



eRx No Cost Policy:

Information for Pharmacists

Electronic prescriptions (e-Scripts) will be effectively free for all pharmacies using eRx Script Exchange as a result of eRx's No Cost pricing policy. The policy includes two major changes. eRx will lower its transaction fee to match the 15 cent support payment for electronic prescriptions under the Fifth Community Pharmacy Agreement (5CPA). eRx will also exchange all electronic scripts not currently funded by the 5CPA electronic prescription scheme at no cost. This includes private scripts and pharmacy initiated originals and repeats therefore ensuring that pharmacies are not out of pocket for using e-Scripts.

1. e-Scripts Support Fee

1.1. What is the new support payment fee for e-Scripts?

The new support payment fee of \$0.15 per script (item) is paid to pharmacists for dispensing of PBS, RPBS and under-copayment e-Scripts that are generated electronically by prescribers. The fee is designed to offset some of the costs charged to pharmacists by e-Script exchange service providers such as eRx.

The support payment fee will be claimed for by community pharmacy using PBS Online. Initially, the processing of the fees will involve a partly manual process. The manual process will be in place until Medicare Australia upgrade PBS Online to allow for an automatic claim payment system for e-Scripts.

1.2. What makes a script eligible for an e-Script Support Fee payment?

To be eligible for the 5CPA support payment fee, an e-Script must:

1. Be for PBS, RPBS or undercopayment items, and
2. The original script must have been uploaded to eRx by the prescriber – i.e. be “doctor initiated” to the exchange.

All repeats from doctor initiated e-Scripts are also eligible. Where the original is not uploaded to the PES by the prescriber, but is subsequently uploaded by a pharmacy, it will not be eligible for payment of the support fee. eRx will still process any ineligible scripts at no cost.

1.3. What scripts are ineligible for the e-Scripts Support Fee?

Private scripts and repeat scripts where the original script was not sent to eRx by a doctor. eRx will still process these ineligible scripts at no cost.

1.4. Is the e-Script Support Fee being paid on repeats?

The 15 cent fee applies to repeats, but only where the original e-Script was uploaded to the PES by the prescriber and the repeat is dispensed as an e-Script. eRx will still process any ineligible repeat scripts at no cost.

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1.5. Does the e-Script Support Fee cover your own internal repeats or just other pharmacies outside repeats?

The e-Script Support Fee is for all eligible repeats regardless of the type of repeat.

1.6. Is an e-Script Support Fee paid for under co-payment non-claimable PBS Scripts?

Prescriptions priced under the general co-payment will be eligible for the e-Script fee.

1.7. Is the e-Script Support Fee paid for private e-Scripts or pharmacy initiated e-Scripts?

Private e-Scripts and pharmacy initiated e-Scripts entered in the pharmacy system are not eligible for the electronic e-Script fee. eRx will still process these ineligible scripts at no cost.

1.8. Do I need to register for this program like I do in other agreement programs?

No. You do not need to register with Medicare Australia for this program. If you want to activate the "No Cost" plan for eRx you can go to www.erp.com.au, click on the "Activate No Cost Policy" link and provide your direct debit bank details and authority.

1.9. Are you required to use PBS Online to claim the e-Script support fee?

Yes, eligibility for each script will be determined by the PBS Online system. Pharmacies not using PBS Online will not be eligible for the electronic script payment.

1.10. How often will I be paid the e-Script support fee?

The e-Script Support fee will be paid as a part of each PBS claim you finalise. If you finalise and submit your paper claim monthly you will be paid monthly. If you finalise claims more frequently you will be paid after each claim you submit.

1.11. What about Australian Standards for the transfer of electronic scripts?

For prescription to be eligible for the electronic prescription fee, eRx will be required to comply with the Electronic Transmission of Prescriptions (ETP) specifications currently being developed through the NeHTA and Standards Australia framework. eRx intends to comply with this requirement within the time frame provided under the agreement. eRx is actively involved in and supports the standards development process.

2. eRx No Cost Policy

2.1. Will I be charged by eRx for scripts that are ineligible for the e-Scripts Support Fee?

No. Under eRx's "No Cost" policy you will only be billed for those scripts that you receive the support payment fee from the government. You can process ineligible scripts through eRx free of charge. This means you can enjoy the benefits of e-prescribing without concern for the cost of doing so.

2.2. What about the costs for e-Scripts not eligible for the e-Script fee payment?

While certain scripts (private and pharmacy initiated e-Scripts) are not eligible for the e-Script fee, eRx will continue to transact these scripts at NO CHARGE to the pharmacy. Pharmacists will only be charged a 15 cent transaction fee for scripts that are eligible for the government e-Script fee. The end result of this Policy is pharmacists can use eRx for all scripts immediately without being out of pocket, and without wasting time wondering which scripts are costing you money and which aren't.

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2.3. How long will the eRx “No Cost Policy” be in place?

While the new e-Script fee restricts the types and source of e-Scripts that will be eligible for the 15 cent fee, eRx will continue to fund all ineligible electronic scripts to provide a “no out of pocket” e-Script service. The longterm implications of the restrictive fee rules need to be considered. While it is eRx’s aim to maintain a “no cost” approach, in the end this will depend on further discussions with partners, government and the industry. eRx users will be clearly notified 60 days in advance if this policy cannot be maintained in the future.

2.4. What if I don't want to provide direct debit bank authority to eRx?

The “No Cost” policy for electronic scripts requires the pharmacy to provide eRx with direct debit authority to automatically debit the invoiced amount for the use of the service. The debit is actioned 30 days after the invoice date to ensure you are only billed after you receive the funds from Medicare. If you don't wish to provide this detail you can still use eRx and receive the payments from the government but a manual service charge of \$3 per claim will be added to each eRx invoice. You will be out of pocket by the service charge amount only.

2.5. What is the \$3 manual service charge on my bill?

The “No Cost” policy for electronic scripts requires the pharmacy to provide eRx with direct debit authority to automatically debit the invoiced amount for the use of the service. If you don't want to pay the \$3 service charge you will need to provide eRx with your direct debit details by going to www.ernx.com.au and clicking on the link “Activate No Cost Policy”.

2.6. How do I sign up to use eRx if I have not done so already?

If you have not already registered to use eRx you can register at www.ernx.com.au. If you have previously registered for eRx and you are not yet operational, you should contact your software provider directly and ask for the status of your installation. eRx is currently certified and live for Fred Dispense, minfos, LOTS, Amfac, Simple Aquarius and Pharmacy Pro dispensing software.

3. e-Scripts Payments & Invoicing Process

3.1. Why am I receiving an email from eRx and what action do I need to take?

The email you have received is part of Medicare’s new payment process for the e-Script Payment Fee under the 5CPA, and eRx’s No Cost Policy. You need to action this email to claim your e-Script payment from Medicare. There are three attachments to the email from eRx. They are:

1. The Medicare e-Script Claim Form – must be printed out, signed and submitted with your PBS Claim;
2. The Medicare e-Script Claim Detail Report – must also be printed out, signed and submitted with your PBS Claim
3. eRx invoice – does not need to be printed and signed, but you must pay this invoice if you have not already provided eRx with a direct debit authority.

For further instructions on what to do to process e-Script payments see “How do I claim for Electronic Script Payment?”

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3.2. How do I claim the e-Script Payments?

This is a step-by-step guide to e-Script payments. This process will be repeated each time you finalise your PBS claim.

1: Close

Close Your PBS claim

This is the same as you do now. Use your dispensary computer and finalise your normal script paper work. eRx will email you the relevant e-Script forms and invoice within 48 hours of your closure of the claim. See Question and Answers on how to get the reports emailed overnight.

2: Print & Sign your forms

The email you receive from eRx will have three attachments:

- a) Medicare e-Script Claim Detail Report
- b) Medicare e-Script Declaration Form
- c) eRx Invoice for eligible scripts for the claim just finalised

Print and sign the Medicare e-Script Claim Detail Report and the Medicare e-Script Declaration Form.

3: Submit

Submit your forms

Add the Electronic Script Claim Detail Report and your signed Electronic Script Declaration Form into your normal hard copy claim and send them to Medicare Australia in the same way you do now.

4: Paid

Receive payment

Your electronic script payment will be paid directly into your nominated bank account as a PBS Payment Adjustment after your claim is reviewed by Medicare Australia.

5: Pay

Pay eRx

If you have provided eRx with a direct debit authority then this step will happen automatically. eRx will direct debit your nominated account 30 days after the invoice date. This ensures that you won't pay eRx until you have been paid by Medicare Australia.

If you have not provided eRx with a direct debit authority then your invoice will include a \$3 manual handling charge and you will need to organise payment to eRx.

3.3. How long will I need to print, sign and send manual electronic script claims to Medicare Australia?

In the future Medicare Australia will be upgrading PBS Online to allow for an automatic claim payment system for electronic scripts. The tentative time frame advised by Medicare Australia for an automatic claim process is 1st July 2011.

3.4. Can Medicare Australia pay eRx directly the electronic script fee rather than the two stage pay and invoice process?

It was the government's preference to pay the e-Script fee directly to the pharmacy and the simpler alternative of paying the e-Script supplier directly was unfortunately not approved.

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3.5. Do I need to send Medicare Australia the under co-payment scripts for which I claim the electronic script payments?

No, only send the hard copy prescriptions you currently submit.

3.6. How can I get eRx to send me the reports I need to submit for electronic script claiming quicker?

The eRx claim report process is only triggered when the first script of a new claim is processed by you. Rather than wait for up to 48 hours for the claim reports to be sent, you can process at least one script after you have closed your claim. This will trigger the process quicker and you should see the reports the next morning at your nominated email address.

3.7. Why aren't all the scripts in my claim on the "Medicare e-Script Claim Detail Report" attached to the email from eRx?

The Detail report only includes scripts that are eligible for the e-Scripts Support Fee. If you want to know how many e-Scripts you downloaded that the government considers ineligible for payment, and therefore eRx has not billed you for, look at the eRx Invoice attached to your email.

3.8. Why am I getting an invoice from eRx when I have signed up for the "No Cost Policy"?

The government will only pay the e-Script Support Fee directly to pharmacies with the intention of offsetting the costs of using an exchange like eRx. Medicare will not pay eRx directly. The per script transaction charges on the invoice from eRx will match the Support Payment fee you receive from the government.

3.9. Why is there an extra \$3 manual handling charge on each invoice?

The \$3 manual handling charge is only included on invoices if you have not provided eRx with a direct debit authority. If you do not wish to pay the manual handling charge then visit www.ERX.com.au and click on the "Activate the No Cost Policy" link.

3.10. Isn't there an easier way for processing these payments?

This manual system for processing e-Script payments was designed by Medicare Australia and is intended to be temporary only. In the future Medicare Australia will be upgrading PBS Online to allow for an automatic claim payment system for e-Scripts. The tentative time frame advised by Medicare Australia for an automatic claim process is 1st July 2011.

3.11. Why are there lots of scripts on the invoice that are no charge?

This is one of the benefits of eRx's No Cost policy. The government only pays pharmacies for scripts that were first sent to an exchange by a doctor and are PBS, RPBS or under co-payment scripts. With eRx, downloading e-Scripts works exactly the same, regardless of whether they are eligible for the government's e-Script payment or not. Also you do not have to worry about which e-Scripts are costing your business money because the net cost is zero for all scripts.

3.12. What do I do if I've already closed my claim and sent off the scripts?

You have two options. You can post the Medicare e-Script Claim Form and the Medicare e-Script Detail Report to the Medicare address shown on the forms. Or you can simply send those forms with your next claim.

3.13. Why am I getting 3 attachments in the email from eRx?

The 3 attachments are part of the payment administration process determined by Medicare for processing each claim under the e-Scripts Support Fee payment.

1. The Medicare e-Script Claim Form – must be printed out, signed and submitted with your PBS Claim;
2. The Medicare e-Script Claim Detail Report – must also be printed out, signed and submitted with your PBS Claim
3. eRx invoice – does not need to be printed and signed, but must pay this invoice if you have not already provided eRx with a direct debit authority.