

Budget 2024–25: Reforming Pathology Application Charging Arrangements

From 1 July 2025, fees will no longer be charged for certain Medicare pathology approvals.

Through the 2024–25 Budget, the Australian Government will repeal the *Health Insurance (Pathology) (Fees) Act 1991*. This legislation imposes fees ranging from \$500 to \$2,500 on the pathology sector for applications for approved pathology authority, approved pathology practitioners and accredited pathology laboratory applications.

The Department of Health and Aged Care (the Department) will continue to work with stakeholders on the implementation of the changes and more detailed information for pathology providers will be made available at www.health.gov.au and www.servicesaustralia.gov.au.

What will change?

Fees will no longer be charged for approval, amendment, or renewal of:

- approved pathology authority (APA) applications;
- approved pathology practitioner (APP) applications; and
- accredited pathology laboratory (APL) applications.

Under the Pathology Fees Act, final approval for these applications may only be granted when:

- an APA or APP undertaking has been accepted, or an APL application has been approved in principle, and
- payment of the prescribed fee has been made.

Under the new arrangements, providers will no longer receive a preliminary approval, or requests for payment to finalise their applications. Instead, the relevant approval will be issued in accordance with the *Health Insurance Act 1973*, following assessment of requisite forms and supporting information.

Each of the existing application types will remain in place and continue to serve the same purpose and taxes for Approved Collection Centres will continue unchanged and payment will be required up until 30 June 2025.

This measure is expected to reduce the time taken to receive approval to provide Medicare benefits, relieve some of the administrative burden this process places on providers and provide around \$800,000 per annum of fee relief to the pathology sector.

Are accreditation requirements being removed?

No, under the *Health Insurance Act 1973*, those seeking approval to provide pathology services under Medicare must meet certain criteria, comply with all relevant undertakings and approvals, including approval of an APL during the approval period.

Specific requirements for each application type can be found on the Services Australia website.

Will I still be required to apply for approval to Services Australia?

Yes, pathology service providers must obtain approval from Services Australia before they can commence providing pathology services under Medicare. Services Australia continues to require that renewal applications be submitted for assessment within 3 months of expected expiry. The Department will continue to work with Services Australia on an efficient and fit-for-purpose application process.

Further information and application forms will continue to be available on the Services Australia website.

Will approval periods change?

No, approval periods will remain the same for each application type. These approval periods are outlined in Table 1.

Table 1 Approval period for each application type

Application type	Approval period
Approved Pathology Authority	1 Year
Approved Pathology Practitioners	1 Year
Accredited Pathology Laboratories	Up to 3 years
Approved Collection Centres	2 Years

Will I still pay a tax for Approved Collection Centre applications?

Yes, taxes for the approval of Approved Collection Centres are imposed under the *Health Insurance (Approved Pathology Specimen Collection Centres) Tax Act 2000* (ACC Tax Act). This measure will not make any amendments to the ACC Tax Act, therefore taxes, eligibility criteria and application processes will remain unchanged.