

Australian Standard™

Health Supply Chain Messaging

**Part 1: Messaging rules and process
logic**

This Australian Standard was prepared by Committee IT-014, Health Informatics. It was approved on behalf of the Council of Standards Australia on 30 March 2003 and published on 8 May 2003.

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Part 1: Messaging rules and process logic

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PREFACE

This document 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 first 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 (this Standard)
- 5023.2 Part 2: Datasets
- 5023.3 Part 3: Messaging rules and process logic—Secondary transactions
- 5023.4 Part 4: Dataset content—Secondary transactions

The terms 'normative' and 'informative' have been used in this Standard to define the application of the appendix to which they apply. A 'normative' appendix is an integral part of a Standard, whereas an 'informative' appendix is only for information and guidance.

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 (set out in Part 2 of this Standard) should be independent of specific technology platforms (such as any 'flavour' of EDI or ebXML etc), 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 document, 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.

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.

STANDARDS AUSTRALIA

Australian Standard Health Supply Chain Messaging

Part 1: Messaging rules and process logic

1 SCOPE

This Standard provides an introduction to the Health Supply Chain Electronic Business model and gives specific messaging rules and process logic for the nine (9) priority UN/EDIFACT message implementation guidelines for Health. It also provides use case concepts and notation in Appendix A.

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
5023.2 Part 2: Datasets

UN/

EDIFACT Message implementation guidelines

4 AN ELECTRONIC BUSINESS MODEL FOR THE HEALTH SUPPLY CHAIN

The electronic Price/Sales Catalogue message allows the synchronization of master data in buyer and supplier systems. This enables product identification, descriptions, release dates, prices and other related information to be automatically loaded from supplier to buyer system (perhaps with a third party catalogue host as an intermediary).

Electronic purchase orders are then based on this synchronized master data. Ideally the purchase order contains the following five pieces of information for every item ordered—

- (a) unique identification;
- (b) unit price and unit of pricing;
- (c) quantity required and unit of measure;
- (d) date and time required; and
- (e) delivery location.

In addition, freight and any other charges or allowances should be included (where possible).

Agreeing these at ordering time will reduce or eliminate the potential for disputes later during the settlement process.