

Q #	ACCC's Question	eRx Script Exchange Pty Ltd's Response
1	How many pharmacies and doctors currently use the eRx PES?	As at April 2020: 5,153 pharmacies and 24,789 doctors were transmitting scrips via the eRx PES.
2	What proportion of scripts are processed through the eRx PES?	<p>It is difficult to determine the percentage of total prescriptions transmitted through the eRx PES, however it is estimated to be approximately 90%.</p> <p>We know that 6,554,589 original prescriptions were uploaded to the eRx PES by doctors during April 2020, and that 24,061,920 dispense transactions were processed through the eRx PES during the same period.</p>
3	<p>Could you please clarify if Clause 14 of the Commercial Interchange Agreement means either that:</p> <ul style="list-style-type: none"> <li>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 interoperably, or</li> <li>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.</li> </ul>	It is the first meaning. Interoperability has been operating successfully between eRx and IP MDS since 2013. This interoperability provides doctors and pharmacists with the choice of which prescription exchange they wish to use. This mechanism has been successful in encouraging both eRx and IP MDS to operate interoperably
	<p>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</p> <ul style="list-style-type: none"> <li>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</li> </ul>	No responses required to these further questions in light of our answer to question 3.

	<ul style="list-style-type: none"> <li>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.</li> </ul>	
4	<p>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:</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<p>eRx has not been approached by any prospective new providers who are developing or considering developing a PES. eRx has regular meetings with a wide variety of organisations about electronic prescriptions but at no time has eRx discussed or been asked about a Commercial Interchange Agreement.</p>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<p>During 2019-20, eRx and IP MDS Systems have been active participants in the design and development of ePrescribing in collaboration with the medical software industry, Commonwealth Department of Health (DOH) and the Australian Digital Health Agency. The DOH ePrescribing architecture specifies requirements to ensure additional PES's are able to enter the market and are able to enter a Commercial Interchange Agreement with eRx and IP MDS systems, should they meet the technical requirements as specified in the ePrescribing architecture and conformance specifications.</p>
5	<p>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.</p>	<p>eRx and IP MDS Systems continue to work with DOH and ADHA for the delivery of ePrescribing in conjunction with prescribe and dispense vendors as well as patient apps. Both eRx and IP MDS are contracted by the Commonwealth DOH to provide the Prescription Exchange Service infrastructure for this service. As mentioned in response to question 4, the architecture and conformance requirements specify the requirement to allow additional Prescription Exchange Services to integrate in the same manner as eRx and IP MDS.</p>

	<ul style="list-style-type: none"> <li>• Please outline what impact does the introduction of electronic prescribing have on the prescription exchange services offered by eRx?</li> </ul>	eRx and IP MDS have invested heavily in developing the additional requirements specified by DOH/ADHA to provide the ePrescribing solution and are working with prescribe and dispense vendors to enable the ePrescriptions during 2020.
	<ul style="list-style-type: none"> <li>• What impact does the introduction of electronic prescribing have on the need for the revenue sharing arrangement in the Interchange Change Agreement?</li> </ul>	The introduction of ePrescribing has no impact on the existing arrangements in the Interchange Agreement.
	<ul style="list-style-type: none"> <li>• With the introduction of electronic prescribing, what would be the likely scenario if the revenue sharing arrangement did not exist?</li> </ul>	Without the Commercial Interchange Agreement – with revenue sharing at its heart, interoperability would not be commercially supportable resulting in patients not having the ability to have their medications dispensed at their choice of pharmacy. Destroying interoperability would result in two PESs operating in isolation so if a doctor uses IP MDS to write a prescription and the patient chooses a pharmacy the uses eRx's PES, the script will not be accessible for dispensing. Interoperability fundamentally means that the patient retains complete control over where they have their medications dispensed.
	<ul style="list-style-type: none"> <li>• What impact does the introduction of electronic prescribing have on new entrants of prescription exchange systems or new entrants to offer electronic prescribing</li> </ul>	The introduction of ePrescribing has no impact on new entrants wanting to offer ePrescriptions, other than some additional requirements specified by Commonwealth DOH to generate a legal ePrescription.