



Our ref: AA1000472
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Simon Jay
Partner
Cornwalls

By email:

Dear Mr Jay

**eRx Script Exchange Pty Ltd's application for authorisation AA1000472—
request for further information and response to interested party submissions**

The ACCC is continuing to assess the application for authorisation lodged by the eRx Script Exchange Pty Ltd (**eRx**) on 2 March 2020, and requests further information which is outlined below.

1. How many pharmacies and doctors currently use the eRx PES?
2. What proportion of scripts are processed through the eRx PES?
3. Could you please clarify if Clause 14 of the Commercial Interchange Agreement means either that:
 - The technical solution for interoperability is the eRx and IP MDS systems operating as they currently are, and the interchange fee provides the incentive to maximise interoperability, or
 - The reason for the interchange fee is that the parties have not yet been able to develop a technical solution for their systems to operate interoperably.

If it is this second meaning, the ACCC notes that the authorisation has now been in place since 2013 and would like information on what steps have been undertaken for the systems to operate interoperably. In particular, please explain:

- If a technical solution is currently being developed. If it is, what the proposed solution is, what steps have been taken to develop it since the last authorisation, and the timing for the implementation of the solution.
 - If no technical solution has been developed since the last authorisation, why this is the case, and what the expected timing is for a technical solution to start being developed.
4. The application states at paragraph 11 that eRx is not aware of any prospective new providers who are developing or considering developing a PES. Please explain:
 - Has eRx been approached by any provider to extend the Commercial Interchange Agreement? If yes, please outline who approached eRx and what was the outcome of any interaction between eRx and any other provider.

- How would the parties to the Commercial Interchange Agreement seek to negotiate with a particular new entrant? Are there any circumstances where the parties would not extend the Commercial Interchange Agreement to a new provider? Please provide reasons why.
5. Through the 2018/19 Commonwealth Budget, the Federal Government announced support for the implementation of electronic prescribing. The ACCC understands that the Department of Health and the Digital Health Agency are undertaking implementation activities throughout 2019 and 2020 to support the delivery of electronic prescribing.
- Please outline what impact does the introduction of electronic prescribing have on the prescription exchange services offered by eRx?
 - What impact does the introduction of electronic prescribing have on the need for the revenue sharing arrangement in the Interchange Change Agreement?
 - With the introduction of electronic prescribing, what would be the likely scenario if the revenue sharing arrangement did not exist?
 - What impact does the introduction of electronic prescribing have on new entrants of prescription exchange systems or new entrants to offer electronic prescribing?

The ACCC has also received two submissions from interested parties, available on the [Public Register](#), which we request your response to.

We would be grateful if you could provide a response to this letter by 20 May 2020. This letter has been placed on the [ACCC's Public Register](#). If you have any queries please contact Luke Griffin or Tom Whitby on 02 6243 1114/1012 or luke.griffin@accc.gov.au / tom.whitby@accc.gov.au.

Yours sincerely



Danielle Staltari
Director
Adjudication