Public funding for pathology services remains inadequate

Federal AMA Position Statement (2025)



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.

Medical practitioners provide pathology services across a range of public and private settings, from small boutique practices to large hospital and community providers.

Pathology services underpin personalised medicine.

"They allow treatment and management of disease to be tailored to the individual," states the federal AMA's official Position Statement on pathology services.

"For example, antibiotic sensitivity testing for bacterial infections and genomic testing for cancer and autoimmune diseases prevent unnecessary treatments and allow targeting of expensive therapies to the patients most likely to benefit."

Pathologists are crucial to any medical team, providing information for diagnosis, screening, formulating treatment plans, and monitoring responses to treatments.

A pathologist's medical consultation includes advising on the most appropriate test; assuring the quality of testing processes; performing tests and examining biopsies; interpreting results and diagnostic procedures; advising on treatment and management; and notifying treating practitioners or patients of critical results.

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 Medicare rebates and the cost of providing services is increasingly impacting on the accessibility, affordability and safety of pathology services.

The AMA's position paper notes that Medicare Benefits Schedule (MBS) rebates for pathology testing have remained stagnant over two decades. Partial indexation to approximately one-third of pathology MBS items was reintroduced in 2024, but 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," the AMA says. "Investment in high-quality pathology services saves taxpayers from downstream costs in acute and chronic care, and can greatly improve patients' experience and outcomes."

Quality and safety

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

The AMA participates in the National Pathology Accreditation Advisory Council in its role of developing and maintaining standards and guidelines for pathology practices, and it supports the current system of accreditation against these standards as a contributor to maintaining quality standards across the pathology industry.

"Pathologists and other medical practitioners work in collaboration to achieve the best outcome for their patients," the AMA Position Statement states. "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."

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.

It supports the use of My Health Record to make pathology reports available to healthcare providers and patients in a way that enhances clinical management and care, reduces time wasted by health practitioners, and avoids unnecessary repeat examinations.

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"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," the AMA says.

"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."

The AMA stresses in its statement that government policies and funding must support the ongoing viability, diversity and sustainability of the pathology sector. It says 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.

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.

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

"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."

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

Access and affordability

The Position Statement says 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.

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.

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

"A responsive after-hours service has flow-on benefits for the whole healthcare system. 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."

The AMA notes that 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 timely communication of results is not possible – and significant disruption of medical services to patients occurs.

"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," the AMA says. "Government funding should recognise the importance of access to local services, and prioritise special grants or loadings to regional services."

The AMA does not support extending Medicare benefits to pathology services requested by non-medical health

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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 service is the most appropriate," the Position Statement states. "Extending Medicare benefits is likely to increase costs and unnecessary pathology requests."

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," it says. "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."

Genetic testing

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.

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," it states in its Position Statement.

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," the AMA says.

"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."

Disease prevention

The AMA supports preventative health and recognises the important role of appropriate pathology testing for at-risk groups of patients. Testing might allow treatment to be offered that could ameliorate or prevent full-blown disease in affected individuals through early identification and/or effective management.

"Rapid and accurate pathology testing is critical to the management of infectious disease," the AMA says. "While it is clearly important that 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."

The AMA concludes that 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 to respond to seasonal influenza activity, as well as uncommon but high-risk disease outbreaks and biosecurity threats. ■

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