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POSITION STATEMENT

Pathology services

2025

1. Overarching principles

1.1. Pathology services should reflect best clinical practice, be overseen by qualified medical practitioners and provided in facilities that meet accreditation standards. The funding and regulation of pathology services should support patients to receive timely and affordable services that are clinically appropriate, safe, and effective.

1.2. Pathology is a critical component of modern healthcare in Australia, providing crucial information for screening, diagnosis, treatment and monitoring upon which the entire health system is reliant.

1.3. Government policies, regulations and funding arrangements for pathology services should:

- place primary importance on safety, quality, access and affordability
- facilitate patient care and convenience, including in regional and rural areas
- be based on evidence of enhanced management of patients and improved patient outcomes
- support sustainability of the pathology sector, including the sector's ability to provide ongoing training, research and development
- recognise the savings to the healthcare system and the general economy from early diagnosis and intervention and monitoring of chronic disease which are facilitated through pathology services
- appropriately reimburse the patient for the cost of being provided with pathology services.

1.4. Governments must continue to engage with medical practitioners involved in pathology services to ensure the regulatory framework is fit-for-purpose and keeps pace with evolving clinical practice and the broader healthcare system.

2. Pathology services

2.1. Pathology services are provided by medical practitioners across a range of public and private settings, from small boutique practices to large hospital and community providers. Pathologists work in a range of speciality disciplines.

2.2. Private pathology services are currently reimbursed under a fee-for-service model. The costs are shared between governments, third party insurers, and patients. Most pathology services are bulk billed, but a widening gap between the Medicare rebates and the cost of providing services is increasingly impacting on the accessibility, affordability and safety of pathology services.

2.3. Medicare Benefits Schedule rebates for pathology testing remained stagnant over two decades.[1] While partial indexation to approximately one third of pathology Medicare Benefits Schedule (MBS) items was reintroduced in 2024,[2] these changes were accompanied by specific cuts in rebates for other pathology items. Current public funding for pathology services remains inadequate, placing additional pressures on the industry and increasing the likelihood patients will bear out-of-pocket costs.

2.4. Pathology provides a crucial role in Australian healthcare, providing information:

(a) for diagnosis and screening
(b) to formulate treatment plans
(c) to monitor responses to treatments.

2.5. Investment in high-quality pathology services saves taxpayers from downstream costs in acute and chronic care and can greatly improve patients' experience and outcomes.

2.6. Pathology services underpin personalised medicine. They allow treatment and management of disease to be tailored to the individual. For example, antibiotic sensitivity testing for bacterial infections and genomic testing for cancer and autoimmune diseases prevents unnecessary treatments and allows targeting of expensive therapies to the patients most likely to benefit.

2.7. As well as directly providing pathology services, pathology practices in both the public and the private sectors play an essential role in the teaching of, and research into, the medical care of patients.

2.8. Pathologists are part of a medical team providing care for patients. A pathologist's medical consultation includes:

(a) helping determine the best type of test for the patient
(b) quality assurance for test processes and interpretation
(c) performing tests and examining tissue biopsies
(d) providing the interpretation and professional advice on test results and diagnostic procedures
(e) conferring with the requesting medical practitioner on treatment and management of the patient.

3. Quality and safety

3.1. The AMA supports ongoing research to continually improve the knowledge base underpinning best practice pathology practices by requesters and providers.

[1] "From 1 January 2020 to 31 January 2024, the Government introduced 71 new pathology items … Over this period, the government's total annual investment in non-COVID-19 pathology services has increased by approximately $333 million in benefits, totalling $3.4 billion in 2023." DoHAC
https://www.tunefm.net/2024/05/07/australian-pathology-calls-for-increased-funding-to-sector/

[2] https://www.rcpa.edu.au/Library/Publications/PathWay/Docs/Budget-2024-25-New-measures-for-Medicare-funded-pa

3.2. The AMA supports the Royal College of Pathologists Australia (RCPA) in providing evidence-based advice and guidance to health professionals and patients on the safe, cost-effective and quality use of pathology services.

3.3. The AMA supports a model of quality assurance through industry self-regulation, with appropriate links to a regulation framework. Quality assurance standards must be regularly reviewed to keep pace with changes and innovations so services remain safe, effective and cost-effective. The AMA supports and participates in the National Pathology Accreditation Advisory Council (NPAAC) in its role of developing and maintaining standards and guidelines for pathology practices. The AMA supports the current system of accreditation against these standards as a contributor to maintaining quality standards across the pathology industry.

3.4. All medical practitioners and other laboratory staff involved in providing pathology services:

(a) must be appropriately trained, qualified, and credentialled
(b) have the knowledge and experience to provide quality outcomes for patients
(c) meet continuing education requirements commensurate with the level of the services they provide.

3.5. A contemporary, patient-centred pathology practice requires leadership by a pathologist working with other laboratory staff. Pathologists are medically, legally, and ethically responsible and accountable for all services provided in their laboratories.

3.6. Pathologists supervise all pathology services and support staff such as scientists and technicians, in accordance with NPAAC guidelines and accepted medical practice.[3] This leadership ensures quality, accuracy, guides clinical care, and ensures best outcomes for patients.

3.7. Pathologists operate in a diverse range of laboratory environments in which risks should be appropriately managed. Pathologists should have the flexibility to implement efficient and effective processes to ensure the quality and accuracy of pathology services.

3.8. Pathologists and other medical practitioners work in collaboration to achieve the best outcome for their patients. Referring medical practitioners must provide clinically relevant information to pathologists to enable accurate diagnosis and appropriate advice.

3.9. Pathologists and treating medical practitioners regularly confer on the interpretation of results of tests and diagnostic biopsies. This interaction ensures patient care and facilitates quality pathology referrals.

3.10. Point of care pathology testing should be conducted within a consistent quality assurance framework in line with best practice guidelines, and may require supervision by a specialist pathologist or pathology service. This allows patients to receive timely, convenient,

[3] With the exception of specific point of care services as outlined in paragraph 3.10.

comprehensive and integrated healthcare in appropriate settings including critical care areas of hospitals, and some outpatient settings.

3.11. The AMA encourages greater development and use of shared electronic health records by medical practitioners to improve the safety and quality of medical care in Australia. A shared electronic medical record that links reliable and relevant medical information across healthcare settings will support the best clinical decisions from treating practitioners.

3.12. The AMA supports use of My Health Record to make pathology reports available to healthcare providers and patients in a way that:

(a) enhances clinical management and care
(b) reduces time wasted by health practitioners
(c) avoids unnecessary repeat examinations.

3.13. Software linking pathology practices to other medical practices should be interoperable so pathologists can communicate results quickly, effectively, and equitably to referring and/or treating doctors. This should include the timely ability to access prior relevant external pathology reports to enable pathologists to generate accurate reports that reflect the patient's medical background history. The process to upload clinical information to an electronic health record should be seamlessly integrated into existing clinical software.

3.14. Pathology results should be accessed by patients with medical guidance, where appropriate interpretation, specialist insights and consideration of follow-on care can be provided. Medical information should be communicated by the requesting doctor, using their own expert knowledge and understanding of the patient's individual circumstances, to contextualise the results for the patient.[4] Safety concerns can arise when patients are provided access to pathology results ahead of consulting with their specialist, stimulating unnecessary patient inquiries, which may overwhelm general practitioners and healthcare staff.

3.15. The AMA supports a fee-for-service model. Fee-for-service should cover the provision of individual patient pathology services and related quality activities, such as participation in patient-centred discussions with other health practitioners, quality assurance activities and ongoing training.

3.16. Fee-for-service arrangements provide the best balance of incentives to encourage and facilitate an efficient, competitive market of high-quality pathology providers to respond to local demand in most areas of Australia.

3.17. The AMA opposes funding arrangements that:

(a) cap expenditure
(b) restrict access
(c) limit the number of eligible providers.

[4] https://www.amawa.com.au/news/presidents-blog-to-whom-my-pathology-report-concerns/

3.18. Government funding arrangements for pathology services should:

(a) be based on evidence of enhanced management of patients and improved patient outcomes
(b) provide long-term certainty for pathology providers
(c) support continuing high levels of access and quality services for patients and treating medical practitioners, including in rural and remote areas
(d) support ongoing high-quality training, research and development activities.

3.19. Government policies and funding must support the ongoing viability, diversity, and sustainability of the pathology sector. The current mix of public and private services ensures Australia has a diversity of pathology providers with different areas of expertise that can provide a wide range of services.

3.20. The pathology sector has achieved dramatic efficiencies over the past two decades, which have contributed to containing healthcare costs. However, costs associated with providing services have increased, including salaries, rent, electricity, equipment and technology uplift, and professional indemnity insurance.

3.21. Funding arrangements must recognise compliance with quality assurance and accreditation arrangements results in administrative and financial costs for pathology providers.

3.22. Government policies and funding arrangements must support a high-quality pathologist and pathology-related workforce. Ongoing training and development of the existing workforce and investment in a future workforce are vital to sustaining high-quality and diverse pathology services.

3.23. The pathologist workforce is largely salaried owing to significant barriers to opening a new pathology practice. Therefore, it is important to provide attractive and dynamic career paths for junior pathologists. Opportunities for their further development should be prioritised to maintain high standards of professionalism and attract future employment of pathologists.

3.24. Investment should be directed to attracting and maintaining appropriately qualified and accredited scientific, technical, and collection staff involved in supporting pathology services.

3.25. Government funding for pathology must recognise the role of public and private practices in teaching and research.

3.26. Current Medicare coning restrictions should be abolished. Patient episode coning was introduced in 1985 to address concerns about inducement of referrals for unnecessary tests. Funding should support every service provided by a pathologist.

3.27. Pathologists must supervise all aspects of testing undertaken within their laboratories. They are responsible for the quality framework, quality assurance activities of all testing, the clinical interpretation of abnormal results, and the notification of critical results to the treating medical practitioner or the patient. It is not possible, or clinically appropriate, for the pathologist's professional input to be extricated from the purely technical aspects of a pathology test without compromising the safety and quality of the service.

4. Access and affordability

4.1. Funding arrangements must be agile enough to adequately subsidise contemporary, evidence-based and medically accepted clinical practice and new technologies that represent an improvement in care.

4.2. Funding arrangements designed only to reduce government outlays risk compromising access for treating medical practitioners and patients and cost the health system more in the longer term.

4.3. The community and treating medical practitioners expect pathology services to be available to respond to urgent requirements. These services are essential for the care of critically ill patients, surgical emergencies, and emergency obstetrics.

4.4. A responsive after-hours service has flow-on benefits for the whole healthcare system. Without this service, hospital overcrowding, emergency department waiting times and access block would be worse. Funding arrangements should recognise the additional costs required to support after hours pathology, which is essential to enable treating medical practitioners to provide their own timely service.

4.5. The AMA does not support direct-to-consumer (DTC) pathology, which allows consumers to access tests directly from laboratories without a referral from a healthcare provider. Marketing DTC pathology tests carries real risks for patients, as test results can be misinterpreted without medical support.

4.6. Medical practitioners should have responsibility for initiating, interpreting and implementing the necessary follow-up for DTC pathology testing to ensure investigation is clinically appropriate and guided by specialist insight. Testing without medical consultation carries the risk of erroneous or misinterpreted results, rendering the service clinically unnecessary.

4.7. Pathology services rely upon national investment in critical infrastructure and logistics, such as transport and information communications. Without ongoing development and maintenance of this infrastructure, the rapid transport of physical specimens from all areas of Australia and the timely communication of results is not possible and significant disruption of medical services to patients occurs.

4.8. There must be an appropriate geographical spread of pathology services sufficient to provide affordable and timely access for all patients in Australia, including rural, remote and regional areas. Government funding should recognise the importance of access to local services and prioritise special grants or loadings to regional services.

4.9. The AMA supports the right of patients to participate in the choice of their pathology provider in most cases. There are situations where a treating medical practitioner requires, for valid clinical or practical reasons, that a specific pathology provider performs a test. For example, the treating practitioner may identify a specific pathology provider to undertake a test due to:

(a) the expertise of a specific provider

(b) confidence in the quality of the service

(c) familiarity with the way in which results are reported

(d) a preference for the testing methodology used by the pathology provider

(e) knowledge a specific test can be done by a specific provider or that they are the only provider of the test in the area

(f) the provider maintaining the test result history for the patient.

4.10. The Medicare Benefits arrangements should always provide for a treating practitioner to be able to make a request to a specific provider if clinically necessary or preferred by the patient.

4.11. The AMA does not support extending Medicare Benefits to pathology services requested by non-medical health practitioners unless under the supervision of, or within a collaborative arrangement with, a medical practitioner. Non-medical health practitioners do not have the medical training to judge whether a pathology service is required or which is the most appropriate service. Extending Medicare benefits is likely to increase costs and unnecessary pathology requests.

4.12. The AMA opposes opportunistic, non-evidence-based testing of asymptomatic patients in the guise of health screening. Health checks, screening activities, and diagnostic tests that are not clinically indicated, evidence-based, and cost effective are a vehicle for generating income. Unnecessary pathology tests leave patients with out-of-pocket costs and risk generating needless follow-up consultations and services. Non-medical health practitioners should instead refer patients with concerning indicators to their general practitioner to undertake an examination and determine whether any further diagnostic tests are clinically justified.

5. Genetic testing

5.1. Health genomics has the potential to fundamentally change the way illness is prevented, diagnosed, treated, and monitored. It offers the opportunity to provide more precise and tailored treatments.

5.2. The AMA supports a nationally consistent and strategic approach to integrating genomics into the healthcare system, which is necessary to address the issues and challenges posed in the areas of capacity, capability, infrastructure, workforce, data security, cost-effectiveness, quality and safety, and equitable patient access. A national approach should acknowledge and encompass the expertise and capacity of the private sector to contribute to, and complement, public health services.

5.3. Medical genetic testing should be available within a rigorous clinical governance framework, requested on behalf of a patient by a medical practitioner in the context of providing healthcare. The decision to proceed with testing and the provision of results should ideally be accompanied by appropriate genetic counselling and patient education. Current availability of genetic counselling is insufficient to meet demand, which will increase as genetic testing becomes more widespread. The AMA therefore advocates for adequate government support for training and funding genetic counsellors.

6. Disease prevention

6.1. The AMA supports preventative health and recognises the important role of appropriate pathology testing for at-risk groups of patients. Testing may allow treatment to be offered that

could ameliorate or prevent full-blown disease in affected individuals through early identification and/or effective management.

6.2. Rapid and accurate pathology testing is critical to the management of infectious disease. While it is clearly important individual patients be diagnosed and treated promptly, pathology testing for infectious disease also plays a major role in protecting public health more broadly. Infection control, which includes surveillance by pathology testing, also underpins our defences against healthcare-associated infections. Control of pandemics depends on rapid turnaround of high volumes of pathology tests.

6.3. Investment in modern technologies is required in the front-line clinical laboratories in both private and public sectors so Australia's healthcare system is ready and able to respond to seasonal influenza activity, as well as uncommon but high-risk disease outbreaks and biosecurity threats.

6.4. High-quality autopsy services are critical to the understanding of disease in individual patients, provide a final audit of clinical decision making, and are an invaluable tool for the education of medical and other healthcare practitioners. Forensic pathology services also play a critical role in the response to disasters. Strategic national investment is required in new technologies and in training members of the forensic pathology workforce.

6.5. The clinical autonomy of forensic pathologists, who in their employment may report through judicial rather than medical management, should be preserved and respected when investigating cause of death.

See also:

AMA Position Statement on Genetic testing (2020)

AMA Submission to DoHAC: Modernising My Health Record – Sharing pathology and diagnostic imaging reports by default and removing consumer access delays (2023)

Adopted 2011. Revised 2019. Revised 2025.

1. There is a large body of Australian and international research illustrating the negative impact of out-of-pocket costs/co-payments on people seeking timely healthcare, particularly those in low socioeconomic groups. The following Australian article summarises the key evidence and provides the additional references: Duckett S, Breadon P, Farmer J, 2014, *Out of pocket costs: Hitting the most vulnerable hardest, Grattan Institute*
2. The regular ABS Patient experience survey indicates a significant proportion of people who need to see a medical specialist delay or do not go because of cost, and the likelihood increases if they live in an area of socio-economic disadvantage. See: http://www.abs.gov.au/ausstats/abs@.nsf/mf/4839.0