

Australian Standard™

## **Health Supply Chain Messaging**

### **Part 3: Messaging rules and process logic—Secondary transactions**

This Australian Standard was prepared by Committee IT-014, Health Informatics. It was approved on behalf of the Council of Standards Australia on 21 November 2003 and published on 19 March 2004.

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### Part 3: Messaging rules and process logic—Secondary transactions

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## PREFACE

This Standard has been prepared by the Australian members of the Joint Standards Australia/Standards New Zealand IT-014 Health Informatics committee in response to the Commonwealth Government's objectives for National Standards within the health sector. After consultation with stakeholders in both countries, Standards Australia and Standards New Zealand decided to develop this standard as an Australian Standard rather than an Australian/New Zealand Standard.

The objective of this Standard is to provide messaging guidelines for electronic hospital supply chains in order to support the formal collection, storage and transmission of data within hospital electronic supply chains.

It is anticipated that this Standard will reduce the number of different systems needed to transact business, providing a framework for trading partners to share information, irrespective of organizational changes or differences which in turn will reduce administrative costs related to business transactions.

It is the third part in a series of documents dealing with health supply chain messaging as follows:

AS

- 5023 Health supply chain messaging
- 5023.1 Part 1: Messaging rules and process logic
- 5023.2 Part 2: Datasets
- 5023.3 Part 3: Messaging rules and process logic—Secondary transactions (this Standard)
- 5023.4 Part 4: Dataset content—Secondary transactions

This Standard utilizes notes to some of the clauses. They are designated Note 1, Note 2, and so on, and are set in smaller point size, immediately following the clause. These Notes are for information and guidance only and compliance with them is not a requirement of the Standard.

Statements expressed in mandatory terms in notes to tables are deemed to be requirements of this Standard.

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## FOREWORD

SecureNet Professional Services referred to hereafter as 'The Consultant' was commissioned by Standards Australia International on behalf of the Commonwealth Department of Health and Ageing to provide Committee IT-014 and its Working Group IT-014-10-01 Supply Chain Messaging with information necessary to develop the data structure and flow of business logic for sixteen messages that are being, or will be, used in conducting business in the Australian health industry supply chain. The sixteen messages identified by IT-014-10-01 are:

- (a) *Product and pricing catalogue (price/sales catalogue)*  
A catalogue message for static product identification, supply chain purchasing and logistics data, and optionally commercial pricing.
- (b) *Purchase order*  
Purchase order message including stand-alone order, release against standing offer arrangement.
- (c) *Purchase order response*  
Response to purchase order, indicating ability to supply.
- (d) *Turnover order*  
Supplier-generated order, placed on a wholesaler on behalf of the end customer.
- (e) *Despatch advice/Advance shipping notice*  
Identification and advice of shipment(s) that have been or will be imminently sent to the customer. Customer receipt of the despatch advice message shall precede the arrival of the physical shipment.
- (f) *Invoice*  
Invoice for goods or services.
- (g) *Remittance advice*  
Remittance advice message reporting on payments/claims made or to be made, to a supplier of goods or services.
- (h) *Purchase order change*  
Change to a previously sent purchase order message.
- (i) *Request for quotation*  
Request for quotation message.
- (j) *Quotation*  
Quotation message responding to a request for quotation.
- (k) *Receiving advice*  
Advice and status of the physical receipt of shipment(s). May be used as an electronic proof of delivery.
- (l) *Payment instruction*  
Payment instruction (standard electronic cheque) intended for a financial institution. Will also include related remittance information.

(m) *Control message*

Acknowledgement and report on the receipt of an EDI message. Syntactic response only; the message does not report on application level processing or fulfilment status.

(n) *Sales data report for vendor managed inventory*

Report on sales over a specified period, either centrally or for specific locations. May be used to trigger automatic replenishment from vendors with whom a VMI agreement is in place. May also be used to implement a pay-on-scan or pay-on-consumption consignment stock scenario.

(o) *Inventory report*

Report on current stock quantities by location. May include available stock, allocated stock, stock on order, forecast sales.

(p) *Standing offer arrangement*

Formal supply agreement, valid for a defined period, against which purchase orders are generated.

IT-014-10-01 noted that most of these messages are generic by nature and would equally apply to other industry sectors. Therefore, it was decided that, to the maximum extent possible, development of health standards should build on existing work in other sectors. In particular, any comparable messages in existence within traditional grocery supply chains should be used as the basis for the development of the health specific messaging datasets.

It was also noted that the datasets should be independent of specific technology platforms (such as any 'flavour' of EDI or ebXML), to ensure, to the extent that it is possible, that these datasets remain relevant with new technology developments for messaging and electronic data exchange. For this reason, IT-014-10-01 instructed that the datasets should specify and define the data structure and messaging rules for the message only. It was recognized that technology-specific messaging guidelines would be required for implementing these structures and rules in the specific syntax required for data translation, for instance, EDI syntax or XML. However, this was not considered to be within the scope of the project.

NOTE: In this Standard, unless otherwise qualified, the term EDI refers to generic, syntax independent, electronic data interchange, i.e. any automated, application-to-application exchange of information. Thus EDI can use traditional syntax such as EDIFACT, or newer syntax such as XML.

IT-014-10-01 indicated to the Consultant that the highest priority should be given to the following nine messages:

- (i) Purchase order.
- (ii) Turnover order.
- (iii) Price/Sales catalogue.
- (iv) Despatch advice/Advance shipping notice.
- (v) Invoice.
- (vi) Remittance advice.
- (vii) Payment instruction.
- (viii) Control message.
- (ix) Inventory report.

This Standard builds on AS 5023.1, *Health supply chain messaging, Part 1: Messaging rules and process logic* that covers the initial group of supply chain transactions as described above. Seven transactions covered in part or not covered in AS 5023.1 are the subject of this Standard and are as follows:

- (A) Purchase order response.
- (B) Purchase order change.
- (C) Request for quotation.
- (D) Quotation.
- (E) Receiving advice.
- (F) Sales data report for vendor managed inventory.
- (G) Standing offer arrangement.

In relation to the terms Despatch Advice and Advance Shipping Notice, the Health industry has agreed to follow the practice of the Retail industry and consider these to be synonymous. Furthermore, also following the practice of the retail industry, Despatch Advice is the preferred term.

The Consultant's approach to this Standard has been to analyse a range of specific implementations of each of these messages where these exist. As a result of this analysis a suggested data model has been developed, together with a consolidated set of business logic and message flow rules. These have been extracted from current identified practice in Australian industry with particular reference to the retail grocery industry.

This Standard should be read in conjunction with AS 5023.1. Material contained in that Standard is not repeated here unless it is absolutely necessary for comprehension.

## STANDARDS AUSTRALIA

### Australian Standard Health Supply Chain Messaging

#### Part 3: Messaging rules and process logic—Secondary transactions

#### 1 SCOPE

This Standard adds to the Health Supply Chain Electronic Business model set out in AS 5023.1 and contains the identified process logic and message flow rules for the seven secondary messages as follows:

- (a) Purchase order response.
- (b) Purchase order change.
- (c) Request for quotation.
- (d) Quotation.
- (e) Receiving advice.
- (f) Sales data report for vendor managed inventory.
- (g) Standing offer arrangement.

#### 2 APPLICATION

This Standard has been written for health sector professionals involved in the use, implementation and assessment of health supply chain messaging.

#### 3 REFERENCED DOCUMENTS

AS	
5023	Health supply chain messaging
5023.1	Part 1: Messaging rules and process logic
5023.2	Part 2: Datasets
5023.4	Part 4: Dataset content—Secondary transactions

UN/  
EDIFACT Message implementation guidelines

#### 4 ADDITION TO THE SUPPLIER INITIATED ORDERING IN ELECTRONIC BUSINESS MODEL FOR THE HEALTH SUPPLY CHAIN

##### 4.1 Vendor managed inventory (VMI)

AS 5023.1 *Messaging rules and process logic* includes a scenario for the message exchanges in the ordering cycle where ordering is initiated by the supplier (known as Vendor Managed Inventory or VMI). The ordering process is triggered by an Inventory Report sent by the Buyer. From this the Supplier responds with a proposed Order, which is then confirmed by the Buyer. If necessary the Buyer may also send a subsequent Order Change that will be followed by an Order Response from the Supplier.