

Pricing

Please read information below to determine if you need to provide pricing information on the NPC.

These terms distinguish between items which are supplied **directly** from supplier to one or more state health jurisdictions versus those supplied **indirectly** via one or more wholesalers.

Some suppliers will have both direct and indirect supplies, others will be all direct or all indirect. In all cases the rules for data provision and publishing apply to the item, not the suppliers.

Prices should be applied at the 'Invoice' level of packaging. This level of packaging is identified when the GTIN has a Y value in the field 'Is trade item an invoice unit?'.

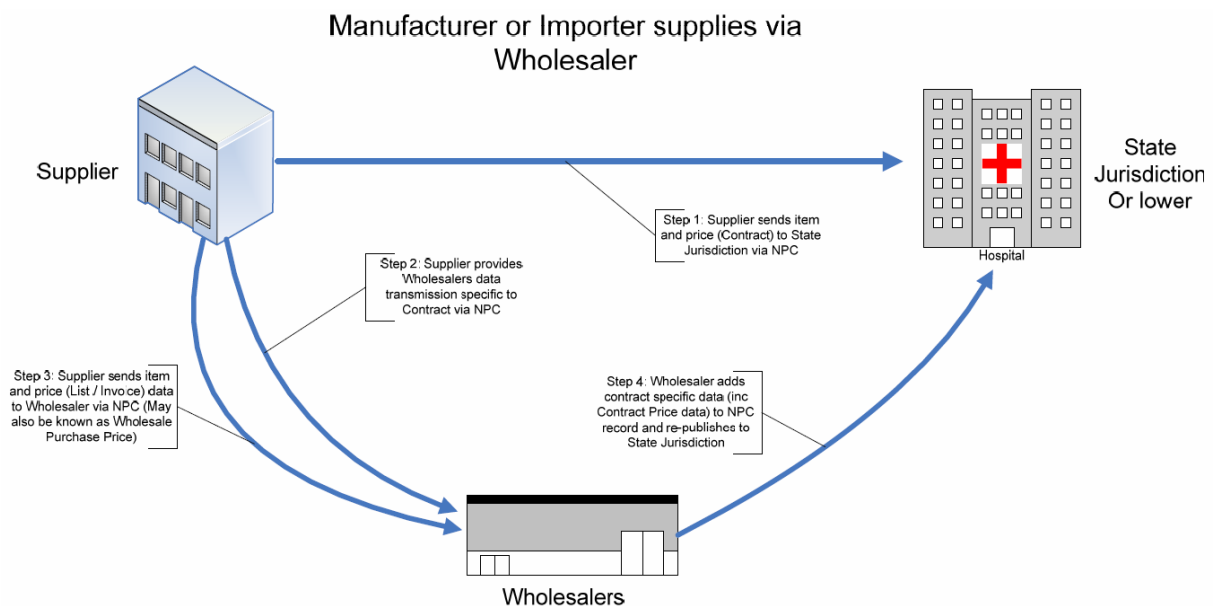
Case examples:

Manufacturer or Importer supplying via Wholesaler

Your company supplies all products via a wholesaler. Your wholesaler has the commercial supply relationship with the state health jurisdictions i.e. is considered the supplier by the jurisdictions. Your obligation to the NPC is to provide all item (product) data in your NPC catalogue.

You do not need to provide any pricing, although you may choose to load and synchronise your cost pricing to wholesaler(s) once they become NPC data recipients. Similarly, if your company negotiates the price to be paid to jurisdictions, you need to ensure this is the price being billed by your wholesaler.

You will publish all your Healthcare items to all jurisdictions and NEHTA, at a minimum. You will publish all your items to your wholesaler(s) if they are registered NPC data recipients.



Additional Notes - Steps 1 & 2 (Manufacturer or Imported supplies via Wholesaler diagram)

1. Supplier publishes Tender price to Jurisdiction

The supplier wins the contract and needs to publish the contract price on the NPC to the Jurisdiction. The relevant price fields to populate (in line with the NPC data set) include:

Recipient GLN	Price Type	Value	Ship to GLN
Jurisdiction GLN	CONTRACT_PRICE	\$100.00	Jurisdiction GLN

2. Supplier has nominated wholesalers to distribute contracted product to Jurisdiction

The supplier nominates a wholesaler to supply contracted product to the Jurisdiction. The supplier can choose to use the NPC to advise the wholesaler of the contract price and contract number relevant to particular products.

The relevant price fields to populate (in line with the NPC data set) include:

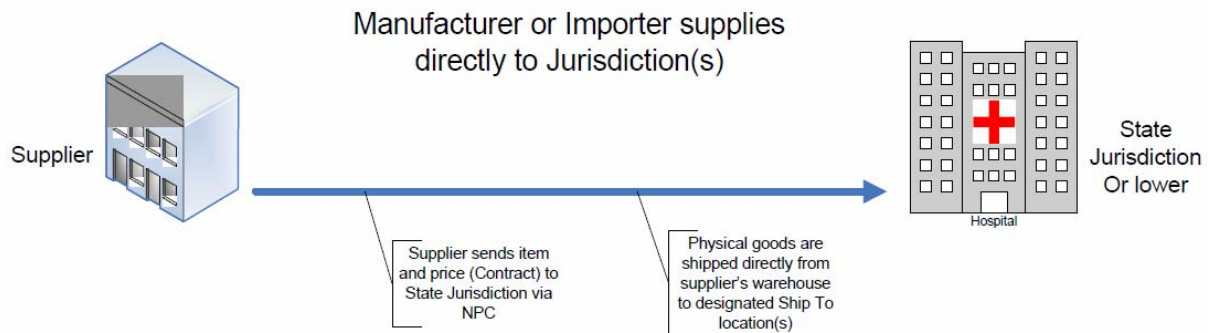
Recipient GLN	Price Type	Value	Ship to GLN ³	Ref Doc ID ⁴	Ref Doc Description
Wholesaler GLN	CONTRACT_PRICE	\$100.00	Jurisdiction GLN	Contract Number	Contract Description

Note: Use of the NPC to provide this data is optional. If the supplier also needs to advise the wholesaler of the 'jurisdiction internal classifications' applicable to the product within a certain contract, this needs to happen outside of the NPC via a simple mapping file.

Manufacturer or Importer supplying directly to Jurisdiction(s)

Your company supplies all products directly to one or more jurisdictions. Your obligation to the NPC is to provide all item and pricing data according to the NPC Pricing Model.

You will publish all your Healthcare items to all jurisdictions and NEHTA, at a minimum.

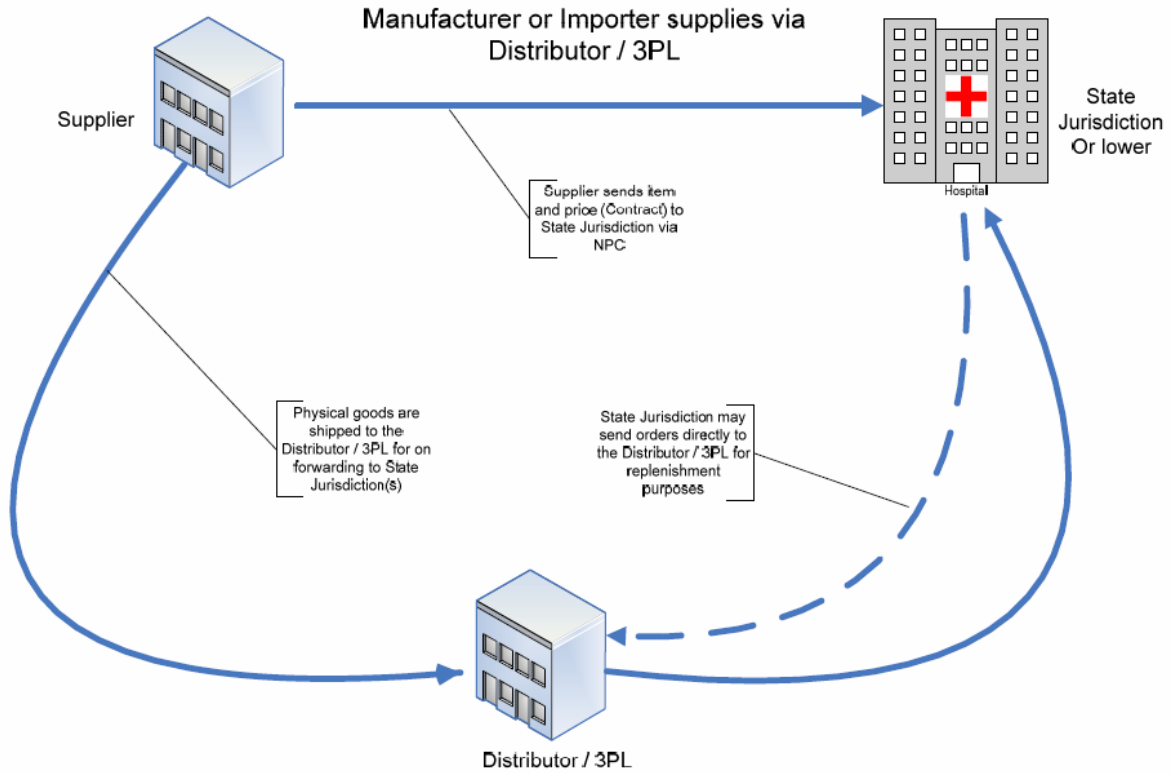


³ Used to indicate the end customer applicable to this particular price

⁴ This is the contract number applicable to the price

Manufacturer or Importer supplying via Distributor or 3PL⁵

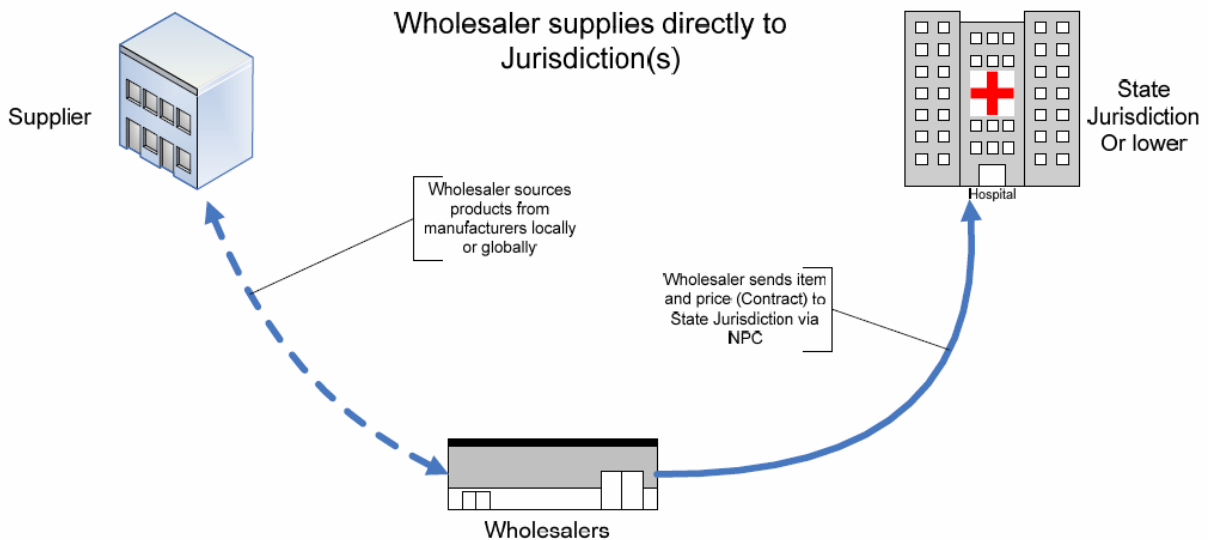
In this scenario, your company has the commercial supply arrangement with the jurisdiction(s) and you are simply using a 3rd party for the transport or logistics (which may also include the order taking process). However, you are considered the supply trading partner of the jurisdictions and so your NPC obligations are the same as for direct supply (refer 'Manufacturer or Importer supplying directly to Jurisdiction(s)' above).



Wholesaler supplying directly to Jurisdiction(s)

Your company sources items from manufacturers, importers or other wholesalers and on-sells them directly to state health jurisdiction(s). You have a commercial supply relationship with one or more of the jurisdictions.

Your obligation to the NPC is to provide all item and pricing data. You will publish all your Healthcare items to all jurisdictions and NEHTA, at a minimum.

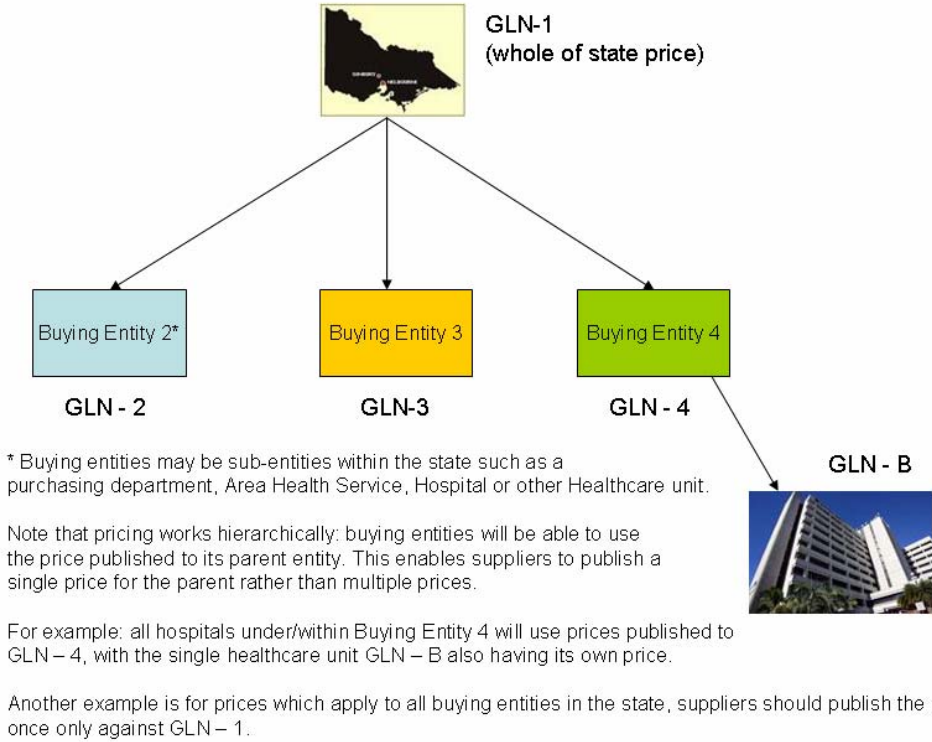


⁵ 3rd Party Logistics provider

PRICING MODEL

The State Health Jurisdictions have a pricing model which works on a hierarchical basis. A whole of state price is available to all healthcare units within the state, area or region. Whereas this price is available to all healthcare units within the area, some individual healthcare units will have their own specific prices and these prices will need to be provided for these individual healthcare units on an exception basis.

Prices should be published at the highest applicable level. Global Location Numbers (GLNs) are allocated by each jurisdiction to each and every entity within the jurisdiction to which a price may apply. See heading **GLN Allocations for Healthcare** within the **Healthcare Industry: National Product Catalogue** page for a link to the GLN allocation listing for each state.



GLN allocation example for NPC pricing

PRICING LOGIC AND PRICE TYPES

There are 3 price types that may be used in the NPC; **List**, **Invoice** (Transactional) and **Contract**. Every product must have at least 1 of the GTINs in its product hierarchy flagged as the "Invoice unit". All invoice units must have a price record(s) which follow the logic below:

Item is on Contract (Contract Price)

If the item is on contract (or contracts) then only the contract price is required and contract number should be referenced. The contract price is to be published against the GLN to which the price applies.

For example if the contract is with the whole of state then only this price needs to be published for this item (for each state). If the contract is with one specific Area Health Service (AHS) only, then publish its contract price against the AHS GLN, and publish an invoice price for whole of state.

Item is not on Contract (Invoice Price)

If the item is not on contract, then the invoice (i.e. Transaction) price should be provided. This is the "best" price the supplier would charge/offer the health jurisdiction in the event no contract is in place, inclusive of all off invoice allowances and charges. This price should be provided at the whole of State/Territory level rather than by individual AHS or Hospitals. If the supplier has, a relationship with

the Jurisdiction (i.e. has sold to the jurisdiction in the past) then it is expected that this price would be available if the item is not on contract.

List Price

If there is a reason why the invoice price cannot be provided by the supplier, the list price is to be provided. That is, a price exclusive of all allowances and charges. The use of this price type is recommended only as a last resort and its use is discouraged.

If the supplier has no relationship with a jurisdiction or never sells a particular item to a jurisdiction, then it is not mandatory to provide a price for that jurisdiction in the NPC, it remains optional to do so.

Summary

Based on the above, the preference is for each item (invoice unit) to have either a contract or an invoice price per Jurisdiction.

All prices must be exclusive of GST.

Vaccine Products

Vaccines are ordered by Area Health Services (AHS). Vendors to populate vaccine pricing records based on one of the following three scenarios.

1. The item is on the National Immunisation Scheme
 - Vendor to provide a CONTRACT price for the Federal Dep't of Health and Ageing (DOHA). Price record to include the DOHA contract number.
 - Vendor to provide CONTRACT price(s) for the states and territories with a zero (\$0) cost price. Price record to include the DOHA contract number.
2. The item is under contract with the state or territory and is not on the National Immunisation Scheme
 - Vendor to provide a CONTRACT price for the state or territory. The price record to include the state or territory contract number.
3. The item is not under contract with the state or territory and is not on the National Immunisation Scheme
 - Vendor to provide an Invoice price for the state or territory – refer 'PRICING LOGIC AND PRICE TYPES' section (above).

DISCOUNT STRUCTURES AND THE NPC

The following is a list of typical conditions / discount structures that have been used by suppliers and how they are handled in the NPC:

Total Transaction Discounts

A discount based on the total value or total quantity of the order. These will be handled by jurisdictions as part of the accounts payable process. These are not expected to be loaded on the NPC

Grouped Item Discounts

This is a discount for item A if item B is also purchased. Jurisdictions discourage this practice, so the NPC does not support it. If this scenario applies to you for any of the items you sell to jurisdictions, you are advised to contact the jurisdiction directly to discuss how to handle this discount type outside the NPC.

Package Deals

For example, purchase the device and get free consumables. This scenario is supported by the jurisdictions only when a contract is in place for both items. In this example, the item with a cost to it should be loaded with a contract price and reference must be quoted. The items provided free as part of the contract should be loaded with a contract price of zero (\$0) and the same contract reference should be quoted.

Bonus stock

For example, buy 10 get 2 free. Refer to *Grouped Item Discounts* above.

Free stock

Stock that is provided to jurisdictions free of charge outside of a contract (e.g. sample packs) should be loaded with an invoice price of zero (\$0).

Consignment items

This scenario often occurs with theatre kits which are made up of many items of different sizes, only some of which will be used / consumed during the theatre procedure or operation. The remainder is returned to the supplier. The items consumed are typically put on a purchase order and purchased subsequent to their usage. Each item within these kits must have its own GTIN and price loaded into the NPC so that it may be processed individually as described.

Loan Instruments

If the jurisdiction raises a formal request/requisition/order for these instruments, then they need to be populated into the NPC in their own right, with both item and pricing data. The usual pricing logic for contract, invoice, list price types apply and the price amount may be zero (\$0).

Rebates

Rebates are not off invoice discounts, but rather come into effect after certain agreed thresholds such as total annual spend or quantity buys have been met. They are often implemented as credits back to the customer after the threshold has been met.

The NPC does not support rebates. They are not to be included in any prices loaded into the NPC.

Bracket Tier Price

NEHTA recommends that only one List Price is required even though Bracket Tier Price is available on GS1net. The above scenarios cover 98% of all pricing cases amongst the majority of suppliers. Pricing scenarios not covered by the above will be addressed by the following process:

1. Supplier contacts GS1 Services Support with the issue / problem.
2. GS1 confirms there is a need to raise the issue to jurisdictions to resolve
3. GS1 documents the issue and forwards to NEHTA
4. NEHTA distributes to all PRG representatives for feedback
5. Jurisdictions to analyse and determine position
6. Issue(s) to be formally addressed at PRG meeting (ongoing every 6-8 weeks)
7. Solution discussed, agreed and feedback to GS1
8. GS1 to update documentation and contact supplier