



# CONNECTING TO THE NATIONAL PRESCRIPTION DELIVERY SERVICE

## Strengthening electronic prescription exchange

In the 2023 May Budget, the Australian Government announced an investment of \$111.8 million over four years and \$24.2 million ongoing to provide prescription delivery services and related enhancements. This creates certainty for the exchange of nearly 300 million PBS prescriptions each year between prescribers and dispensers. It will extend electronic medication charts into other setting such as palliative care. It includes longer-term policy to mandate the use of electronic prescribing for high risk and high-cost medicines.

## Establishing the Prescription Delivery Service

Australia's prescription ecosystem started with the National E-Health Strategy introducing the concept of electronic transfer of prescriptions in 2008. Over the last 14 years, the prescription ecosystem has grown. The growth stems from support from legislative change, funding initiatives and a 15-cent electronic prescription fee (EPF), rebating pharmacies via the Community Pharmacy Agreement. And it was made possible by the innovation and collaboration of the Australian medical software industry. Today, more than 95% of all PBS prescriptions, whether electronic or paper-based, use the prescription delivery service.

The 7<sup>th</sup> Community Pharmacy Agreement in 2020 stipulated that the current prescription delivery services would be moved out of the 7CPA and toward a direct contracted model. This change would ensure the effectiveness and sustainability of Prescription Delivery Service.

The transition to a direct model began with a Request for Information (RFI) to explore the current and future state of Prescription Delivery Services, closing in Oct 2021. Informed by the RFI results, the Government announced the Request for Tender for Electronic Prescription Services (Ref: Health/E21- 576909) to engage a single or multiple providers for ongoing Prescription Delivery Services.

The tender closed on 2 June 2022 and in May 2023, the department signed a 4-year contract for Fred IT's eRx Script Exchange to supply the national Prescription Delivery Service from 1 July 2023.

The decision builds on the success of electronic prescribing, giving transparency and stability to the prescription exchange system.

## Benefits of the Prescription Delivery Service

The new PDS streamlines prescription delivery management and includes-

- Government-funded prescription exchange, including SMS fees.
- Long-term funding certainty to enable innovation and efficiency
- Clearer governance, including managing issues and risks
- Enhanced capacity for patient-centred support and care
- Reduced complexity of the prescription delivery ecosystem

## WHAT YOU NEED TO KNOW

The 15-cent electronic prescription fee (EPF) paid to pharmacies via the Community Pharmacy Agreement will end on **30 June 2023**. The ending of the EPF will maintain a cost-neutral arrangement for pharmacies as they will no longer be charged a 15c fee for eligible prescriptions by the Prescription Delivery Services.

The Australian Digital Health Agency will continue to reimburse the cost of electronic prescribing SMS notifications to **30 September 2023**. SMS notifications will then be funded through the national PDS.

On the horizon are longer-term policy reforms such as mandating use of electronic prescribing for high risk and high-cost medicines. Software vendors will need to achieve conformance with Conformance Profile v3.0.1 ahead of this coming into effect.

We are actively working with all our partners across the industry to ensure continued connection to the PDS, safeguarding access to medicines prescriptions which ensures that consumers will not be impacted implementing the national PDS.

### YOUR NEXT STEPS

Software Developers

#### If you are already connected to eRx Script Exchange:

No action is required at this time. Billing arrangements will change from 1 July

#### If you not already connected to eRx Script Exchange, and wish to connect:

- Register pharmacies and prescribers to eRx on <http://www.ernx.com.au/register>
- For further information about funding for software vendors connecting to eRx, contact eRx Script Exchange on [ePrescribing@ernx.com.au](mailto:ePrescribing@ernx.com.au)
- In preparation for achieving conformance to Electronic Prescribing Conformance Profile v.3.0.1, visit the [ADHA electronic prescribing developer hub](#) for resources.
- Please advise your customers of your changes and any actions they need to take.

## PRESCRIPTION DELIVERY SERVICE TIMELINE

**2010**

Legislation enables electronic transfer of paper prescriptions

**March 2020**

COVID-19 fast-tracked electronic prescribing

**June 2020**

7th CPA announced a "direct" funding model for PDS

**October 2021**

Request for information closed

**June 2022**

Request for Tender for Electronic Prescription Services (Ref: Health/E21- 576909) closed

**May 2023**

eRx Script Exchange contracted to supply the national Prescription Delivery Service

**30 June 2023**

15-cent electronic prescription fee (EPF) paid to pharmacies ends

**1 July 2023**

National Prescription Delivery Service commences

**30 September 2023**

SMS reimbursement ends

**2023-**

Consultation and policy reforms for high risk and high-cost medicines

The Department of Health and Aged Care, the Australian Digital Health Agency and Fred IT will work with software developers, clinicians and pharmacists to support connection to the national Prescription Delivery Service. Your continued contribution and support for electronic prescribing is greatly appreciated.

For question relating to electronic prescription policy or to share your perspective, please contact [EPTransition@health.gov.au](mailto:EPTransition@health.gov.au).

## FREQUENTLY ASKED QUESTIONS

### Changes to SMS

Question	Response
How does the SMS fee work?	SMS notifications fee for electronic prescriptions will continue to be reimbursed by the department to ensure that no out of pocket expenses are incurred by healthcare providers. The existing arrangements with the SMS notifications gateway service providers will remain in place until 30 September 2023. From 1 October 2023, SMS subsidies will continue using a single SMS gateway service provided by Fred IT.
Will there be a service for users to be notified of successful delivery under the single service model?	At this stage there are no changes planned for the Fred IT SMS gateway. This does not preclude changes in the future should the department/industry require it.
Will there be charges to software providers for SMS notifications post 30 September 2023?	For those who utilise the new Government-funded Fred IT SMS gateway there will be no charge for SMS notifications from 30 September 2023.
With the ending of SMS service options, will there be SLAs placed on delivery?	At this stage there are no changes planned for the Fred IT SMS gateway and associated service levels. This does not preclude changes in the future should the department/industry require it.

### Commercials

Question	Response
Do the commercial fees apply to prescribers only?	The commercial arrangements apply to both prescribing and dispensing vendors.
Does the software provider support funding extend to mobile applications and mobile intermediaries?	No.
What is the indicative timeline for the ACCC process, i.e., is it likely to extend beyond July 2023?	At this stage the ACCC process is expected to be completed by July. Contingency arrangements will be reviewed nearer the time if this is likely to be delayed.

Question	Response
Why isn't it a formal ACCC process?	It is a voluntary process that Fred IT have agreed to undertake to ensure the arrangements between Fred IT and prescribing/dispensing software vendors are equitable and transparent.
Will the contract (eRx and connecting Clinical Information Systems - CIS) be provided to the software providers and/or MSIA for review/comment prior to finalising? If yes, what is the timeline?	The draft contract will be worked through with MSIA, timeline to be confirmed.
Will there be a yearly review in payments terms in relation to prescriber incentive payments, currently at 2.25 cents?	There are currently no plans to review these payment arrangements.

## Communications

Question	Response
What communications will be issued around ensuring continuity of service?	We are drafting a communications plan and will provide to stakeholders (vendors, prescribers, dispensers, peaks etc). A draft of this will be shared with MSIA in the coming weeks and sent to vendors for wider distribution as required.
What communication will be provided to users who have selected MediSecure as their primary provider?	We are currently preparing a communications timeline to provide to stakeholders (vendors, prescribers, dispensers, peak bodies) in consultation with MSIA Software vendors connected to MediSecure and interested in connecting to eRx are invited to contact eRx Script Exchange to discuss their individual circumstances. Email <a href="mailto:ePrescribing@erx.com.au">ePrescribing@erx.com.au</a> or calling 1300 700 921.
What is the communication strategy for existing users without any transition requirements?	We are coordinating communication toolkits and resources for distribution through peak bodies, software developers and existing Government channels. Software developers, clinicians and pharmacists will receive information of next steps and where to find resources and support.
What's the plan around communications to users solely with MediSecure on next steps for moving across?	We are currently preparing a communications timeline to provide to stakeholders (vendors, prescribers, dispensers, peak bodies) in consultation with MSIA The toolkits will include information from the department to distribute to clients with next steps and where to find more information about the move to a national Prescription Delivery Service.
When will communications be sent out to prescribers and dispensers?	We are currently drafting a communications plan to provide to stakeholders (vendors, prescribers, dispensers, peaks etc). A draft of this will be shared with MSIA and relevant peaks in the coming weeks and sent to vendors for wider distribution as required.

When will the next stakeholder meeting take place?	The next Peaks and Partners meeting is expected to be scheduled for one month's time (early June), unless it is agreed that a sooner forum is required.
Will adequate communications be provided so aged care providers are able to transition?	Yes. However, we expect transition requirements for aged care providers to be minimal at this stage. eNRMC vendors operating under the transitional arrangement are not yet integrated with prescription exchanges. Our initial focus is on supporting vendors looking to transition to the national Prescription Delivery Service.
Will industry and MSIA be provided the full communication plan?	Yes.

## Conformance

Question	Response
How quickly will eRx provide conformance testing?	The prioritisation criteria for conformance testing will be determined by the Department of Health and Aged Care will be distributed if needed. Vendors looking to connect to the national Prescription Delivery Service are encouraged to contact eRx Script Exchange, by emailing <a href="mailto:ePrescribing@erx.com.au">ePrescribing@erx.com.au</a> or calling 1300 700 921, as early as possible.
What is the timeframe for CPv3.0.1 conformant PDS being available to support eNRMC products testing to CPv3.0.1?	Once eRx PDS achieves conformance to CPv3.0.1, the Agency and the department will work with eNRMC providers on associated timelines. It is noted that all eNRMC products, including those currently registered on the transitional eNRMC conformance register, will need to complete conformance testing against CPv3.0.1 with eRx. Additionally, there is a dependency on availability of CPv3.0.1 conformant connecting dispensing systems. The immediate priority for conformance testing is for software vendors currently transacting with Medisecure looking to migrate to the national Prescription Delivery Service through eRx Script Exchange.

## eNRMC

Question	Response
Does an Electronic Medication Management (EMM)/electronic National Residential Medication Chart (eNRMC) fall into the prescriber vendor support payment section?	Yes.

What is the end date to the Transitional eNRMC arrangement?	The department will work with industry to determine an appropriate timeframe and change management process to cease the Transitional Arrangement.
Will prescriptions issued under the Transitional eNRMC arrangement become invalid once the Transitional eNRMC arrangement ceases?	The department will explore legislative options to ensure this doesn't happen.

## Policy

Question	Response
Several high cost and high-risk medications and treatments are administered via infusion which are generally sent to a compounder to prepare those drugs - are these in the scope of the mandate to ensure high cost and high-risk drugs are running through PDS within 18 months?	The scope for high-risk and high-cost medicines will be worked through during consultation, which will take 12-18 months to implement.
How has the change to 60-day dispensing been accounted for in this process?	Government has provided ongoing funding to secure prescription exchange services now and into the future. Establishing a direct funding arrangement, outside of the Community Pharmacy Agreement, helps to ensure the sustainability of the prescription exchange service without being dependent on prescription volumes.

## Prescribing Ecosystem

Question	Response
Does Medication Knowledge still exist when MediSecure will eventually not be a prescription exchange?	There are no changes to the Medication Knowledge service with the commencement of the national PDS.
How does Medication Knowledge fit into the process?	There are no changes to the Medication Knowledge service with the commencement of the national PDS.
How will a single PDS impact on Medication Knowledge?	There are no changes to the Medication Knowledge service with the commencement of the national PDS.
To clarify, do vendors have to continue contracts with Medication Knowledge to participate in the system?	There are currently no plans to change the way Medication Knowledge operates.

What is the impact of the transition to a single PDS service on ASL Release 2?	The eRx PDS is expected to attain conformance to CPv3.0.1 shortly. ASL Release 2 functionalities will be delivered within CPv3.0.1.
What will happen with Medication Knowledge? What is the potential impact (if any) on ASL and RTPM?	There are no changes to the Medication Knowledge service with the commencement of the national PDS.
Will software vendors still have to pay a licence fee and annual support to Medication Knowledge?	There are no changes to the Medication Knowledge service with the commencement of the national PDS.

## Procurement and Governance

Question	Response
Given the pre-existing market architecture has the Department of Health and Aged Care secured an opinion from the Australian Competition & Consumer Commission that the new arrangements comply with Australian competition, fair trading, and consumer protection law?	Consistent with numerous other outsourcing arrangements, the department does not require a determination from the ACCC concerning awarding the contract to procure a national PDS.
How can the market work with Fred IT/DoHAC to have a roadmap to provide certainty around budgeting and consensus?	The department and Fred IT welcome the opportunity to work with MSIA and the industry to develop such a roadmap. The Commonwealth's investment in prescription exchange services has been set and announced in Budget 2023-24.
How does having a single supplier create openness, choice, and innovation?	A single supplier creates equal opportunity for connection to services through transparency of commercial arrangements. Complexity of interoperability between systems is reduced. This can help improve development and deployment timeframes for enhancements. Certainty of funding and prescription exchange arrangements enable government and industry to prepare longer-term plans that enable opportunities to innovate.
In addition to SLAs on SMS, will there be SLAs around general performance to resolve outstanding connection issues to eRx?	The contract with Fred IT contains a strict performance management regime and service levels that are to be maintained by Fred IT.
What are the ongoing governance arrangements for requirements and assurance of the system?	The contract is in place between the Department of Health and Aged Care and Fred IT. It will be up to the department (working with the ADHA and with Fred IT) to ensure adequate assurance over the system.

Will any innovation discussions be had with the Department of Health and Aged Care or with Fred IT? If there are any ideas or concerns or things we'd like to do, who do we have those discussions with?	The department and Fred IT would welcome the opportunity to discuss ideas with industry and plan for innovation within the ecosystem. We expect to put a more specific mechanism in place in the future for capturing such ideas. In the meantime, the department's email contact should be used. The MSIA has also offered to help coordinate the ideas.
Will Fred IT have access to information that will guarantee them a competitive advantage within the market? What measures are in place to prevent this from occurring?	We administer our tenders in line with the Government's procurement policy framework. The framework has been developed to make sure all government procurement is: <ul style="list-style-type: none"> <li>• value for money</li> <li>• transparent</li> <li>• efficient</li> </ul>
Will the Boston Consulting report be disclosed?	Information provided to the department from the Boston Consulting Group will not be made available. The review paper was one of many sources that helped inform the design of the RFI and, later, the RFT. The Boston Consulting Group did not otherwise influence the outcome of the RFT.

## Transition

Question	Response
For software vendors who now need to contract, build, and test a new integration to eRx, what is the process to achieve this between now and 1 July 2023?	The existing process is unchanged, you can reach out to eRx Script Exchange with any questions you may have, by emailing <a href="mailto:ePrescribing@erx.com.au">ePrescribing@erx.com.au</a> or calling 1300 700 921.
Given that lots of vendors will need to re-conform with EP CPv2.3 on eRx PDS, will we see further delays to EP CPv3.0.1 delivery for software providers already using the eRx PDS?	The immediate priority is to transition interested vendors to eRx at CP v2.3. Meanwhile, eRx is also working to achieve CPv3.0.1 conformance for its PDS. We expect connected vendors will be able to start upgrading to CPv3.0.1 conformance in the second half of 2023.
How long will MediSecure tokens and prescriptions be supported for? I assume for one year from the year that they're written. Is that accurate?	At this stage, as far as the department is aware, MediSecure will continue operations. If this situation changes, the department and Fred IT will work with vendors to support access to prescriptions.
If MediSecure becomes insolvent after 1st July 2023 and closes, what happens to the eScripts held in their system?	At this stage, as far as the Department is aware, MediSecure will continue operations. If this situation changes, the department and Fred IT will work with vendors to support access to prescriptions.



<p>Taking into consideration the 6-week timeframe for full transition, can DoHAC and ADHA give an indication whether we can give our provider clients an assurance that there will be no outage of e-prescribing in months to come? If not, what will be the reasons for, and the duration of, such an outage?</p>	<p>The department, the Agency and Fred IT have the common key priority of ensuring system and business continuity for all ecosystem participants and will work with industry to minimise the risk of outages during transition.</p>
<p>The prescription/dispense records uploads to My Health Record (MHR) commonly go via the prescription exchanges, as does the mandatory RTPM functionality in most states. How does the single PDS impact MHR and RTPM?</p>	<p>There should be no impact as it's the same system and processes.</p>
<p>There is a known delay to the registration and onboarding process currently with eRX: what is there in place to make sure that vendors who have users needing to move can be supported in the timeframes given?</p>	<p>The department is happy to speak with vendors to discuss their specific circumstances and how we can best support individual needs.</p>
<p>What will happen to existing patient prescriptions with MediSecure after 1st July 2023?</p>	<p>At this stage, as far as the Department is aware, MediSecure will continue operations. If this situation changes, the Department and Fred IT will work with vendors to support access to prescriptions.</p>
<p>Will funding be available to enable aged care providers to support these significant changes in moving from MediSecure to eRX?</p>	<p>The Government has committed to funding a single prescription delivery service. If you wish to discuss with the Department your intentions to connect with the government funded PDS and your specific circumstances, we encourage you to email the Department at the provided email address and we will set up a time to discuss your specific circumstances with you.</p>
<p>Will MediSecure prescriptions become non-functional for patients before their legal expiry date under the transition arrangements?</p>	<p>At this stage, as far as we are aware, MediSecure will continue operations.</p>

Will the Government provide compensation for aged care providers who undertook efforts to achieve compliance with MediSecure 3.0/3.1 conformance before the tender delayed this process?

The Department is happy to speak with vendors to discuss their specific circumstances and how we can best support individual needs.

