GLOSSARY

Active beneficiary[1] :

An individual with at least one claim accepted by a public drug program, either for reimbursement or applied toward a deductible. In Manitoba and Saskatchewan, claimants are also individuals with accepted claims who are eligible for coverage under a provincial drug program but who have not submitted an application and, therefore, do not have a defined deductible.

Anatomical Therapeutic Chemical (ATC):

A classification system that divides drugs into different groups according to the organ or system on which they act and/or their therapeutic and chemical characteristics. It is maintained by the World Health Organization Collaborating Centre for Drug Statistics Methodology. The ATC system is divided into five different levels. The level 1 and 2 are reported in this study, and reflect the anatomical and therapeutic main groups, respectively.

Co-payment[1] :

The portion of the claim cost that individuals must pay each time they make a claim. This may be a fixed amount or a percentage of the total claim cost. When calculated as a percentage of the total cost, it is also known as "co-insurance."

Deductible[1] :

The amount of total drug spending an individual must pay in a given year (or other defined time period) before any part of his or her drug costs will be paid by the drug program. A deductible may be a fixed amount or a percentage of income (income-based deductible).

Dispensing fee:

A professional fee charged by a pharmacist for the dispensing of a prescription and accepted for reimbursement by a public drug plan.

Drivers of drug expenditure:

The level of drug expenditure is determined by many factors or determinants, such as the size and age of the population, the volume and type of drugs used, the price levels, etc. A change in any factor becomes a driver. For example, the changes in the brand versus generic market

shares due to the launch of generic products are expected to drive a decline in the level of prescription drug expenditures. On the other hand, expensive emerging therapies are expected to fuel the upward pressure on costs.

Drug cost:

An amount accepted for reimbursement by a public drug plan that reflects the acquisition cost to the pharmacy for a drug, including the wholesale markups, and excluding markups and dispensing fees.

Drug Identification Number (DIN):

A computer-generated eight digit number assigned by Health Canada to a drug product prior to being marketed in Canada. A DIN uniquely identifies the following product characteristics: manufacturer; product name; active ingredient(s); strength(s) of active ingredient(s); pharmaceutical form; route of administration.

Generic drug:

A drug product which is equivalent to a reference or brand-name drug in active ingredient, dosage, form, strength and performance characteristics.

Markup:

An amount accepted for reimbursement by a public drug plan that reflects the difference between the pharmacy retail price and the drug cost.

Multi-Source drug:

A drug product manufactured by two or more companies. Multi-source drugs are available as the original brand-name drug or its generic equivalent.

Patented drug:

A drug product with one or more patents issued by the Commissioner of Patents. A patent may be assigned to the active ingredient, a process to manufacture the drug or another aspect such as a timed-release coating or inhaler mechanism. A patent provides its holder with a monopoly or market exclusivity over the invention for a limited time.

Plan-paid:

An amount that a public drug plan reimburses an eligible beneficiary towards the prescription drug expenditure. It reflects the government–patient cost sharing structure specific to each plan.

Prescription:

A claim[1] where the drug program accepts at least a portion of the cost, either toward a deductible or for reimbursement. Claims reimbursed by a public drug plan and that relate to pharmacy professional services other than the dispensing of medications (such as the medication review or administration of vaccines) are not included in the analysis.

Prescription drug expenditures:

The sum of the three components of a prescription: drug costs, markups (if applicable) and dispensing fees. These are amounts accepted by a public drug plan towards the deductible or for reimbursement of eligible beneficiaries. Submitted amounts that were not accepted for reimbursement (drug not reimbursed, unit cost above the accepted price, etc.) are not captured in these amounts. The expenditure totals include both the plan-paid and beneficiary-paid amounts, such as co-payments and deductibles.

Prescription size:

The physical quantity of drugs or the number of day supply for which the prescribed drug was dispensed to an eligible beneficiary. The day supply can be used to measure the prescription length.

Public drug plan:

This is a general term used to describe drug plans that are administered by provincial, territorial or federal governments. Examples include the public drug plans analyzed in this report. Public drug plans establish eligibility requirements, cost sharing structures as well as drugs and prices accepted for reimbursement.

Rate of change:

The percent change from one year to another in a drug utilization or expenditure metric. The annual rate of change is calculated over two consecutive years as follows:

[(Value in year 1)/(Value in year 0)] - 1

The compound annual rate of change is calculated over three or more consecutive years as follows:

$[(\text{Value in year } n)/(\text{Value in year } 0)]^{1/n} - 1$

Single-source drug:

A drug product manufactured by one company. With a few exceptions, patented drugs are single-source. Some generic drugs are also single-source: a regulatory body may grant a generic drug manufacturer market exclusivity for a period of time; or there may be insufficient demand for more than one market entrant in a therapeutic area with a small patient population.

References

1. Canadian Institute for Health Information. 2016. *National Prescription Drug Utilization Information System Plan Information Document, July 2016*. Ottawa: CIHI. Available at: https://secure.cihi.ca/estore/productFamily.htm?pf=PFC3234&lang=en&media=0 (Accessed January 2017).