

USA market access glossary

Term	Meaning
340B	Federal program allowing hospitals which treat financially vulnerable patients to buy outpatient drugs at a discount
ASP	Average sales price, used to calculate medical benefit reimbursement
AWP	Average wholesale price, benchmark for pharmacy benefit drugs
CMS	Centers for Medicare & Medicaid Services, responsible for setting drug reimbursement rates among other roles
Co-insurance	The percentage of pharmacy benefit WAC price paid by patients out of pocket
Co-payment	The amount paid by patients out of pocket for their pharmacy benefit drugs
Commercial insurance	Health insurance, often provided by employers
CPT code	Current Procedural Terminology code, used to manage billing of medical benefit services by insurers
Deductible	The amount a patient must pay out of pocket before their insurance coverage begins
DRG	Diagnosis Related Group, used for reimbursement of medical benefit services
GPO	Group Purchasing Organization, especially for medical supplies including medical benefit drugs
HCPCS	Healthcare Common Procedure Coding System, used by CMS and other insurers for medical billing. Contains items not described by CPT
IDN	Integrated Delivery Network, a group of healthcare providers operating together
IRA	Inflation Reduction Act (2022)
J-code	HCPCS codes related to non-oral, non-chemotherapy drugs
List/gross price	The publicly available price of a drug, often WAC for pharmacy benefit or ASP for medical benefit
MCO	Managed Care Organization, often a commercial insurer

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Medicaid	Federal and state program providing health services to those with low income
Medical benefit	The part of health insurance which deals with HCP services and drugs administered by them
Medicare	Federal program providing health services to over 65s and certain other groups
Medicare Parts (A, B, C, D)	Different coverage options available under Medicare. Refers to hospital insurance (Part A), medical care (Part B), Medicare Advantage (Part C) and drug coverage (Part D)
NDC	National Drug Code, used to specifically identify drugs to the pack level. Used for billing
Net price	The price paid to drug manufacturers after discounts and rebates are factored
Out of pocket (OOP)	The payments patients make in addition to costs covered by insurance
P&T	Pharmacy & Therapeutics (committee), group at a hospital or insurer who decide on the drug formulary
PBM	Pharmacy Benefit Manager
PDP	Prescription Drug Plan, also known as Medicare Part D
Pharmacy benefit	The part of health insurance which deals with drugs that a patient (or caregiver) administers themselves. Usually obtained through a retail pharmacy
Premium	The monthly or annual amount paid for health insurance coverage
Prior authorization	Utilization management tool, sets out the requirements for a prescription or procedure to be covered by insurance
Quantity limit	Utilization management tool, the amount of a drug that can be dispense within the insurance policy
Step edit	Utilization management tool, the requirement for the patient to try one or more treatments in sequence
Tier	Defines the level of reimbursement and co-payment/insurance the patient must pay for a particular drug
WAC	Wholesale Acquisition Cost, list price for pharmacy benefit drugs

 Access Infinity

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