



18 November 2004

Important Payment Information

Dear Pharmacist

Re: New-look PBS statements

As previously advised, HIC is upgrading its PBS Claim Processing System and its 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. HIC is now able to provide you with more detailed information concerning the 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; and
- the Payment System produces the Payment Correspondence after each deposit is made into a pharmacy's bank account.

With the exception of payment information, the new PBS Reconciliation Statement will incorporate the content of both the Pharmaceutical Benefits Entitlement Report and the PBS Statement that you previously received. Payment information will be provided in the Payment Advice section of the Payment Correspondence.

Pharmacies claiming through the online channel will receive the Payment Correspondence weekly in hardcopy. They will receive the PBS Reconciliation Statement in accordance with their regular claiming cycle (eg. monthly) electronically.



Pharmacies claiming manually or by CTS will receive the Payment Correspondence once they have been paid. This will be at a similar time to when the PBS Reconciliation Statement is received. Both these statements will be received in hardcopy.

From September 2004 to February 2005, HIC will progressively roll out the new PBS Claim Processing System to all of its processing centres. During this time, you will begin to receive these new statements.

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. This is the same as the method currently used to submit prescriptions.

PBS Reconciliation Statement

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

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 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 and relevant reason codes.

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 the relevant rejects, warnings or information and provides the pharmacist 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 the prescriptions within the claim period.

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 consists 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 on payments made to your bank account.

Tax Invoice

This details any bureau fees that have been charged by HIC. This will only be issued if fees have been charged. Only pharmacists that submit their claims manually will receive a tax invoice. An example of the Tax Invoice has not been included with this letter.

Recipient Created Tax Invoice (RCTI)

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

A guide on how to reconcile these statements is attached.

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

Yours faithfully



David Hancock
Manager Pharmaceutical Benefits
HIC