

Budget 2024–25: Reforming Pathology Services

Through Medicare, the Australian Government supports all Australians to access subsidised pathology services as listed on the Medicare Benefits Schedule (MBS).

Through the 2024–25 Budget, the Government will implement five measures to Medicare funded pathology services. The measures include the reintroduction of annual indexation of some pathology services, the introduction of permanent Medicare arrangements for COVID-19 and other respiratory testing, a suite of new and amended pathology services, changes to ensure clinically appropriate pathology testing, and the removal of fees imposed on the pathology sector.

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

Reintroduction of annual indexation of some pathology services

This measure will reintroduce annual indexation from **1 July 2025**, for selected pathology services - those in the Haematology (P1), Immunology (P4), Tissue Pathology (P5), Cytology (P6) and Infertility & Pregnancy (P8) service groups.

These service groups have not been indexed in over two decades and returning indexation will support continued high rates of pathology bulk-billing. Chemical (P2), Microbiology (P3) and Genetics (P7) service groups have not returned to indexation as these items respectively continue to benefit from automation and economies of scale, or largely consist of newer services and technologies, whose costs are decreasing over time.

Permanent arrangements for COVID-19 and other respiratory pathogen testing

This measure will implement permanent arrangements for testing of COVID-19 and other respiratory pathogens, from **1 July 2024**.

Permanent arrangements comprise two new MBS items (69421 and 69422) for simultaneous testing for either 4 respiratory pathogens, or 5 or more respiratory pathogens (which may include COVID-19). The new items supersede previous temporary items (69511 to 69515), in alignment with the recommendations of the Medical Services Advisory Committee (MSAC).

New and amended pathology services

This measure will introduce the following new pathology services and amendments to existing services, from **1 November 2024**, in response to recommendations from the MSAC:

- New tests for N-Terminal-pro Brain Natriuretic Peptide (NT-proBNP) to aid in the diagnosis of patients with suspected heart failure in a non-hospital setting.

- Point-of-care testing for detection of neisseria gonorrhoea, chlamydia trachomatis and trichomonas vaginalis to providers located within remote (MM 6) and very remote (MM 7) communities.
- Increasing the fee for MBS item 73420 for Rhesus D non-invasive prenatal testing (NIPT) of non-alloimmunised patients and amend item 73421 to include patients expecting more than one child.
- Amending item 73441 for genetic testing for childhood hearing loss to clarify policy intent and allow patients with unilateral hearing loss to access testing.
- Amending item 73451 for reproductive carrier testing for cystic fibrosis, spinal muscular atrophy and fragile X syndrome to clarify policy intent and mitigate inappropriate co-claiming.
- Amending item 73429 for somatic gene panel testing for the diagnosis and classification of gliomas to clarify policy intent and remove the specification of test methodologies.
- Amending item 73343 to remove the specification of test methodologies.
- Amending items 73422, 73424 and 73434 to clarify policy intent and specify the purposes of particular types of genetic testing for various neuromuscular conditions.

Ensuring clinically appropriate pathology testing

This measure will implement the following changes from **1 July 2025** to reflect best clinical practice and reduce unnecessary testing for better patient outcomes, in line with recommendations from MBS Review Taskforce's Diagnostic Medicine Clinical Committee (DMCC):

- Amend Vitamin B12 test items (66838 and 66839) to clarify the appropriate Vitamin B12 testing pathway. This is intended to reduce unnecessary duplicative testing for patients that are not Vitamin B12 deficient.
- Amend urine examination item (69333) to clarify appropriate asymptomatic patient testing to those with clinical need. This is intended to reduce unnecessary testing of patients with no risks, signs or symptoms of urinary tract infection.

The Department will engage with the pathology and clinical sectors to encourage appropriate use of pathology to ensure contemporary and safe clinical pathology practice.

Reforming Pathology Application Charging Arrangements

This measure repeals fees imposed on the pathology sector under the Health Insurance (Pathology) (Fees) Act 1991 (Pathology Fees Act) for approved pathology authority (APA), approved pathology practitioner (APP), and accredited pathology laboratory (APL) applications from **1 July 2025**.

- APA, APP and APL application approvals allow pathology providers to claim Medicare benefits for rendering pathology services.
- The 2022 Health Portfolio Charging Review identified a misalignment between the fees charged under the Pathology Fees Act and the cost of administering the scheme.
- This measure will reduce the administrative burden, and provide fee relief to the Australian pathology sector.