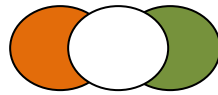


Post Graduate Certificate Course in Health System and Management - 2013



Module 1: Chapter 1

Terminologies in Health



**Indian Association of Preventive and Social Medicine
Gujarat Chapter**

Terminologies Used In Health Care System and Management

Learning objective: to make the students familiar about terms used in health care and management.

Access (to health services): the perceptions and experiences of people as to their ease in reaching health services or health facilities in terms of location, time, and ease of approach.

Accessibility (of health services): aspects of the structure of health services or health facilities that enhance the ability of people to reach a health care practitioner, in terms of location, time, and ease of approach.

Accountability: the result of the process which ensures that health actors take responsibility of what they are obliged to do and are made answerable for their actions.

Accreditation: accreditation is a formal process by which a recognized body, usually a non-governmental organization, assesses and recognizes that a health care organization meets applicable pre-determined and published standards. Accreditation is often a voluntary process in which organizations choose to participate, rather than one required by law and regulation.

Aid: support provided by countries, international agencies, institutions, non-governmental organizations or foundations, to developing countries in the form of monetary grants, loans at low interest rates, in kind, or a combination of these.

Aid-in-kind: flows of goods and services with no payment in money or debt instruments in exchange. In some cases, 'commodity aid' goods (such as grain) are subsequently sold and the receipts are used in the budget or, more commonly through a special fund, for public expenditure.

Audit: the legal requirement for a corporation to have its balance sheet, financial statement, and underlying accounting system and records examined by a qualified auditor so as to enable an opinion to be formed as to whether the financial statement accurately represent the company's financial condition and whether they comply with relevant statutes.

Benefits : Gains, whether material or not, accruing to an individual or a community.

Benchmark: (i) a measurement or point of reference at the beginning of an activity which is used for comparison with subsequent measurements of the same variable; (ii) unacceptable standard in evaluation.

Budget (macroeconomics): Summary of planned financial expenditures and incomes over a specified periods. In a narrower sense, a budget shows the total amount of money allocated for specific purposes during a specified period.

Budgeting: the process of elaborating a detailed plan for the future showing how resources will be acquired and used during a specific time period, expressed in formal, measurable terms.

Burden of disease: a measurement of the gap between current health status and an ideal situation where everyone lives into old age, free of disease and disability.

Capital expenditure: the cost for resources that last more than one year, such as building, vehicles, computers, pre-service training. Sometime a price ceiling is also defined (usually \$US 100), below which costs are considered as recurrent. The cost of capital equipment is net of depreciation. Also called investment or non-recurrent cost/expenditure.

Care Maps: plans for the management of patient care that set goals for patients and provide the sequence of interventions that physicians, nurses and other professionals should carry out in order to reach the desired goals in a given time period.

Certification: a process by which an authorized body, either a governmental or non-governmental organization, evaluates and recognizes either an individual or an organization as meeting pre-determined requirements or criteria. Although the terms accreditation and certification are often used interchangeably, accreditation usually applies only to organizations, while certification may apply to individuals, as well as to organizations.

Community financing : Direct financing or co-financing of health care by households in villages or communities, either by payments on receipt of care or by pre-payment.

Coherence (of a national health policy/strategy/plan): (i) the extent to which proposed strategies are aligned with the priorities identified in the situation analysis; (ii) the extent to which programme plans are aligned with the national health strategy and plan; (iii) the extent to which the different programmatic strategies in the national health policy/strategy/plan are coherent among each other.

Comprehensive Health Services: health services that are managed so as to ensure that people receive a continuum of health promotion, disease prevention, diagnosis, treatment and management, rehabilitation and palliative care services, through the different levels and sites of care within the health system, and according to their needs throughout the life course.

Comprehensiveness (of a national health policy/strategy/plan): the extent to which a national health policy/strategy/plan addresses the full range of health problems and health system problems and challenges.

Consensus building: the process by which different stakeholders reach an overall agreement on a policy concern.

Contracting-out: the practice of the public sector or private firms of employing and financing an outside agent to perform some specific task rather than managing it themselves.

Cost benefit ratio : The ration of the present value of benefits to the present value of costs. As an indicator of economic efficiency, however, the difference between the present values is better than their ratio.

Cost-benefit analysis : A method of comparing the actual and potential costs(Both private and social) of various alternative schemes with the actual and potential benefits(private and social), usually measured in monetary terms and present values, with a view to determining which one maximizes the benefits. (See also benefit to cost ratio, cost effectiveness and cost utility.

Cost benefit analysis: a comparison of costs and achieved benefits, where both costs and benefits are expressed in monetary terms. The usual rule in cost benefit analysis is for the benefit-cost ratio (B/C) to exceed unit or for $(B-C) > 0.33$.

Cost effective analysis : A method of comparing similar alternative courses of action in order to determine the relative degree to which they will achieve the desired objectives. The costs are expressed in monetary terms but some of the consequences are expressed in physical units, e.g. number of lives saved or cases of disease detected.

Cooperative health care : A community based and community managed scheme, often government supported, whereby the consumer contributes in advance for covered health services.

Co-payment : An arrangement whereby an insured person pays a particular percentage of any bill for health services received, the insurer paying the remainder.

Costing: (i) the estimation of a specific strategy or intervention, or of an overall national policy, strategy or plan. (ii) the estimation of the cost of different scenarios, corresponding to different priorities or strategies, in the short, medium or long term.

Cost-recovery: receipt, by a health provider, of income from individuals or the community in exchange for health services. It may be expressed as a percentage of expenditure.

Cost sharing : Usually refers to a method of financing health care that involves some portion of the expenditure falling directly on the user. The cost is then shared between user and employer, government, donor, taxpayer, insurance agency, etc.

Cost utility analysis : A method of evaluation that uses more subtle measures of output(utility indices) than in cost effectiveness analysis, and does not usually assign monetary value to health outcomes, as in cost benefit analysis.

Deflation: removal of the effect of price inflation from expenditure amounts by dividing the expenditure amount by a price index or deflator.

Deflator: a price index used to distinguish between those changes in money value which result from a change in prices and those which result from a change in physical output.

Depreciation: the reduction in value of a capital asset through wear and tear.

Development funds : Funds for activities which promote a country's development. Many governments of developing countries have a development budget to finance (often from external sources) activities which will increase the country's productive capacity.

Disbursement: the release of funds to – or the purchase of goods or services for – a recipient; by extension, the amount thus spent. Disbursements record the actual international transfer of financial resources, or of goods or services valued at the cost to the donor.

Effectiveness: the extent to which a specific intervention, procedure, regimen or service, when deployed in the field in routine circumstances, does what it is intended to do for a specified population.

Efficacy: the extent to which a specific intervention, procedure, regimen or service, produces the intended result under ideal conditions.

Efficiency: the capacity to produce the maximum output for a given input.

Empowerment – entails helping people to help themselves. It can mean supporting people with the official authority or freedom to act or ensuring that they have the means to act, but it also comprises an element of self-empowerment consciousness whereby people feel more confident to take the decision to act and also feel more in control of their lives.

Endorsement (of a national Policy/Strategy/Plan): approval and signing off on the National Policy/Strategy/Plan by relevant authorities (parliament, ministry of health, others).

Equity : Not necessarily identified with equality, it relates in general to ethical judgments about the fairness of income and wealth distributions, cost and benefit distributions, accessibility of health services, exposure to health-threatening hazards, and so forth.

Equity in Health: a measure of the degree to which health policies are able to distribute well-being fairly.

Facilitation: (i) the effort to help a process move forward towards attaining a particular end or result. (ii) the process undertaken to enable the different stakeholders involved in policy dialogue to achieve a high degree of consensus around a specific policy concern and to ensure that negotiations run well.

Fiduciary risk: the risk that funds are not used for the intended purpose, do not achieve value for money, or are not properly accounted for.

First Level of Care: the entry point into the health care system, at the interface between services and community. Where the first level of care satisfies a number of quality criteria it is called primary care.

Fiscal space: the capacity of government to provide additional budgetary resources for a desired purpose without any prejudice to the sustainability of its financial position.

Fragmentation (of health services): (i) coexistence of units, facilities or programmes that are not integrated into the health network⁵⁹; (ii) services that do not cover the entire range of promotion, prevention, diagnosis, treatment, rehabilitation and palliative care services; (iii) services at different levels of care that are not coordinated among themselves; (iv) services that do not continue over time; (v) services that do not meet people's needs.

Governance: the exercise of political, economic and administrative authority in the management of a country's affairs at all levels, comprising the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences.

Gross Domestic product (GDP) : The market value of the total final output of goods and services produced in a country over a specified period of time.

Gross National Product (GNP) : Market value of the total domestic and foreign output of a country. It comprises gross domestic product plus income earned by nationals abroad (individuals and firms), less income earned in the domestic economy accruing to foreign citizens.

Harmonization: the coordination of donors contributions and activities, the transparent sharing of information and the attempt to be collectively effective and avoid duplication.

Health economics : The application of economic theory to phenomena and problems associated with health and health services. Topics include, among others, the meaning and measurement of health status, the production of health and health services, the demand for health and demand for health services, cost effectiveness and cost benefit analysis in the health field, health insurance, the analysis of markets for health services, planning of human resources, the economics of medical supply industries, the

determinants of inequalities in health and health care utilization, hospital economics, health care budgeting, territorial resource allocation, and methods of remuneration of medical personnel.

Health financing : Provision of funds or credits for a specified purpose in the health sector. The origin of financing may be external (from abroad) or domestic (private or public).

Health insurance: “a contract between the insured and the insurer to the effect that in the event of specified events (determined in the insurance contract) occurring the insurer will pay compensation either to the insured person or to the health service provider. There are two major forms of health insurance. One is private health insurance, with premiums based on individual or group risks. The other is social security, whereby in principle society’s risks are pooled, with contributions by individuals usually dependent on their capacity to pay.

Health investment : Expenditure on equipment and human resources used to provide health services and promote health. In a more general sense, the undertaking of any activity that involves a sacrifice (e.g. payment of money), followed by a benefit (e.g. enjoyment of a good).

Health policy: a general statement of understanding [to] guide decision making⁷⁴ that results from an agreement or consensus among relevant partners on the issues to be addressed and on the approaches or strategies to deal with them.

Health service: any service (i.e. not limited to medical or clinical services) aimed at contributing to improved health or to the diagnosis, treatment and rehabilitation of sick people.

Health system building blocks: an analytical framework used by WHO to describe health systems, disaggregating them into 6 core components: leadership and governance (stewardship), service delivery, health workforce, health information system, medical products, vaccines and technologies, and health system financing.

Health system performance: the degree to which a health system carries out its functions - (service provision, resource generation, financing and stewardship) to achieve its goals.

Human capital : The skills and capabilities generated by investments in education (including on the job training) and health.

Impact: positive or negative, long-term or medium-term effects produced by a programme or intervention.

Indirect costs: total sum of morbidity costs (goods and services not produced by the patient because of the illness), mortality costs (goods and services the person could

have produced had the illness not been incurred and the person not died prematurely), and productivity cost (related to lost productivity incurred by an employee who leaves work to provide care for the patient).

Input: a quantified amount of a resource put in a process.

Licensure: licensure is a process by which a governmental authority grants permission to an individual practitioner or health care organization to operate or to engage in an occupation or profession.

Macroeconomics : Branch of economics which considers the relationships among broad aggregates, such as national income, volume of investment and consumption, employment, money supply, etc. Macroeconomics looks at the determinants of the magnitude of these aggregates and at their rates of change over time.

Microeconomics : Branch of economics which is concerned with individual decision units (households, firms) and the way in which their decisions interact to determine the quantity and the price of goods, services, and factors of production (e.g. labour).

Marginal cost: the change in total cost that results from a unit increase in output.

Monitoring: the continuous oversight of an activity to assist in its supervision and to see that it proceeds according to plan. Monitoring involves the specification of methods to measure activity, use of resources, and response to services against agreed criteria.

Opportunity cost: the value of the next best alternative forgone as a result of the decision made

Outcome: those aspects of health that result from the interventions provided by the health system, the facilities and personnel that recommend them and the actions of those who are the targets of the interventions.

Out-of-pocket payments (OOP): payments for goods or services that include: (i) direct payments: payments for goods or services that are not covered by any form of insurance; (ii) cost sharing: a provision of health insurance or third-party payment that requires the individual who is covered to pay part of the cost of health care received; and (iii) informal payments: unofficial payments for goods and services that should be fully funded from pooled revenue.

Output: the quantity and quality of activities carried out by a programme. Or The products(s) that an activity is expected to produce from its inputs in order to achieve its objectives; the quantity of goods or services produced in a given time period.

People-centred care: care that is focused and organized around the health needs and expectations of people and communities rather than on diseases. People-centred care extends the concept of patient-centred care to individuals, families, communities and

society. Whereas patient-centred care is commonly understood as focusing on the individual seeking care—the patient—people-centred care encompasses these clinical encounters and also includes attention to the health of people in their communities and their crucial role in shaping health policy and health services.

Pledge: A binding promise or agreement to give a grant or loan.

Policy dialogue: the social debate and interaction between stakeholders that leads to translation of policy into strategies and plans.

Primary care: often used interchangeably with first level of care. the part of a health services system that assures person focused care over time to a defined population, accessibility to facilitate receipt of care when it is first needed, comprehensiveness of care in the sense that only rare or unusual manifestations of ill health are referred elsewhere, and coordination of care such that all facets of care (wherever received) are integrated. Quality features of primary care include effectiveness, safety, people-centredness, comprehensiveness, continuity and integration.

Productivity : Output per unit of input in a stated time period. For example, labour productivity can be measured as output per person, per hour.

Programming: the stage of the national health planning cycle in which the National Health Policy/Strategy/Plan (and in some cases its Medium Term Expenditure Framework), is translated into annual operational plans.

Purchasing power parity (PPP): conversion of economic figures to International Dollars, which inside each country should have the same purchasing power of one US\$ in the United States.

Recurrent expenditures - costs: costs that refer to inputs which last less than one year and are regularly purchased for continuing an activity, such as salaries, drugs and supplies, repair maintenance, and others.

Resilience: the ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions.

Resource planning: the estimation of resource inputs (human resources, medical devices, medical equipment, pharmaceuticals and facilities) necessary to provide expected services.

Segmentation (of health systems): the coexistence of subsystems with different modalities of financing, affiliation and health care delivery, each of them 'specializing' in different strata of the population according to their type of employment, income level, ability to pay, and social status. This kind of institutional arrangement consolidates and deepens inequity in access to health care services across different population groups.

Shadow prices: prices that have been adjusted for various reasons, including donations, distorted exchange rates, subsidies, to yield an economic cost that better reflects the value of a given good or A money value applied to a cost or benefit where there is none revealed by any market, or where market revealed prices reflect them inaccurately. A technique commonly used in cost benefit or cost effectiveness analysis.

Social marketing : Promotion and education techniques intended to stimulate behaviour conducive to good health, for example, the promotion of condom use.

Stakeholder: an individual, group or an organization that has an interest in the organization and delivery of health care.

Standard: an established, accepted and evidence-based technical specification or basis for comparison.

Strategy: a series of broad lines of action intended to achieve a set of goals and targets set out within a policy or programme.

Target: an intermediate result towards an objective that a programme seeks to achieve, within a specified time frame, a target is more specific than an objective and lends itself more readily to being expressed in quantitative terms.

Transaction costs: any use of resources required to negotiate and enforce agreements, including the cost of information needed to facilitate a bargaining strategy, the time spent haggling, and the costs of preventing cheating by the parties to the bargain.

Vertical Integration: the coordination of the functions, activities or operational units that are in different phases of the service production process. Examples of this type of integration are the links between hospitals and medical groups, outpatient surgery centres and home-based care agencies.