

'Glossary'



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1 General concepts

Societal perspective – Type of perspective that find to identify, measure and assess the effects of a disease or injury or of an intervention on all the agents involved or affected. Translated to the realm of costs, the social perspective should reflect a full range of social opportunity costs associated with a disease, injury or interventions.

Societal Costs – Societal costs refer to those costs supported mainly by patients (privately) but also resulting in an effect on the whole society, such as the loss of productivity due to an illness or personal assistance needed due to a disability.

Indirect cost – Costs of those resources for which no payment is made, but for which there is an opportunity cost or foregone benefit. A limited interpretation of indirect cost is one that identifies them only with losses in labour productivity. Another broader interpretation identifies as indirect cost any change in the habitual use of time that an illness or injury entails, both for the patients and the caregivers.

GDP deflator – The Gross Domestic Product deflator measures the changes in prices for all of the goods and services produced in an economy in a certain period of time, habitually a natural year. These changes in prices are obtained using official annual national accounts.

2 Time costs-patients

2.1 Methods to estimate labour productivity

Human capital approach – A method used to estimate labour productivity losses. The value of a day, month or year is approximated by the value of an average individual's present or future labour earnings. This concept can be applied to value non-labour productivity losses (domestic productivity) and leisure time losses.

Friction cost method – Alternative method to the human capital approach in estimating productivity costs. This approach limits productivity losses to a friction period, with friction costs broadly comprising lost production during the friction period and the costs of hiring and training new individuals.

2.2 Friction costs elements

Friction period – The time until another worker from the pool of unemployed has fully replaced the individual who is absent due to an illness

Elasticity correction factor – a correction factor that represents the fact that the decrease in labour productivity per year is not proportional to the reduction in annual labour time.

2.3 General concepts

Annual earnings – In addition to gross earnings as in any reference month (remuneration in cash paid before any tax deductions and social security contributions payable by wage earners and retained by the employer), annual gross earnings also cover 'non-standard payments', i.e. payments not occurring in each pay period, such as: 13th or 14th month payments, holiday bonuses, quarterly or annual company bonuses and annual payments in kind.

Hourly earnings – Hourly gross earnings are defined as gross earnings in the reference month divided by the number of hours paid during the same period.

Number of monthly paid hours – Number of hours paid includes all normal and overtime hours worked and remunerated by the employer during the reference month. Hours not worked but nevertheless paid are counted as 'paid hours' (e.g. for annual leave, public holidays, paid sick leave, paid vocational training, paid special leave, etc.). Number of hours in part-time work were converted into full-time work equivalents.

Employment rate – percentage of people of working age in the population who are employed.

Premature death – Death that occurs before the average age of death in a certain population or before a determined age (65, 70, 75, 80 years).

Absenteeism – Any failure to report for or remain at work as scheduled. In our context, absenteeism is related to an illness or injury.

***Presenteeism** – Situation in which a person, even being physically at her/his job, has a reduced level of productivity that makes it difficult or impossible to perform her/his work.*

***Multiplier effects** – the additional costs that result from the absence of a worker through the negative externalities that it causes in his/her work team.*

3 Non-paid time

***Informal care** – Term that is usually employed to identify a type of non-professional care, usually provided by family or friends, to people with limitations in their autonomy (dependence). Its definition and scope may vary in the literature depending on the country and the moment of time considered.*

3.1 Revealed preference methods to economic assess non-paid time

***Revealed preference method** – Valuation method where a group of individuals reveals their valuation for a good or service through their decisions and behaviour, usually through interactions in a real market. This method is used to assess informal care time, its two most common applications being the opportunity cost method and the proxy good method.*

***Opportunity cost method** – A type of revealed preference method used for the assessment of informal care. The opportunity costs method finds to identify the informal caregiver's benefits forgone due to spending time on providing informal care.*

***Proxy good method** – (also called replacement cost method) – A type of revealed preference method used for the assessment of informal care. Informal care time is valued at the labour market prices of a close market substitute.*

3.2 Stated preference methods to economic assess non-paid time

Stated preference method – Valuation method where a group of individuals is surveyed to show their preferences, usually on nonmarket commodities. This method is used to assess informal care time. The two most common applications are the contingent valuation (willingness to pay and willingness to accept) and conjoint analysis.

Contingent Valuation – Type of Stated preference method consists in survey-based economic techniques for the valuation of non-market good or services (see Willingness to pay and Willingness to Accept).

Willingness to accept – The minimum amount of money that a person is theoretically willing to receive to sell or to give up a good or service, or to put up with something negative.

Willingness to pay – The maximum price at or below which a person will theoretically pay for one unit of a good or service (see contingent valuation, see Stated preference method).

Conjoint analysis – Survey-based statistical technique used to determine how people value different attributes that make up a good or service.

4 Long Term Care

Long-term care – range of services and assistance required by people with a reduced degree of functional capacity, physical or cognitive, and who depend for an extended time period on help with basic activities of daily living or with need of some permanent nursing care.

Nursing home – institutions sheltering people in need for care or who cannot be fully independent and who need assistance in activities of daily living, in an environment where they can receive nursing care, for short or long stays.

Day care centre – institution which aims to provide supervision and care to whom cannot be fully independent, mainly during daytime

***Homecare** – professional help received at home by people who cannot be fully independent with different matters, such as personal care or domestic tasks.*

***Respite care** – temporary care services provided as a relief to caregivers from their caregiving tasks for a person in need for care and not fully independent.*

***Professional (formal) care** – paid care services provided to a person with limitations in his/her autonomy for another person specially trained and professionally dedicated to providing this service.*

***Telecare** – include equipment and services aimed to provide support to patients remotely that help to get them safe and independence at home*
