



Australian Government
Medicare Australia








Highly Specialised Drugs (HSD) in public hospitals

Online solution information guide



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Background

Overview

Highly Specialised Drugs (HSD) are medicines for the treatment of chronic conditions that, because of their clinical use or other special features, are restricted to supply through public and private hospitals that have appropriate specialist facilities. To prescribe these medicines under the Pharmaceutical Benefits Scheme (PBS), medical practitioners must be affiliated with these specialist public hospital units. A medical practitioner or non-specialist hospital medical practitioner, who is not affiliated with the public hospital may only prescribe HSD to provide maintenance therapy under the guidance of the treating specialist affiliated with the public hospital.

The HSD program is a joint initiative of the Australian Government and the state and territory governments. In 2008, the Council of Australian Governments (COAG) agreed to stop funding public patient access to HSD through Special Purpose Payments (SPP) to states and territories, and fund these payments through a new Commonwealth Own Purpose Expenditure (COPE) mechanism.

From 1 July 2010, Medicare Australia began providing an electronic paperless online claiming and payment process for all public hospitals supplying HSD. Electronic claiming and payment is via Medicare Australia's existing Online Claiming for PBS claiming channel.

In the interim period, while public hospitals transition to the online process, an offline solution is available.

The change to HSD funding applies to all public hospitals including:

- public hospitals participating in the Pharmaceutical Reform Arrangements (participating public hospitals)
- public hospitals not participating in the Pharmaceutical Reform Arrangements (non participating public hospitals)
- non-dispensing public hospitals (non-dispensing public hospitals are defined as those public hospitals which do not have a dispensary (pharmacy) at the hospital).

Note: a non-dispensing hospital is allowed to use an agent for the supply of HSD. An agent may be a community pharmacy, friendly society or an outreach service. An arrangement is made between an agent and the hospital for supply and payment however, the claim must be lodged by the HSD public hospital overseeing the dispensing.

When acting as an agent for a non-dispensing public hospital, a community pharmacy or friendly society should supply the HSD to the patient without putting the claim through the Online Claiming for PBS system. The community pharmacy or friendly society must send all paperwork for the HSD to the non-dispensing public hospital with which they have the agent arrangement, and seek reimbursement of the cost of the medicines from them. The non-dispensing public hospital will submit claims to Medicare Australia using the Online Claiming for PBS claiming channel.

Public hospital Complex Authority Required (CAR) HSD and PBS trastuzumab (Herceptin® - early stage breast cancer) prescriptions can be supplied and claimed on the PBS by a pharmacist in a community pharmacy or friendly society or in a public hospital pharmacy however a public hospital non-CAR HSD prescription can only be supplied and claimed by a public hospital.

A community pharmacy or friendly society can not claim for public hospital HSD (non-CAR). The community pharmacy or friendly society must refer the patient back to the public hospital.

If a community pharmacy or friendly society is acting as an agent, the pharmacy must not claim for the item on the PBS. The public hospital HSD must be claimed on the PBS by the public hospital pharmacy.

The legislative basis of this program is an alternative arrangement made under section 100 of the *National Health Act 1953* (NH Act).

Phase 1—offline solution

On 1 July 2009, Medicare Australia introduced an offline solution for public hospitals claiming HSD. The offline solution and the Claims Transmission System (CTS) (for claiming CAR HSD) will remain in place for three years, to allow HSD public hospitals to register and transition to Online Claiming for PBS. Transition of hospitals to online claiming is expected to be completed by 31 December 2012.

Phase 2—online solution

Phase 2 involved the development and implementation of an electronic claiming and payment system that enables public hospitals supplying HSD to transmit HSD claims via Medicare Australia's Online Claiming for PBS claiming channel. The online solution will be rolled out over a three year period from 1 July 2010. During this period, public hospitals not using Online Claiming for PBS will be able to continue to claim HSD through the offline solution.

Public hospitals wanting to claim HSD via the Online Claiming for PBS claiming channel will require approval under section 94 of the NH Act (or section 100 of the NH Act in the case of non-dispensing public hospitals). Public hospitals must be registered prior to submitting claims via Online Claiming for PBS.

For more information go to www.medicareaustralia.gov.au then **For health professionals > PBS > Highly Specialised Drugs program**

Requirements

Hospital registration

On request, Medicare Australia will register and approve hospitals, not currently registered under the participating public hospitals program, under section 94 of the NH Act. In the case of non-dispensing public hospitals, approval will be granted under section 100 of the NH Act for the purposes of claiming under this initiative.

When approved, hospitals will receive a section 94 approval number which will allow them to claim identified HSD via the PBS. When approved, non-dispensing public hospitals will receive an approval number in the same format as a section 94 approval number.

Participating public hospitals that already have a section 94 approval number will not need to obtain a new approval. These hospitals can use their existing approval number to claim HSD.

Non participating public hospitals and their pharmacies will only have access to the HSD listed under this initiative. Medical practitioners in non participating public hospitals will not be able to prescribe other PBS medicines.

For more information on how to register visit www.medicareaustralia.gov.au then **For health professionals>PBS>Become an approved supplier>Hospital authority**

Patient eligibility

A patient must attend a public hospital supplying HSD and be a:

- day admitted patient
- non-admitted patient
- patient on discharge.

The patient must be under appropriate specialist medical care. They must also be an eligible person under the *Health Insurance Act 1973* (the HI Act). An eligible person must be:

- an Australian resident
- a person covered by a Reciprocal Health Care Agreement
- an eligible overseas representative.

If the criteria under the HI Act should change, then the eligibility requirements will adjust accordingly.

An Australian resident is a person who resides permanently in Australia and is:

- an Australian citizen
- a person who holds a permanent visa
- a New Zealand citizen
- an applicant for a permanent residence (not a parent application) who has a valid visa with permission to work or has a parent spouse or child who is an Australian citizen or holds permanent resident status (holds an interim card - see INTERIM CARD below).

INTERIM CARD

Important: repeat prescriptions for interim cardholders are not permitted.

An eligible person is entitled to have:

- a Medicare card (green) which is issued to Australian permanent residents and Australian citizens.
- a Medicare card (blue) stamped INTERIM CARD, which is issued in certain circumstances to persons who have applied for permanent resident status. These cards may have an expiry date later than the eligibility date both for Medicare and for PBS subsidy (including HSD). Confirmation may have been received from the Department of Immigration and Citizenship advising that the applicant's application has been withdrawn or refused.
- a Medicare card (yellow) stamped RECIPROCAL HEALTH CARE, which is issued to visitors from Finland, Italy, Malta, the Netherlands, Norway, Sweden, Belgium and the United Kingdom.
 - Visitors from New Zealand and the Republic of Ireland are not issued with cards; their eligibility for the PBS is on presentation of their passports.

Supply of medicines to eligible persons from the above countries is limited to the original prescription only.

An eligible person who has enrolled in Medicare, but has not yet received their card, may use their Medicare card receipt (with their Medicare number printed on it) as evidence of eligibility. Medicare card receipts are issued at Medicare offices.

An eligible overseas representative includes:

- the head of a diplomatic mission or consular post, established in Australia, of those countries with which Australia has a Reciprocal Health Care Agreement, except for New Zealand and Norway
- staff of those diplomatic missions or consular posts
- family members of heads or staff of those diplomatic missions or consular posts.

Eligible overseas persons will need to present a Medicare card (green) before the medical practitioner prescribes HSD. Where a Medicare card (green) is not available a Medicare special number can be used in these instances.

Prescriber eligibility

A person eligible to prescribe HSD will need to be:

- a registered staff hospital specialist
- a visiting or consulting hospital specialist
- an accredited medical practitioner of HIV/AIDS medicine
- an accredited medical practitioner of Hepatitis C maintenance medicine
- a hospital medical practitioner or general practitioner (GP) to provide maintenance therapy.

Prescribers must have a prescriber number to prescribe HSD. The prescriber number must be recorded on all public hospital prescriptions for HSD.

Hospital based medical practitioners and GPs may prescribe HIV/AIDS HSD where they are accredited prescribers of HIV/AIDS medicine.

GPs and community based non-specialist medical practitioners may prescribe Hepatitis C HSD for maintenance where they are accredited prescribers of Hepatitis C medicines.

A GP or non-specialist hospital medical practitioner can be accredited to prescribe HIV/AIDS medicine following relevant state or territory approval.

A GP or community based non-specialist medical practitioner can be accredited to prescribe Hepatitis C maintenance medicine following relevant state or territory approval.

Hospital based specialist medical practitioners may prescribe HSD for initiation therapy. Community based non-specialist medical practitioners may only prescribe HSD to provide maintenance therapy:

- in situations where it is impractical to get a prescription from the treating specialist and with that specialist's agreement; and

- where the state or territory and Commonwealth agree on a specific arrangement.

A person eligible to prescribe trastuzumab funded through the PBS for early stage breast cancer (PBS trastuzumab) must be a medical practitioner.

Applicable medicines

Only medicine determined to be HSD (including Complex Authority Required medicines) and PBS trastuzumab funded through the PBS for early stage breast cancer are included in this initiative.

Trastuzumab for late stage breast cancer is funded outside the PBS and is not included in this initiative, and therefore should not be claimed via Online Claiming for PBS or through the HSD offline solution.

For more information on the Schedule of Pharmaceutical Benefits go to www.pbs.gov.au

Listing of HSD

HSD are listed separately for public and private hospitals. HSD for public hospitals are listed under section 100 of the Schedule of Pharmaceutical Benefits (the Schedule) and have new item codes assigned.

Public hospital HSD are listed as Authority required (STREAMLINED), with the exception of CAR medicines and PBS trastuzumab (Herceptin®) which are listed as Authority required.

Public hospital HSD listed as Authority required (STREAMLINED) will not require prior approval from Medicare Australia for the listed quantities and repeats or less. However, the prescriber must write the streamlined authority code for the listed condition the patient meets for each HSD on the prescription form. Streamlined authority codes can be found in the Schedule.

Increases to the maximum quantities and/or increased repeats for Authority required (STREAMLINED) HSD do require approval (by phone or in writing) prior to dispensing. No retrospective approval will be permitted.

Complex Authority Required (CAR) medicines and PBS trastuzumab (Herceptin®) are listed as Authority required, and require prior approval. A prescriber must submit a written Authority application for CAR medicines and PBS trastuzumab (Herceptin®) or seek phone approval where this is allowed. No retrospective approval will be permitted.

The process for obtaining approval appears on page 6.

For medicines with dual listings under section 85 and the HSD Program (section 100) of the Schedule, listed maximum quantities and repeats may differ. For the purpose of this program, the maximum quantities and repeats under the HSD Program (section 100) apply.

Quick reference guides have been prepared to assist prescribers when writing PBS/RPBS prescriptions in participating public hospitals, and prescribers in non participating public hospitals when writing prescriptions for HSD. These quick reference guides can be found on Medicare Australia's website by visiting www.medicareaustralia.gov.au then **For health professionals>Doing business with Medicare Australia>Online education services**

National drug price

Medicare Australia will meet the agreed price above the patient contribution, for each medicine supplied in accordance with this program.

Standard national drug prices will be established through direct negotiations with suppliers through the Pharmaceutical Benefits Pricing Authority. The price is referred to as the "agreed price".

Where generically equivalent brands of a drug are included in these arrangements, then the subsidy will equal the price of the lowest priced brand.

Incentives and payments

Under this initiative CAR HSD and PBS trastuzumab (Herceptin®) dispensed by a public hospital, or by a community pharmacy or friendly society acting as an agent, will not have mark-ups applied. Standard community mark-ups will be applied to CAR HSD and PBS trastuzumab (Herceptin®) dispensed by a community pharmacy.

Public hospitals will be paid a 40 cent online incentive payment per payable prescription submitted online through Online Claiming for PBS.

All medicines dispensed by public hospitals under this initiative will be reimbursed for the drug cost only, less the patient contribution. No other fees, such as dangerous drug or broken pack fees will apply.

Complex Authority Required Highly Specialised Drugs (CAR HSD) and PBS trastuzumab (Herceptin®)

Complex Authority Required (CAR) medicines and PBS trastuzumab (Herceptin®) are HSD that have additional requirements, including the need for approval from Medicare Australia before dispensing. As of 1 March 2010, the CAR HSD include:

Abatacept (Orencia®)	Ambrisentan (Volibris®)	Bosentan Monohydrate (Tracleer®)
Epoprostenol Sodium (Flolan®)	Etanercept (Enbrel®)	Iloprost Trometamol (Ventavis®)
Infliximab (Remicade®)	Lenalidomide (Revlimid®)	Rituximab (Mabthera®)
Sildenafil Citrate (Revatio®)	Sitaxentan Sodium (Thelin®)	Trastuzumab (Herceptin®)
Tocilizumab (Actemra®)		

Note: the list of medicines provided to Medicare Australia will be subject to change as for other PBS listings. Additions, deletions and other changes will be made and supplied to Medicare Australia periodically at intervals and via procedures as established for PBS listing updates.

Prescribing of CAR HSD

All Commonwealth funded supply of CAR HSD and PBS trastuzumab (Herceptin®) requires an authority approval from Medicare Australia before dispensing. Prescriptions for CAR HSD and PBS trastuzumab (Herceptin®) that have not been approved before dispensing cannot be claimed. If prior approval has not been sought, Medicare Australia will reject that prescription. No retrospective approval will be permitted.

For more information about authority approvals and application forms go to www.medicareaustralia.gov.au then **For health professionals>PBS>Highly Specialised Drugs program** or call **1800 700 270***.

When applying to Medicare Australia for authority approval, public hospital medical practitioners must use a Medicare Australia *authority prescription* form or a form approved by Medicare Australia. If a signatory to the Pharmaceutical Reforms, then a public participating prescription can be used in place of these forms.

Medical practitioners must provide all PBS authority information, as well as the public hospital provider number.

To identify the correct item code, prescribers will need to provide to Medicare Australia:

- medicine name
- medicine strength and form
- whether approval is required for public hospital, private hospital or section 85 (if available).

The process for submitting the appropriate CAR HSD and PBS trastuzumab (Herceptin®) authority application form and supporting information together with a Medicare Australia *authority prescription* is:

- The medical practitioner indicates on the Medicare Australia *authority prescription* form whether the approved

prescription is to be returned to the medical practitioner or the patient.

- The medical practitioner sends the completed and signed PBS authority application supporting information, Medicare Australia *authority prescription* and patient declaration forms to Medicare Australia by mail.
- When approved, Medicare Australia stamps the form with a HSD approval stamp and returns the prescription to the medical practitioner or patient by mail (as indicated on the form).
- If the program has allowances for applications to be made by phone, the medical practitioner must record the approval number, as provided by the Medicare Australia service officer, on the Medicare Australia *authority prescription*.
- The format for phone approval numbers starts with the letter 'Z' and is followed by four digits and two alphas. The approval number may be preceded by the letters 'HSD'. For example, Z1234AB or HSDZ1234AB.

Dispensing requirements

To be eligible for payment under this program non-CAR HSD prescribed in a public hospital must be dispensed by the public hospital pharmacy or by a community pharmacy or friendly society who acts as an agent for the public hospital. Private hospital HSD can be dispensed and claimed by a private hospital pharmacy, community pharmacy or friendly society. A community pharmacy or friendly society may only dispense and claim for CAR HSD and PBS trastuzumab (Herceptin®).

Where a community pharmacy or friendly society supplies HSD as an agent of a non-dispensing public hospital, the claim must be lodged by the HSD public hospital.

Pharmacists are authorised to supply pharmaceutical benefits only after they receive:

- a valid PBS/RPBS prescription which is no more than 12 months old from the date of prescribing
- an approved authority PBS/RPBS prescription or an authority to prescribe which is no more than 12 months old from the date of prescribing
- a repeat authorisation attached to a PBS/RPBS prescription no more than 12 months after the date of the original PBS/RPBS prescription.

A pharmacist must not supply an Authority required (STREAMLINED) medicine for the listed quantities and repeats or less, unless the prescriber has written the four digit streamlined authority code on the PBS/RPBS prescription. The Medicare Australia Authority prescription form must bear an approval number or approval stamp for increased quantities and/or repeats and all CAR medicines and PBS trastuzumab (Herceptin®).

The original and all repeats of a HSD prescription can be supplied at the same time (Regulation 24) if the prescriber is satisfied that certain conditions apply, and has endorsed the prescription 'Regulation 24'. HSD are exempt from the 4/20 day rule (Regulation 25).

Same day prescribing and same day dispensing of HSD is not allowed.

Quick reference guides have been prepared to assist pharmacists and pharmacy staff when dispensing PBS items in participating public hospitals, and non-participating public hospitals when dispensing HSD. These quick reference guides can be found on Medicare Australia's website by visiting www.medicareaustralia.gov.au then **For health professionals>Doing business with Medicare Australia>Online education services**

Dispensing repeats from public hospital pharmacy

- Repeats for increased quantities and/or repeats and all CAR medicines and PBS trastuzumab (Herceptin®) can be dispensed up to the maximum number which has been approved by Medicare Australia.
- Repeats are to be identified on hospital pharmacy records by the Medicare Australia authority prescription number.

The Medicare Australia prescription authority number is found printed on the *authority prescription* or hospital prescription and is in numeric format only.

Transition arrangements for CAR medicines

A transition period for CAR medicines will apply for 12 months from 1 July 2010 for prescriptions written prior to this date.

CAR prescriptions written by public hospitals prior to 1 July 2010 (with the old item codes) will be paid by Medicare Australia, but the online claiming system will return a warning to advise public hospitals that new item codes should be used. These transition arrangements will be in place until 30 June 2011.

From 1 July 2011, Medicare Australia's system will reject prescriptions with pre-1 July 2010 item codes.

Consumer information

HSD prescribed in public hospitals will be supplied to the patient by the public hospital pharmacy. Where the public hospital does not have a pharmacy or dispensary on site, the hospital will have an arrangement with a community pharmacy, friendly society or agent for the supply of the medicine to the patient. CAR HSD and PBS trastuzumab may be supplied and claimed by a community pharmacy or friendly society.

The introduction of maximum quantities and increased repeats aligns the HSD program with the remainder of the PBS. The introduction of these should not affect patients as patients will continue to be prescribed clinically appropriate quantities.

Receipting of HSD prescriptions

The patient, or an agent of the patient, must sign and date the HSD prescription after it has been supplied to certify receipt of the medicine. Agents acting on behalf of the patient must sign, date and write their own address on the receipt. Where it is impractical to get a receipt acknowledgement from the patient or their agent, then the approved pharmacist must certify the benefit was supplied.

A certification requires the following details:

- the reason why a receipt could not be received from the patient/agent and
- the date of supply.

Pharmacy staff must not act as an agent or certify supply in the ordinary course of pharmacy business.

Patient contribution

All eligible patients will incur a contribution fee (general/concessional) for each supply of medicine to complement charges levied on medicines received through the PBS or the RPBS.

Patient contributions will be the same as for the general PBS and have the same charges (for example, concessional, eligibilities and Safety Net provisions).

Public hospitals supplying HSD are required to establish all patient eligibility for concessional benefits.

PBS Safety Net

All PBS HSD dispensed under this initiative will be eligible to accrue to an eligible person's PBS Safety Net threshold. HSD approved hospitals must be registered as Safety Net hospitals. This includes non participating public hospitals supplying HSD.

Under the PBS Safety Net, patients whose annual out-of-pocket costs for prescription medicines exceeds a specified threshold receive additional PBS benefits. The PBS Safety Net threshold may be reached using prescriptions filled at both community pharmacies, friendly societies and out-patient pharmacies at public hospitals supplying HSD.

For more information go to www.medicareaustralia.gov.au then **For health professionals>PBS>PBS for pharmacists>PBS Safety Net**

Community pharmacy and friendly society information

The introduction of this initiative brings about some changes for community pharmacy and friendly society. These changes include:

- Public hospital HSD, CAR HSD and PBS trastuzumab (Herceptin[®]) have been allocated new item codes. Community pharmacy and friendly society will not have access to the new public hospital HSD item codes and will not be able to claim for these medicines. However, they will be able to dispense and claim public hospital CAR HSD and PBS trastuzumab (Herceptin[®]) prescriptions.
- Public hospital non-CAR HSD prescriptions can only be dispensed in a public hospital, unless the public hospital has made arrangements with the community pharmacy or friendly society to act as an agent, for example, if the public hospital does not have a dispensary. Where a community pharmacy or friendly society acts as an agent for a non-dispensing public hospital, the claim for the HSD medicine must be lodged by the public hospital. The community pharmacy or friendly society will have a private arrangement with the hospital in respect of how the prescription paperwork is returned to the public hospital in order for the hospital to process the claim, and in respect of remuneration.
- If a community pharmacy or friendly society attempts to claim a public hospital HSD medicine through Online Claiming for PBS, the claim will be rejected by Medicare Australia. Community pharmacy and friendly societies are only able to dispense and claim public hospital CAR HSD and PBS Trastuzumab (Herceptin[®]) prescriptions.
- There has been a change to the way HSD are listed in the PBS Schedule, for both public and private hospitals. HSD are now listed with maximum quantities and repeats, instead of pack sizes. As a result of this listing by maximum quantities, there will be a change in reimbursement.
- HSD, CAR HSD and PBS trastuzumab (Herceptin[®]) dispensed and claimed by a public hospital, or dispensed by a community pharmacy or friendly society acting as an agent for the public hospital, under this initiative will not have mark-ups applied. Standard community mark-ups apply to CAR HSD and PBS trastuzumab (Herceptin[®]) dispensed by a community pharmacy or friendly society.

Claiming

Prescriptions for HSD dispensed in public hospitals will be claimed via the Online Claiming for PBS claiming channel.

Online Claiming for PBS offers a simple and secure claiming and payment solution by allowing hospital pharmacies to submit a claim to Medicare Australia each time HSD are dispensed.

To register for Online Claiming for PBS you must complete the *Online Claiming for PBS application and terms and conditions* form. The completed agreement must be returned to:

PBS Approvals Clerk
Medicare Australia
GPO Box 9826
In your capital city

Medicare Australia will then complete the registration process and issue you with a digital certificate.

For more information on digital certificates (PKI certificates) go to Medicare Australia's website www.medicareaustralia.gov.au then **For health professionals>For software vendors>Public Key Infrastructure**

A quick reference guide has been prepared to assist public hospitals when claiming HSD through Online Claiming for PBS. This quick reference guide can be found on Medicare Australia's website by visiting www.medicareaustralia.gov.au then **For health professionals>Doing business with Medicare Australia>Online education services**

Paperless claiming

Public hospital prescriptions for Authority required (STREAMLINED) HSD for the listed quantities and repeats or less claimed via Online Claiming for PBS can be claimed as paperless, which means, the paper script does not need to be submitted to Medicare Australia with the claim.

Claims for increased maximum quantities and repeats, for CAR HSD and PBS trastuzumab (Herceptin[®]) cannot be paperless. At the end of the hospital pharmacy's claiming cycle, the paper prescriptions for all increased maximum quantities and repeats, and prescriptions for CAR HSD and PBS trastuzumab (Herceptin[®]) must be submitted to Medicare Australia as part of the hospital's claim.

A claim may contain both paper and paperless claims.

When prescribing HSD, a participating public hospital may use either a Medicare Australia prescription form or a computer generated prescription form. The computer generated prescription forms must be approved by Medicare Australia prior to use.

When prescribing Authority required (STREAMLINED) HSD, non participating public hospitals that are HSD approved may use their existing 'internal forms', for example, outpatient prescription form or internal medication form, provided these meet the requirements as defined under Regulation 19 of the *National Health (Pharmaceutical Benefits) Regulations 1960*. However, when prescribing increases to maximum quantities and repeats and CAR medicines, a non participating public hospital must use a Medicare Australia approved PBS Authority prescription form.

Under HSD paperless claiming, a medication form prepared by a medical practitioner to prescribe HSD for the treatment of an eligible patient, satisfies prescription requirements provided it includes:

- hospital details (name, provider number and address)
- medical practitioner's details including name, signature, prescriber number and the authority number if required
- patient details including name, address, entitlement number and PBS/RPBS
- details of the medicine (name of medicine, strength, quantity, repeats, dose, form, frequency)

- supply is not deferred
- the prescriptions are written prior to supply (no emergency scripts allowed) and
- HSD item codes for claiming purposes.

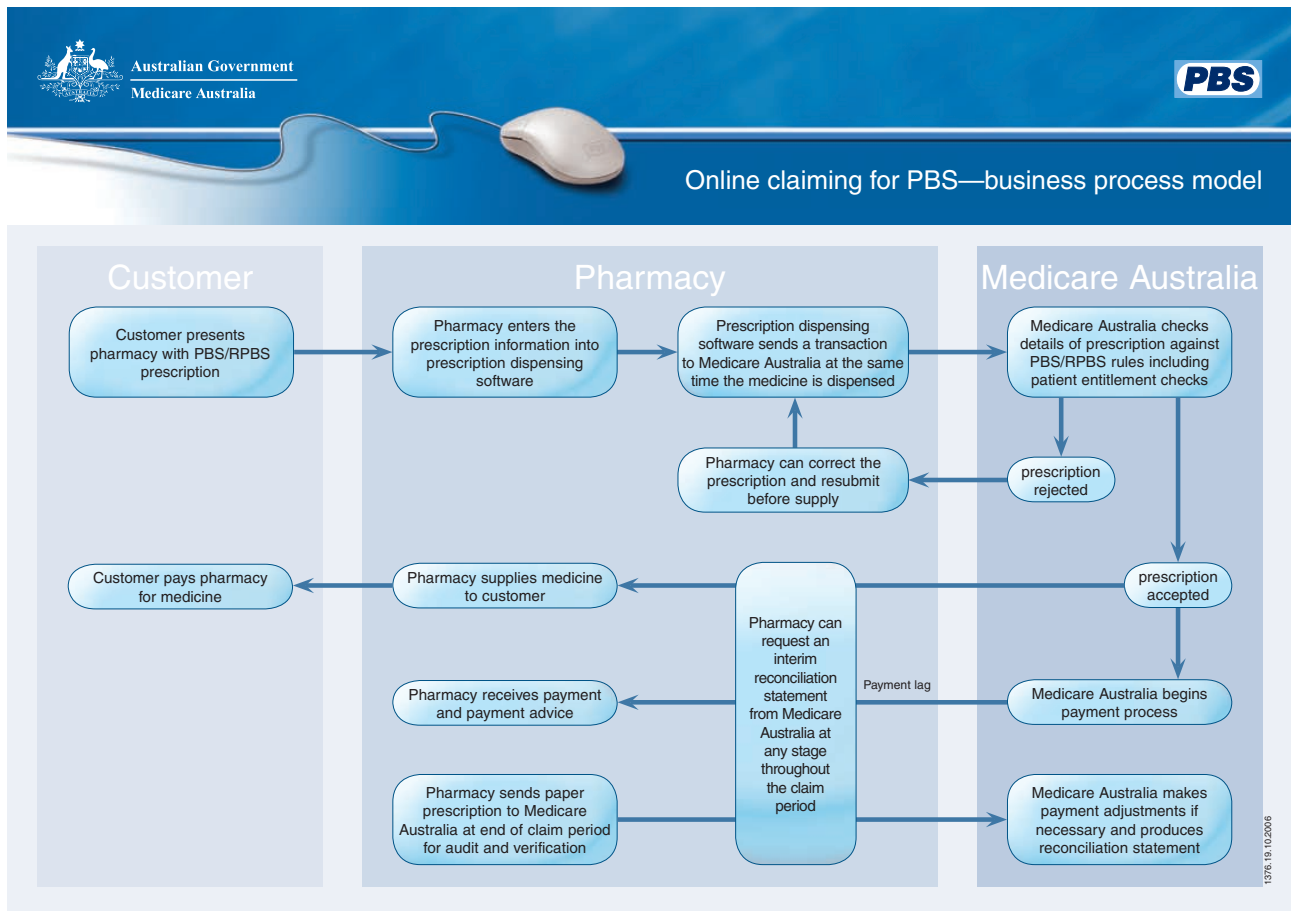
How does Online Claiming for PBS work?

The following steps are involved when you make a claim through Online Claiming for PBS:

1. The patient presents you with a PBS/RPBS prescription.
2. You enter the prescription information into your prescription dispensing software.
3. The prescription dispensing software sends a transaction to Medicare Australia.
4. Medicare Australia checks the details of the prescription against PBS/RPBS rules including patient entitlement checks through a direct link to Centrelink before you dispense the medicine.
5. Medicare Australia sends a message to inform you whether the claim is payable. In some cases, you will need to correct an error or omission before making a claim. This can be done before you supply the medicine to the patient.
6. The medicine is supplied to the patient.
7. At the end of your hospital pharmacy's claiming cycle (claim period), you send a *Claim for Payment/ Payment Reconciliation* form and the paper prescriptions for any increased quantities and repeats and CAR medicines to Medicare Australia for audit and verification processing.
8. Paper prescriptions and internal medication forms for HSD must be retained by the hospital for 24 months for audit purposes.

Note: *Claim for Payment/Payment Reconciliation* forms must be ordered through Ducor Australia Pty Ltd. Ducor Australia Pty Ltd prints and distributes PBS stationery under contract to Medicare Australia. You may order forms directly from Ducor Australia through its secure internet site, or by fax. You will need to register your information with Ducor Australia by visiting <https://www.ducor.com.au/pbs>

Business Process Diagram



Benefits

Claiming HSD using Online Claiming for PBS gives public hospitals a faster and better way to claim HSD. The benefits of using Online Claiming for PBS include:

- automatic assessment and claiming, including online eligibility checking, which flags potential rejections at the point of dispensing, allowing errors to be quickly corrected
- reduction in paperwork and processing time resulting in increased efficiency
- certainty of the amount that Medicare Australia will pay
- more regular (weekly) automatic payments from Medicare Australia
- electronic statements automatically reconciled by the hospital pharmacy's dispensing software.

Software vendors

Four software vendors have already integrated Online Claiming for PBS into their products for use by public hospitals. These vendors are:

Corum Health Services - LOTS

iSoft

Pharmhos Software Pty Ltd

Phoenix Computer Systems

Responsibility of your software vendor

Your software vendor is responsible for:

- installing online claiming into the pharmacy software
- educating the pharmacy on how to use the software with Online Claiming for PBS. This includes:
 - how to submit, correct and resubmit a script online for Medicare Australia assessment
 - how to open and close a claim period
 - how to submit a claim
 - how to understand and resolve reason code messages
 - how to adjust a prescription
 - how to cancel a prescription
 - how to transfer a prescription to the next claim period
 - how to know if you are connected to Online Claiming for PBS
 - what to do if you are not connected to Online Claiming for PBS
 - advising how processing codes are to be applied
 - how to access and print the various reports to assist with reconciliation
 - how to use the various reports to reconcile payments for online claims
 - how to request a duplicate statement
- Providing ongoing support for online pharmacies in regards to the dispensing software.

Dispensing and claiming through Online Claiming for PBS

How do I dispense prescriptions with Online Claiming for PBS?

The patient presents you with a prescription for HSD. You will need to enter the prescription details into your Prescription Dispensing Software (PDS). Each prescription will be sent to Medicare Australia through the Online Claiming for PBS claiming channel as it is dispensed. The specific process you use will depend on your PDS.

Once received through the online channel, Medicare Australia will assess the prescription details against the relevant PBS rules and return an online response to you. The response will be one of the following:

- the prescription has been accepted for payment
- the prescription has been accepted for payment but may contain errors that have resulted in a warning and/or information reason codes
- the prescription contains errors that has resulted in a rejection.

Errors (information, warnings or rejections) are displayed to you during the dispensing process. How these details are displayed will vary between different software products.

How frequently will I close my claim period when using Online Claiming for PBS?

Hospital pharmacies must close their claim period and open a new claim period every month, or sooner. No more than 3 500 prescriptions are allowed in a claim period. When a new claim is opened the hospital must close off the current claim and send a *Claim for Payment/Payment Reconciliation* form and any required paperwork relating to that claim to Medicare Australia.

Supporting documentation must be submitted to Medicare Australia not more than 30 days after the last day of the period in respect of which the claim is made.

How do I close an online claim period?

Once you have dispensed all of the prescriptions for a claim period, you will need to go into your PDS and close off that claim period. The process of closing and submitting a claim period within the PDS will vary depending on the software product you use.

Once the claim period is closed, you will need to send all of the required paperwork to Medicare Australia. The required prescriptions should be bundled and a *Claim for Payment/Payment Reconciliation* form must also be included.

What do I need to send to Medicare Australia in my claim package?

Once a claim period has been closed and finalised in the PDS, you will need to provide the following paperwork to Medicare Australia:

- authority prescriptions for CAR medicines and PBS trastuzumab (Herceptin®)
- authority prescriptions for increases to listed maximum quantities or increased repeats.

The required prescriptions should be bundled and a *Claim for Payment/Payment Reconciliation* form must also be included.

A public hospital claim for pharmaceutical benefits consists of:

- the original and duplicate of a completed *Claim for Payment/Payment Reconciliation* form
- the original orders for emergency treatment (doctor's bag) supplies in a separate bundle
- the Medicare Australia/DVA copies of authority PBS/RPBS prescriptions, and all repeat authorisations, separated into four bundles for benefits supplied to the general public; concessional beneficiaries/Safety Net Concession Card holders; Safety Net Entitlement Card holders and RPBS patients.

PBS prescriptions in each bundle should be in serial number order, with serial number 1 at the top of the bundle.

PBS prescriptions in the wrong bundle may be returned to the pharmacist for clarification. If appropriate, they can be resubmitted in the correct bundle in the next claim period.

Completing the claim form

The claimant's name, address of the pharmacy from which the pharmacist is approved to supply pharmaceutical benefits, approval number, and claim period number should be entered on the *Claim for Payment/Payment Reconciliation* form. These details should match the latest written information held by Medicare Australia, or payments can be delayed while clarification is sought.

The claim period number should state how many claims have been submitted so far in a calendar year, for example, the sixth claim submitted by an approved pharmacist in 2010 should have a claim period number of 1006.

The first and last serial numbers given to items in each bundle are to be entered on the *Claim for Payment/Payment Reconciliation* form.

The declaration must be signed by the person authorised to act for the approved supplier/s.

Lodging claims

A claim may be lodged at any time during the month at the relevant Medicare Australia State office. Unless other arrangements have been made with Medicare Australia, the following conditions apply:

- only one claim period can exist and only one claim can be lodged per month
- the claim period shall cover pharmaceutical benefits supplied during one month and
- the claim shall be sent within 30 days from when the benefits were supplied.

Claims for pharmaceutical benefits supplied over 18 months earlier may not be accepted for computer processing. Pharmacists with such claims should contact Medicare Australia.

Medicare Australia will register the claim package once received, which will be the final step in closing the claim period. This means the date you close your claim period will differ from the date the claim period is closed in the Medicare Australia processing system.

Once you have sent the required paperwork to Medicare Australia for a claim period, you will no longer be able to adjust prescriptions in that claim period. If you require changes to be made to a prescription in a closed claim period, the prescription will need to be moved to the current, open claim period. Your PDS may automatically do this for you when adjusting prescriptions in closed claim periods. You will still be able to cancel (not delete) prescriptions in closed claim periods.

You cannot move a prescription that is in a claim period that has been closed for more than three months. You must cancel and resubmit the prescription in the current open claim period.

Payments

Payments for claims processed through Online Claiming for PBS will be made directly into the hospital authority's bank account. Hospital authorities are required to register their bank account details with Medicare Australia using the *'Notification of hospital authority bank account details'* form.

The Medicare Australia *'Notification of hospital authority bank account details'* bank account form can also be used to advise Medicare Australia of any changes to bank account details.

Medicare Australia must be notified in writing, on the approved bank details form, of changes to bank account details. You will need to allow at least nine working days for the change to take effect and to receive your next payment.

How frequently are payments made?

Payments are made weekly. Each Friday the details of any payments due for disbursement are sent to the Reserve Bank of Australia (RBA). The money will then be deposited into your bank account soon after. Any delay between deposits to the RBA and when the deposit appears in your bank account will depend on your financial institution. The maximum delay is generally three days; however most financial institutions process these deposits overnight.

Note: payments made are subject to a payment lag. When you dispense a PBS prescription and it is approved by Medicare Australia for payment, you must wait for the lag time to expire before payment for that prescription will occur. Once the payment lag has expired, you will be paid for the prescription on the following Friday.

As you will be paid weekly, you will not receive the whole payment for a claim period at once—payments for a claim period will be made over the weeks of the claim period. As a result, it is not possible to complete a final reconciliation of payments for the whole claim period until the claim period has been closed, processed by Medicare Australia and the final electronic statement details for that claim period have been retrieved by your PDS.

If you choose to do so, you will be able to reconcile payments that have been made to date throughout an open claim period by accessing certain reports in your PDS. Further details on this process are outlined later in this document.

How will I know when a payment has been made into my bank account?

Medicare Australia will send you a payment advice several days after a payment has been made. Your PDS may also store payment information to identify which prescriptions have and have not received a payment within a claim period.

Medicare Australia will not be responsible for delays or errors in payment due to factors outside the reasonable control of Medicare Australia, such as delays or errors in the banking system or errors in bank account details provided by the public hospital.

If the electronic funds transfer payment is returned to Medicare Australia, Medicare Australia will reprocess the payment upon receipt of the correct bank account details.

If notified of an overpayment by Medicare Australia, the public hospital agrees to repay Medicare Australia any payments credited in error.

Payment advice statements

You will receive a payment advice from Medicare Australia after each deposit is made into your bank account. These statements will be sent to you in the mail.

Example of a Payment Advice



Australian Government
Medicare Australia



If not delivered return to PO Box 1001 Tuggeranong DC ACT 2901

ABN 75 174 030 967

Phone: **132 290**

(Call charges apply)

NAME
ADDRESS
ADDRESS

Payment Advice

Payment Date

18.06.2010

Approved Supplier Number

Bank Reference Number

000000000000

This advice shows payment made for the PBS Payment ID's listed below, credited to your nominated account.

Claim Period No	PBS Payment ID	Description	Amount	Total
9898	10000078918	General benefits	89.01	
		Entitlement (free) benefits	62.57	
		Total (PBS + RPBS)		151.58
		Incentives		
		*Online scripts: 2	0.80	
		Total (PBS + RPBS + Incentives)		152.38

* Script count includes paid, rejected, adjusted and cancelled scripts. This figure could appear as a negative value.

CPN Subtotals Summary

9898	152.38
Grand total (all CPN)	152.38

Payment made to bank account:

Name of bank: BANK
Branch where account held: BRANCH
Branch number (BSB): XXX-XXX
Account number: XXXXXX000

If you have any questions in relation to this payment please contact Medicare Australia on **132 290**.

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Write: National Office PO Box 1001 Tuggeranong DC ACT 2901 Phone: 02 6124 6333 Fax: 02 6124 6222 Web: www.medicareaustralia.gov.au

The payment advice is separated by the following details:

- claim period number
- PBS payment ID
- payment category (description)
- relevant amounts and totals.

The payment advice also provides sub totals for payments for each claim period and also the grand total for all payments for that payment advice.

PBS payment IDs are assigned to each payment request that is sent to the payment system by the processing system. As payment requests are generally sent from the processing system to the payments system on a daily basis, there will be several PBS payment IDs on a single payment advice.

Deposits made into your bank account will equal the total for each payment advice.

Important note: a payment advice may contain payments relating to more than one claim period.

How will I know what the PBS payment ID covers?

Each PBS payment ID on the payment advice will have a corresponding claim period number (the claim period number is listed on the far left column of the payment advice). This number allows you to see which claim period each payment relates to. There may be more than one claim period covered in a single payment advice.

If you would like to identify which prescriptions relate to each PBS payment ID listed on the payment advice, you will be able to complete this using the Weekly Payment Report.

What statements will I receive?

Your PDS will obtain statement details electronically from Medicare Australia that contain the detailed prescription information for each weekly payment and each claim period. Using this electronic data, your PDS will produce a number of reports to assist you with reconciling your PBS payments. These reports include:

- Summary Reconciliation Report
- Detailed Claim Report
- Rejected Scripts Report
- Weekly Payment Report.

Your PDS may also produce more reports than those outlined above.

Reconciliation statements

A pharmacist will receive a PBS reconciliation statement after a claim period has been processed. It provides details of each prescription for each brand of each pharmaceutical benefit item supplied in that claim period.

Reasons for non-payment of any item are coded, with the code numbers explained in the statement.

PBS authority prescriptions and repeat authorisations not accepted for payment will be returned. If a PBS prescription was not accepted and can be re-submitted, it must be given a new serial number and included in a subsequent claim period.

Can I request Duplicate Claim Statements?

Yes, you can request a duplicate statement for any claim period from your PDS for up to a maximum of two years. The original complete statement for the claim period must have been produced successfully for a duplicate request to occur. You will need to identify in your PDS which claim period the duplicate statement request is for. The process of how to request duplicate statements will vary depending on your PDS.

The duplicate statements will be retrieved by the PDS in the same manner as the original statement and will contain the same data as the original statement.

Audits

Hospital pharmacies must be able to satisfy Medicare Australia that adequate and auditable systems are in place which meet the following conditions:

- supply is to eligible patients
- prescribing is in accordance with PBS criteria
- prescribing is consistent with the therapeutic uses approved by the Therapeutic Goods Administration (TGA) for the supply of the drug.

Medicare Australia's Compliance area will monitor the prescribing and supply of HSD, and with the agreement of the hospital pharmacy, Medicare Australia can audit patient records.

Prescriptions and internal medication records must be retained for 24 months from the date of dispensing for audit purposes.

Enquiries and support

For more information on Online Claiming for PBS, or for any of your online claiming support needs, please contact Medicare Australia on **132 290***.

*Call charges apply.