the most peripheral level, also known as the community level or the primary level of health care, and proceeding through the intermediate (district, regional or provincial) to the central level. (Health for All: WHO Terminology Information System, www.who.int/terminology/ter/wtd00012.html)

**Investment for health**

Investment for health refers to resources which are explicitly dedicated to the production of health and health gain. They may be invested by public and private agencies as well as by people as individuals and groups. Investment for health strategies are based on knowledge about the determinants of health and seek to gain political commitment to healthy public policies. Investment for health is not restricted to resources which are devoted to the provision and use of health services and may include, for example, investments made by people (individually or collectively) in education, housing, empowerment of women or child development. Greater investment for health also implies reorientation of existing resource distribution within the health sector toward health promotion and disease prevention. A significant proportion of investments for health are undertaken by people in the context of their everyday life as part of personal and family health maintenance strategies. See also healthy public policy. (Health Promotion Glossary. WHO, Geneva, 1998: 5-21. WHO/HPR/HEP/98.1)
Manufacturer
A company that caring out the purchase of materials and products, quality control, storage and carryout related functions.

New Public Management (NPM)
Focuses on the modernization of public institutions and on new forms of management and leadership of public administration. New Public Management” (NPM) focuses on the modernization of public institutions and on new forms of management and leadership of public administration. Not only one single NPM-model exists, but many country-specific ones. The German variant of the NPM is the so-called “Neues Steuerungsmodell” (NMS) which especially has been developed for the communal level. In Switzerland and in Austria the corresponding models are called “Wirkungsorientierte Verwaltungsführung” VoV

New Public Management is an approach that aims to align policy and public administration increasingly with the rules of the management of the private sector. Thereby, the aim is not privatisation, but the fortification of the state. The exceptional aspect of NPM is that its arguments do not emanate from one single reform approach. NPM is rather a symbiosis and a broadening of the previous approaches. Ernst Buschor names ten characteristics that are relevant in NPM:

- Orientation on customers and citizens (Total Quality Management)
- Pressure on cost reduction and efficiency (Lean Production)
- Governance on the basis of effect and not on the basis of input (Budget, Employments)
- Distinction between the strategic (political authority) and the operational (departments) competences
- Distinction between the role of the funding agency (consumer and addressee) and the one of the cost unit of the service.
• Creation of structures that are similar to the ones of combines
• Binding mandates concerning the services for common economical tasks of the supplier
• Competition concerning the internal market, privatisation and the external award of contracts
• An all-embracing audit of the effect and of the norms and standards
• Stimulation of incentives of a nonmonetary nature and stimulation of efficiency pay

• There is no direct bonding from NPM to eGovernment. The initiation of NPM in a certain department does not automatically ask for the implementation of eGovernment and vice versa. Nevertheless, both of these terms mean the modernization and future orientation of the public administration. Thereby it is absolutely possible that they influence each other in a positive sense.

**Out-of Pocket Costs**

Total costs paid directly by consumers for insurance co-payment and deductibles, prescription or over-the-counter drugs, and other services.

**Out-of-Pocket Expense**

Payments made by an individual for medical services. These may include direct payments to providers as well as payments for deductibles and coinsurance for covered services, for services not covered by the plan, for provider charges in excess of the plan's limits, and for enrollee premium payments.

**Public Health**

Public health is a social and political concept aimed at the improving health, prolonging life and improving the quality of life among whole populations through health promotion, disease prevention and other forms of health intervention. A distinction has been made in
the health promotion literature between public health and a new public health for the purposes of emphasizing significantly different approaches to the description and analysis of the determinants of health, and the methods of solving public health problems. This new public health is distinguished by its basis in a comprehensive understanding of the ways in which lifestyles and living conditions determine health status, and a recognition of the need to mobilize resources and make sound investments in policies, programmes and services which create, maintain and protect health by supporting healthy lifestyles and creating supportive environments for health. (Health Promotion Glossary. WHO, Geneva, 1998: 5-21. WHO/HPR/HEP/98.1)

Quality Control

All measures taken – including setting specifications, sampling, testing, and analytical clearance- to ensure that raw materials, intermediates, packing materials and finished pharmaceutical products confirm to established specifications for identity, strength, purity and other characteristics.

Rational Use of Drugs

Rational use of drugs requires that patients receive medicines appropriate to their clinical needs in doses that meet their own individual requirements for an adequate period of time, and at the lowest cost of them and their community.

Re-orienting Health Services

Health services re-orientation is characterized by a more explicit concern for the achievement of population health outcomes in the ways in which the health system is organized and funded. This must lead to a change of attitude and organization of health services, which focuses on the needs of the individual as a whole person, balanced against the needs of population groups. (Health Promotion Glossary. WHO. Geneva. 1998: 5-21. WHO/HPR/HEP/98.1)
Willingness-to-pay

The maximum amount of money that an individual is prepared to give up to ensure that a proposed health care measure is undertaken. (Health Sector Reform and Sustainable Financing: a learning module of the Health Reform Online programme of the World Bank, www.worldbank.org/healthreform/flagship/class/module1/)