

PATHOLOGY

2019

This document outlines the AMA position on pathology.

1. Overarching principles

- 1.1. Pathology services should reflect best clinical practice; be performed by qualified practitioners; and be provided in facilities that meet accreditation standards.
- 1.2. The funding and regulation of pathology services should support patients to receive timely and affordable services that are clinically appropriate, safe, and effective.
- 1.3. Pathology is a critical component of modern health care in Australia, providing crucial information for screening, diagnosis, treatment and monitoring upon which the entire health system is reliant. The largely 'hidden' nature of its services makes it especially prone to damaging funding cuts that can impact on the safety, quality and timeliness of all health services. Over two decades of stagnant government funding to both the private and public pathology sectors particularly threaten the sustainability of pathology practices providing comprehensive services, as well as investment in essential research and training. The ongoing erosion of pathology in the pursuit of necessary 'efficiencies' represents a risk to the whole health system.
- 1.4. Therefore, government policies, regulations, and funding arrangements for pathology services should:
 - (a) place primary importance on safety, quality, access, and affordability;
 - (b) facilitate patient care and convenience, including in regional and rural areas;
 - (c) be based on evidence of enhanced management of patients and improved patient outcomes;
 - (d) support sustainability of the pathology sector, including the sector's ability to provide ongoing training, research and development;
 - (e) recognise the savings to the health care system and the general economy from early diagnosis and intervention and monitoring of chronic disease which are facilitated through pathology services; and
 - (f) appropriately reimburse the patient for the cost of being provided with pathology services.
- 1.5. Governments must continue to engage with medical practitioners involved in pathology services to ensure that its regulatory framework is fit for purpose and keeps pace with evolving clinical practice and the broader health care system.

2. Context

- 2.1. The AMA membership includes diverse interests in pathology. AMA members are providers of pathology services, requesters of pathology services, and may be owners of pathology practices.
- 2.2. Pathology services are provided by medical practitioners across a range of settings, from private specialist pathologist practices to large public hospitals. Pathologists may practise broadly or specialise in disciplines such as anatomical pathology, haematology, microbiology or genetic testing.

- 2.3. As well as directly providing pathology services, pathology practices in both the public and private sectors play an essential role in the teaching of, and research into, the medical care of patients.
- 2.4. Private pathology services are currently reimbursed under a fee-for-service model. The costs are generally shared between governments, third party insurers, and patients.
- 2.5. A large majority of pathology services are bulk-billed, but a widening gap between the Medicare rebates and the real cost of providing services is increasingly impacting on the quality, accessibility, affordability and safety of pathology services.
- 2.6. Government funding changes have a significant impact on the sustainability of the pathology sector including the ability to support ongoing training, research and development.

3. Role of pathology

- 3.1. Pathology plays a critical role in Australian health care and contributes to the good health of all Australians.
- 3.2. Pathology provides crucial information:
 - (a) for diagnosis and screening;
 - (b) to formulate treatment plans; and
 - (c) to monitor responses to treatments.
- 3.3. Investment in high quality pathology services that reflect best clinical practice ultimately saves taxpayers from much higher downstream costs in the acute care sector, and can greatly improve patients' experiences and outcomes.
- 3.4. Pathology services underpin personalised medicine, allowing treatment and management of disease to be tailored to the individual and avoiding trial and error of a treatment designed for a broader population, for example, antibiotic sensitivity testing for bacterial infections and genomic testing for cancer and autoimmune diseases. As well as saving patients from undergoing therapy that will not be effective, it allows targeting of expenditure so that expensive therapies are directed to those most likely to benefit.
- 3.5. 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; and
 - (f) advocating for the patient's best interests.

4. Quality and safety

Evidence-based pathology services

- 4.1. The AMA supports ongoing research to continually improve the knowledge base underpinning best practice pathology practices by requesters and providers. Best practice pathology is safe, effective, cost-effective, and high quality.
- 4.2. The AMA supports the role of the Medical Services Advisory Committee and 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.
- 4.3. The AMA supports the *Choosing Wisely* initiative of NPS MedicineWise, which aims to improve the quality of health care by eliminating unnecessary tests, treatments, and procedures.

Practice standards and accreditation

- 4.4. The AMA supports a model of quality assurance through industry self-regulation, with appropriate links to a regulation framework.
- 4.5. Quality assurance standards must be regularly reviewed and continue to evolve to keep pace with changes and innovations so that services remain safe, effective and cost effective. The AMA supports the National Pathology Accreditation Advisory Council (NPAAC) in its role of developing and maintaining standards and guidelines for pathology practices.
- 4.6. The AMA supports the current system of accreditation against these standards as an essential part of ensuring quality standards across the pathology industry. The system ensures consistent, reliable and high-quality services are provided across Australia.

Practitioner qualifications

- 4.7. All medical practitioners and other laboratory staff involved in providing pathology services:
 - (a) must be appropriately trained, qualified, and credentialed;
 - (b) have the knowledge and experience to provide quality outcomes for patients; and
 - (c) meet continuing education requirements that are commensurate with the level of the services they provide.

Pathologist supervision of services in pathology practices

- 4.8. 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.
- 4.9. Pathologists supervise support staff such as scientists and technicians to ensure quality and accuracy, and to guide clinical care and best outcomes for patients. This leadership role directly impacts upon and improves patient care.
- 4.10. Pathology services in pathology practices must therefore be supervised by a pathologist. The circumstances, level, and manner of pathologist supervision should be in accordance with NPAAC guidelines and accepted medical practice.
- 4.11. Pathologists operate in a diverse range of laboratory environments, each with their own risks, which should be appropriately managed. Pathologists should have the flexibility to implement efficient and effective processes, consistent with NPAAC guidelines and accepted medical practice, to ensure the quality and accuracy of pathology services.

Referrals to pathologists

- 4.12. Pathologists and other medical practitioners work in collaboration to achieve the best outcome for their patients.
- 4.13. It is essential that referring medical practitioners provide clinically relevant information to pathologists to ensure that an accurate diagnosis and appropriate advice on interpretation and follow up testing is provided.
- 4.14. Pathologists and treating medical practitioners regularly confer on the interpretation of results of tests and diagnostic biopsies. This interaction ensures optimal patient care and facilitates quality pathology referrals. This professional engagement does not attract a Medicare rebate.

Point of care testing

- 4.15. AMA supports point of care pathology services that are conducted within a consistent quality assurance framework. This ensures they are safe, effective, clinically appropriate and consistent with best practice guidelines. This allows patients to receive timely, convenient, comprehensive, and integrated health care, particularly those with chronic conditions, regardless of the setting in which testing occurred.

Electronic health records

- 4.16. The AMA supports the 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 health care settings will help provide treating medical practitioners with the information required to make the best clinical decisions.
- 4.17. The AMA therefore supports the inclusion of pathology reports in *My Health Record* so that they are available for health care providers and patients in a way that:
 - (a) enhances clinical management and care;
 - (b) reduces time wasted by health practitioners; and
 - (c) avoids unnecessary repeat examinations.
- 4.18. It is important that software linking pathology practices to other medical practices is interoperable so that pathologists can communicate results quickly, effectively, and equitably to requesting and treating medical practitioners.
- 4.19. Medical practitioners must be consulted in the ongoing development and implementation of electronic health records. In the case of pathology test summary records, they must contain information that might be required to interpret results correctly, for example, the kind of assay used in testing and reference ranges.

5. Pathology funding

Principles

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

- 5.3. 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.
- 5.4. The AMA opposes funding arrangements that:
 - (a) cap expenditure;
 - (b) restrict access; and
 - (c) limit the number of eligible providers.
- 5.5. 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; and
 - (d) support ongoing high-quality training, research and development activities.

Funding to support quality and sustainability

- 5.6. 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.
- 5.7. A reduction in the number of providers, and quality or range of services offered will impact on access and affordability for patients.
- 5.8. The pathology sector has achieved dramatic efficiencies over the last two decades that have contributed to containing health care costs. However Medical Benefits Scheme rebates have remained stagnant since 1998, while all the costs associated with providing services have increased, for example, salaries, rent, electricity, technology, and professional indemnity insurance. Pathology practices must also make significant ongoing investments in up-to-date equipment and technologies.
- 5.9. At the same time, pathology providers must provide quick and efficient services. Many providers operate 24 hours a day, 7 days a week, to respond to urgent service requirements. This responsive service comes at an increased cost, which must be covered by fee-for-service arrangements not dependent on the volume of services.
- 5.10. When the difference between the actual costs of providing services and Medicare rebates becomes too great, the investment in experienced, highly trained staff and high-quality equipment is compromised and/or the comprehensiveness of services offered is reduced.
- 5.11. Funding arrangements must also recognise compliance with quality assurance and accreditation arrangements results in administrative and financial costs to pathology providers.

Workforce, training, and research

- 5.12. 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.
- 5.13. The pathologist workforce is overwhelmingly employed, salaried pathologists, due to the significant cost barriers faced by pathologists who might wish to become practice owners.

Therefore, it is important to provide attractive and dynamic career paths for junior pathologists, with opportunities to train further and undertake research, to ensure a high level of professionalism and skill is maintained, and sufficient pathologists can be attracted and retained to meet future demand.

- 5.14. Investment is also important to attract and maintain appropriately qualified and accredited pathology services staff such as medical scientists, technical staff and people trained to collect specimens.
- 5.15. Government funding for pathology must recognise the role of public and private practices in teaching and research.

Coning

- 5.16. Current 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 each and every service provided by a pathologist.
- 5.17. The coning system requires pathologists to carry the cost of additional services, and does not allow utilisation statistics to be accurately collected and analysed. This has implications for epidemiological research and wider health policies.

Alternative funding models

- 5.18. The AMA opposes any splitting of fees between the conduct of the test itself and medical reporting.
- 5.19. 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.
- 5.20. The AMA opposes any introduction of performance-based incentive payments with the objective of creating a quicker turn-around. The current fee-for-service arrangements already encourage maximising throughput.

6. Access and affordability

Affordability

- 6.1. Pathology services must be appropriately reimbursed to ensure they remain affordable for patients.
- 6.2. Access to pathology services for many people is based on affordability. Increasing out-of-pocket costs impacts most on the sickest and most vulnerable individuals in the community – for example, the elderly, the chronically ill, the unemployed, and Indigenous peoples¹. When services become unaffordable, a proportion of patients won't access services when they need them². This is especially exacerbated in some regions where patients do not have the safety net of attending a public hospital service. Poorly managed conditions and/or treating late stage disease leads to increased downstream costs for the health system.

- 6.3. Government rebates for pathology services therefore need to be continually aligned with the cost of service provision and set at a level that ensures less well-off patients and those in areas of social disadvantage remain able to access the mainstream health system.
- 6.4. Funding arrangements must also be agile enough to keep up with and subsidise contemporary, evidence-based, and medically accepted clinical practice and new technologies that represent an improvement in care.
- 6.5. Funding arrangements designed only to reduce government outlays risk compromising access for treating medical practitioners and patients, and costing the health system more in the longer term.

Diverse and responsive services

- 6.6. The Australian health care system is best supported by a diverse range of pathology practices including public, private, comprehensive or single discipline.
- 6.7. This enables the provision of contemporary patient care and personalised medicine through the full range of predictive and preventive pathology services as well as diagnostic and management services.
- 6.8. Both comprehensive and single discipline laboratories play a critical role in underpinning high-quality medical practice. Laboratories that act as reference laboratories for specific rare or complex tests must be supported so that Australians can benefit from this expertise and pathologists can access a second opinion in difficult diagnoses.
- 6.9. 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.
- 6.10. A responsive after-hours service has flow-on benefits for the whole health care system. Without this service, emergency department waiting times and access block would be worse and patient bed days would be longer. This responsiveness also allows the treating medical practitioner to provide his/her own timely service. Responsiveness comes at an increased cost that must be recognised by funding arrangements.

Critical infrastructure

- 6.11. Pathology services, more than any other medicine speciality, relies on national investment in critical infrastructure and logistics such as transport infrastructure and information communications.
- 6.12. Without ongoing development and maintenance of this infrastructure, the rapid transport of physical specimens from all areas of Australia and the instant communication of results is not possible and significant disruption of medical services to patients occurs.

Rural, remote, and regional services

- 6.13. There must be an appropriate geographical spread of pathology services sufficient to provide affordable and timely access for all patients in Australia. Access to timely and high-quality pathology services should not be compromised because someone lives in a rural, remote, or regional area.
- 6.14. It is sometimes possible to send tissue specimens to more distant locations to take advantage of particular expertise or decreased costs while still meeting adequate access and timeliness

requirements. However, there are also clinical circumstances when it is necessary to have laboratories nearby.

- 6.15. The viability of small centres is particularly vulnerable to the increasing gap between Government funding and the actual cost of providing services.
- 6.16. Government funding should recognise the clinical and ethical importance of access to local services, and that local services may need additional funding in the form of special grants or loadings.

Pathology requests

- 6.17. The AMA supports the right of patients to participate in the choice of their pathology provider in most cases.
- 6.18. 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 particular 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 that a specific test can be done by a specific provider, or that they are the only provider of that test in the area; and/or
 - (f) the provider maintaining the test result history for the patient.
- 6.19. Ideally, patients should discuss their choice of pathology provider with their treating medical practitioner.
- 6.20. 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.

Referring by non-medical health practitioners

- 6.21. 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 make judgements independently about whether a pathology service is required, or which is the most appropriate service. Extending Medicare benefits is likely to simply increase costs with more, unnecessary tests requested.
- 6.22. 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 rather than responsible health care services aimed at benefiting patients. They leave patients with unnecessary out-of-pocket costs and risk generating needless follow-up consultations and services. Non-medical health practitioners should refer patients with risk factors that merit further investigation to their general practitioner as a first step, so that a medical practitioner can undertake an examination and determine whether any further diagnostic tests are clinically justified.

7. Advocacy

- 7.1. Where new tests become available, for example, for rare diseases, pathologists help inform the medical community and patient support groups of the evidence for the use of these tests and to advocate on behalf of the patient and the treating medical practitioner for access to, and funding for, testing that would improve health outcomes.

Genetic testing

- 7.2. Direct-to-consumer marketing of pathology tests, and in particular genetic tests, carries real risks for patients because test results can be inaccurate, contradictory, misleading, taken out of context, and open to misinterpretation.
- 7.3. Medical genetic testing should only be available if requested on behalf of a patient by a medical practitioner in the context of providing health care. The decision to proceed with testing and the provision of results should be accompanied by appropriate genetic counselling and patient education.
- 7.4. The AMA's detailed position on genetic testing is provided in the position statement *Genetic Testing – 2012*.

Prevention of disease

- 7.5. 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.

Genomics

- 7.6. Health genomics has the potential to fundamentally change the way illness is prevented, diagnosed, treated and monitored, offering the opportunity to provide more precise and tailored treatments. The AMA supports a nationally consistent and strategic approach to integrating genomics into the health care system. A national approach 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 especially, equitable patient access.
- 7.7. It is also important that a national approach acknowledges and encompasses the role of the private sector and its expertise and capacity to contribute to, and complement, public health services.

Infectious disease, epidemics, pandemics and biosecurity

- 7.8. Rapid and accurate pathology testing is critical to the management of infectious disease. While it is clearly important to individual patients to 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 defenses against healthcare associated infections. Control of pandemics depends on rapid turnaround of high volumes of pathology tests.
- 7.9. Investment in modern technologies is required in the front-line clinical laboratories in both private and public sectors so that Australia's healthcare system is ready and able respond to seasonal influenza activity, as well as uncommon but high-risk infectious disease outbreaks and biosecurity threats.

Autopsy and forensic pathology

- 7.10. 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 practitioners and other healthcare practitioners. Forensic pathology services also play a critical role in the response to disasters.
- 7.11. Strategic national investment is required in new technologies and in training members of the forensic pathology workforce.

See also:

AMA Position Statement on Genetic Testing - 2012

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Adopted 2011. Revised 2019.

1. There is a large body of Australian and international research illustrating the negative impact of out-of-pocket costs/copayments on people seeking timely health care, particularly those in low socioeconomic groups. The following Australian article summarises the key evidence and provides 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 shows that 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>