



Media Release

Australian General Practice Alliance (AGPA) Raises Concerns Over Government's Decision on Prescription Exchange Provider Monopoly

FOR IMMEDIATE RELEASE

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The Australian General Practice Alliance (AGPA) maintains the recent decision by the Department of Health and Ageing, which attempts to mandate a single prescription exchange provider for publicly funded prescriptions runs counter to the interests of primary care sector and its patients and is by its design anti-competitive.

AGPA said the move eliminates the healthy competition that existed between MediSecure and Fred IT, two key companies providing prescription delivery services to the community since these services were being designed in 2009.

"The elimination of public funding for MediSecure appears to grant a virtual monopoly to Fred IT," commented Dr Mukesh Haikerwal, Deputy Chair of the Australian GP Alliance. "This decision endangers the continued sustainability of MediSecure which is used successfully by many GP Practices and has provided prescription delivery services to the Australian community for over 14 years whilst favouring the only other provider in the market. Like any unnecessary technology implementation, this move will be disruptive for health providers and their patients and eliminates the financial advantages that stem from a competitive market," Dr Haikerwal said.

According to advice from Services Australia, all General Practitioners (GPs) must be registered with eRx Script Exchange owned by Fred IT by 30 September. After this date AGPA understands that the MediSecure route for electronic scripts will technically still be available, but the costs associated with an SMS (approximately 4 cents) and the 2.25 cents per script paid to the Practice Management System provider by the Department will need to be covered through alternative means. This could involve either the prescribing GP, the medical practice itself, or a potential surcharge to the patient.

Dr Haikerwal criticised the Department of Health and Ageing's decision, describing it as short-sighted. "By creating an effective monopoly for a period of four years, with potential extensions, there's a significant risk that only one tenderer will emerge for the role of prescription exchange provider when the National Digital Prescribing

Service (NDPS) goes back to market. The competition that existed at inception of these services drove benefits from its correct design, implementation and very successful deployment through the COVID-19 pandemic allowing safe, accurate and timely delivery of medicines to patients. The potential risks for the NDPS's provision costs have been under threat for a while, but are notably higher once the current contracts expire. What may appear as a cost-effective solution today could escalate into a costly endeavour in the future," he cautioned.

AGPA is raising concerns about the handover of the NDPS to an entity majority-owned by Telstra and the Pharmacy Guild of Australia.

The AGPA urges the Department of Health and Ageing to reconsider this decision and prioritise maintaining a competitive landscape that benefits all stakeholders involved. The Alliance remains committed to advocating for the best interests of patients, medical practitioners, and the broader healthcare community.

For media inquiries or further information, please contact:

Dr Mukesh Haikerwal AC
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About AGPA:

The Australian General Practice Alliance (AGPA) is Australia's leading association of independently owned General Practices working to ensure high-quality healthcare delivery to all Australians. With a dedicated focus on patient welfare and professional collaboration, AGPA strives to foster a conducive environment for medical practices to enhance patient outcomes. Visit www.australiangpalliance.org.au for more information.