



**THE MEDICAL SOFTWARE INDUSTRY ASSOCIATION (INC)**

**ABN 82 324 598 961**

**Submission to Senate Standing Committee on Economics**

**National Health Amendment (Pharmaceutical Benefits) Bill 2015  
[Provisions]**

**19<sup>th</sup> June, 2015**

## National Health Amendment (Pharmaceutical Benefits) Bill 2015 [Provisions]

### Introduction

The Medical Software Industry Association (MSIA) is an industry association representing software vendors who develop software for healthcare. Amongst our members are all software vendors who provide software for community and acute pharmacy. That software incorporates the monthly PBS updates, claiming and other information that supports pharmacists in their dispensing role such as patient information sheets, safety alerts and decision support.

### Implementation Issues

The 5<sup>th</sup> Community Pharmacy Agreement, (5CPA) provided a transition timetable to the 6CPA where work on the transition and roll out could begin early April. However, this was not possible and the 6CPA was only made publicly available on the 28<sup>th</sup> May. To implement the government's policy changes for the roll out on 1<sup>st</sup> July, dispensing software vendors needed to have business rules on which the software code must be based and a vendor test environment in place as soon as possible. The business rules were made available on 12<sup>th</sup> June with further clarification on the 16<sup>th</sup> June. The test environment will be made available by DHS on Monday 22<sup>nd</sup> of June.

In addition because there is no 100% guarantee that the bill will pass the vendors need to ensure that they are ready for either a continuance of the 5CPA or the new and much more complex 6CPA. If the Bill is passed on the 24<sup>th</sup> or 25<sup>th</sup> June then the software vendors have only three or four working days in which to complete their preparations. **This is means that not all software vendors will be ready to implement all programs on 1<sup>st</sup> of July.** Normal development cycles require at least 6 weeks and more for the complex changes that are required for the 1<sup>st</sup> of July.

This means inconvenience, confusion and a messy change-over for pharmacy, their patients and the software vendor community.

Our concerns are highlighted by the fact that on the 10<sup>th</sup> of June the Department of Health wrote to the Pharmacy Guild of Australia informing them that the Department of Human Services ***'would not be able to automatically process a component of the Administration Handling and Infrastructure Fee (AHI) until July 2016'***. We now know that DHS is going to manually reconcile some 4 million scripts until they are ready to automatically process in July 2016. We find it extraordinary that this government is passing legislation its own agencies cannot implement in an appropriate (21<sup>st</sup> century) way.

The software vendors will be implementing the whole AHI in order to support our clients as quickly as they can, but final reconciliation for July scripts, by DHS, for example, will be delayed until October 2015.

It is also noted at the time of writing the pharmacy community had not been made aware of this issue and the impact it is likely to have on their administration, cash-flow and increased complexity of daily workflow. No communication has been made to pharmacists about the inability of DHS to process some part of the new programs.

In addition the MSIA, despite representations to the Minister's office had not been one of the stakeholders "consulted" during the 6CPA negotiations - such policy roll-out is dependent on the co-operation of the dispensing software vendors and we recommend they are consulted during the 7<sup>th</sup> CPA negotiations.

**Recommendation:** That the Senate consider delaying the implementation of the AHI component of the Bill until all the stakeholders are in a position to facilitate a smooth and seamless 'go live' where the dispensing vendor and DHS automatic payment capabilities align **OR** delay until October when DHS's manual reconciliation processes will be ready.

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