AU 1300 40 1111 | NZ 0800 40 1111
bpsoftware.net

Best Practice
An evolution in medical software

Bp

24 May 2023

David Hatfield
Director
Competition Exemptions
Attention: Application for Authorisation AA1000641-1

Dear Mr Hatfield,
Application for authorisation AA1000641-1 – Submission on interim authorisation

Best Practice Software (Bp) welcomes the opportunity to provide commentary on the application and interim authorisation AA1000641-1 submitted by Fred IT Group.

Best Practice Software is a market leader in providing practice management software that helps practices focus on what matters most, their patients. Bp's end-user base represents over 6,000 medical practices across Australia, majority of which are General Practices, and thousands of individual prescribers working within these practices who participate in the ePrescribing ecosystem through engagement with the affected party of their choice, Fred IT or MediSecure.

The process and recent outcome of the RFT itself (Health/E21/576909), and this application and interim authorisation present significant risk of negative impacts to these medical practices, the prescribers who work within them, and the thousands of patients within the care of these clinicians if left unaddressed. So too does Bp, and our fellow medical software vendor peers who face similar challenges, as well as the broader medical software industry.

Best Practice Software does not support the approval of this interim application; however, we do support the ACCC authorisation process. Granting interim approval allows the commencement of transition activities that are irreversible in the event of a later denial of authorisation. Bp believes alternate remedies exist outside the two presented in the authorisation request that may provide more reversible actions within the existing ecosystem.

Incongruence of Timelines

The misalignment of timelines between the availability of the ACCC's opinion on this application, and the Department's intended commencement date for new arrangements under the RFT outcome contribute greatly to concern of irreversible actions under interim approval.

The Department has publicly committed to the 1st July 2023 commencement date of new arrangements, and has also indicated financial disbenefit for prescribing and dispensing software vendors that will begin from 30th September 2023 if they have been unable to complete their transition to Fred IT. New contractual agreements to establish this arrangement must be executed, and Fred IT have advised that new contracts cannot be issued before the decision on this interim approval, with the indicated availability of this set to June by the ACCC.

If interim approval is granted in June, this places pressure upon Bp, and other software vendors in our position, to expedite the signing of agreements with Fred IT immediately to meet the Department's deadlines, despite the availability of final ACCC determination not expected until September. The transition requirements for the new arrangement are expected to be significant from a financial and time perspective for both Bp, and our thousands of impacted end-users nationally.

For Bp, commencing this transition process under an interim approval is therefore not something that can be reverted without incurring these costs a second time to return to today's current state in the event of this application's denial in September. Effectively, this scenario renders the ACCC's final opinion irrelevant due to the activities already in motion under the interim approval.

Costs to Best Practice Software and our End-Users

There are significant time and resource costs that will be incurred by both Bp, and our end-user base to facilitate the transition to the Department's new arrangements. Fred IT have publicised that an annual sum of $20,000 will be provided for vendors under the new arrangements from 1st July 2023. Bp has significant experience with the scope of development work required, and the cost of completion vastly exceeds this sum due to the bespoke nature of the infrastructure. Bp's end-users are of highest importance to us, so this development work will be completed regardless of whether Fred IT is able to fund its entirety, with the remainder to be privately incurred by Bp.

In majority of our customers' locations, installations and updates to their software usually occur outside of business hours and are performed by their contracted IT company at a cost to the practice. As such the approval of interim authorisation would see our customers incur cost for the installation of Fred ITs ePrescription software and would be another additional cost should the final authorisation be denied, and the user wish to return to their previous arrangement.

As indicated, the costs to Bp and Bp's end-users to transition to new agreements are vast from both a financial and resource perspective. The significance of this expense draws the conclusion that should the ACCC grant interim approval for this application, then later find against the application and Bp or Bp's customers wish to revert to today's current state that this is not commercially viable, effectively fortifying the interim approval granted as a permanent outcome.

Summary

In summary, Bp does not support the approval of this interim application due to the permanent nature of activities that this will allow to commence impacting both Bp, and our end-users. Bp believes that the current landscape and ecosystem should be maintained in its current state until the outcome and findings of this full Authorisation process is completed and published.

However, at the heart of Bp's operations is our focus on providing clinically safe and relevant software to medical practices to support their focus on patient care and outcomes. Under the current conditions created by the tender we agree that should interim authorisation not be granted; Fred IT would be rendered unable to provide the funding to MediSecure necessary for transitional activities and the prevention of widespread detriment to patients in the event of an unmanaged cessation of this infrastructure. However, we do not believe that interim authorisation is the sole remedy in this highly complex and nuanced scenario. For example, the current ecosystem could continue to function under the existing funding arrangements until such time as the ACCC has completed its investigation and provided its findings.

We welcome further discussion and consideration of our submission if desired.

Yours sincerely,

Lorraine Pyefinch