



Australian Government

Department of Health

Mr Daniel McCracken-Hewson
Acting General Manager
Adjudication Branch
Australian Competition and Consumer Commission
23 Marcus Clarke Street
CANBERRA ACT 2601

Dear Daniel

RE: Submission by eRx Script Exchange Pty Ltd (eRx) seeking re-authorisation and interim authorisation to continue to operate its Prescription Exchange System interoperably with IP MDS Pty Ltd's (MDS) Prescription Exchange System

I refer to the application made to the ACCC for authorisation to extend a contract between the two parties named above. I apologise for my late reply in support of this application. I have now read the proposal and offer my support.

In 2012, eRx and MDS agreed with the Commonwealth through the Department of Health to make their respective Prescription Exchange Services interoperable. A Commercial Interchange Agreement (the Agreement) certifying this was established through an ACCC Determination on 7 March 2013. The Determination (reference A91348) expired on 30 June 2017 and was extended through a new Determination (reference A91579) until 30 June 2020.

The application seeks re-authorisation to extend the Agreement to 30 June 2025 to ensure interoperability between the two Prescription Exchange Services continues until the end of the Seventh Community Pharmacy Agreement. An interim authorisation is also being sought by eRx from the Agreement end date of 30 June 2020 until the ACCC makes a final Determination.


Interoperability between the two systems continues to be in the public interest as it enables patient choice of pharmacy and facilitates efficiencies through the widespread use of electronic prescriptions in the community. Continuation of interoperability between the two Prescription Exchange Services also allows continued improvement between the two systems and continued improvement of Australian medication management systems. It supports better Quality Use of Medicines under the National Medicines Policy and contributes to the broader digital health agenda.

Under the Seventh Community Pharmacy Agreement, the Department of Health has committed to continuing the existing Commonwealth funding arrangement relating to the Prescription Exchange Services. This will cover the 2020-21 financial year. After the 2020-21 financial year the Department of Health will establish direct arrangements with the Prescription Exchange Services, to facilitate pharmacists' receipt of electronic prescriptions.


Electronic prescriptions are an essential component of the Health system and will continue to provide a valuable contribution to medicine supply within the country. Interoperability between these systems directly supports the policy outcomes sought by the Department of Health. It supports Australia's National Digital Health Strategy through evolving health and care to meet the needs of modern Australia and demonstrates a general benefit to the Australian community.

Interoperability between the existing Prescription Exchange Services will provide benefits for the 2020-21 financial year and is expected to continue to provide benefits to the public beyond this. While the Commonwealth payment mechanism will change after the 2020-21 financial year, the Department of Health is supportive of the Prescription Exchange Services continuing to interoperate.

The Department of Health supports continuation of the data sharing and revenue sharing arrangement between the Prescription Exchange Services that enables patient choice of pharmacy, and supports continued authorisation of the Agreement on the basis that it is essential to the ongoing progression of electronic prescribing.

Should you require further support of the application, please contact Rowena Sierant, Director, Electronic Medication Management Section .

Yours sincerely



Daniel McCabe
First Assistant Secretary
Benefits Integrity and Digital Health Division

23 September 2020