



17 September 2004

HOLLY DAY
HEALTHY PHARMACY
44 PRESCRIPTION AVENUE
ABERDEEN NSW 2336

Dear Pharmacist

Re: New-look PBS statements and reason codes

HIC is upgrading its PBS Claim Processing System and its Common Payments System which will allow for more efficient processing and payment of all PBS prescription claims. The new system will also allow the introduction of an online claiming channel.

As part of the upgrade you will receive new-look statements and new reason codes.

New-look statements

You will receive a new set of statements detailing your claims. HIC will continue to issue you with two separate statements; however the content of these will differ from those you currently receive.

The two sets of statements are produced by two different systems:

- the PBS Claim Processing System produces the PBS Reconciliation Statement after each claim package has been processed by HIC
- the Common Payment System produces the Payment Correspondence after each deposit is made into a pharmacy's bank account.

From 20 September 2004 to 1 November 2004, HIC will progressively roll out the new PBS Claim Processing System to all of its processing centres. During this time, you might receive the new statements for one claim and then the old statements for the next. The type of statement issued will depend on where the claims have been processed. From 1 November 2004 only the new statements will be issued.

On these new statements you will see the term Claim Period Number (CPN). A Claim Period is a collection of prescriptions submitted in a single claim package, and is identified by a Claim Period Number.

PBS Reconciliation Statement

The new PBS Reconciliation Statement is a group of statements that allows you to reconcile the assessment result of a prescription against the original prescription details in your Prescription Dispensing Software.

The new statement will incorporate the content of both the Pharmaceutical Benefits Entitlement Report and the PBS Statement you currently receive. However, the information about payments made into the pharmacy's bank account will be provided in the Payment Advice.

The PBS Reconciliation Statement is divided into four sections:

1. Prescription Summary and Adjustments
2. Prescription Details
3. PBS Entitlement Errors
4. Explanation of Reason Codes.

Prescription Summary and Adjustments

This section of the statement provides you with an overview of all prescriptions that have been processed or adjusted in the claim period. The Prescription Summary provides summary totals relevant to the prescriptions that were either submitted manually or by CTS disk. The Adjustment part of this section details information relating to prescriptions that were previously paid, but have been adjusted since the last statement.

Prescription Details

This section details each prescription that was submitted during the claim period. The table within this section lists each prescription and its price if it has been accepted or its reason code if it has been rejected.

PBS Entitlement Errors

This section displays the information previously contained in the Pharmaceutical Benefits Entitlement Report. The table in this statement contains each prescription for which there was an associated entitlement error. It also displays any rejects or warnings and provides the user with the details of these.

Explanation of Reason Codes

This section of the statement gives a brief explanation of the reason codes that were returned for each prescription.

Payment Correspondence

The Payment Correspondence provides information regarding the payment of a claim and any associated tax or fee information, allowing you to reconcile your bank account with payments made by HIC.

The Payment Correspondence will consist of up to three different documents:

1. Payment Advice
2. Tax Invoice
3. RCTI

Payment Advice

Every pharmacy will receive a Payment Advice. This contains information that will inform you that a payment has been made to your bank account and the amount of that payment.

Tax Invoice

This is generated to detail any bureau fees that have been charged by HIC. This will only be generated and issued if fees have been charged.

Recipient Created Tax Invoice (RCTI)

This document details the payments that have been made for items that come under the Recipient Created Tax Invoice (RCTI) agreement. This will only be generated and issued as required. This also includes the details of any adjustments to the taxable amount of a supply (and the GST).

Reason codes

Reason codes are provided to pharmacy as an explanation of a warning or rejected prescription. The upgrade to the PBS Claim Processing System will allow the system to return a new and extended set of reason codes.

These new reason codes will:

- allow for more accurate identification of issues
- provide more specific reasons and responses for the pharmacy
- enable HIC staff to better deal with any issues and enquiries from pharmacy.

A list of the new reason codes and explanations is included with this letter. These are current as at 3 September 2004 and are subject to change. Each PBS Reconciliation Statement will contain the current reason codes, relevant to that claim.

Should you have any questions about the new-look statements or new reason codes, please call HIC on 132 290.

Yours faithfully



David Hancock
Manager Pharmaceutical Benefits
HIC