



# Reforming Pathology Application Charging Arrangements – Implementation update

This update outlines progress towards implementing the Australian Government's 2024-25 Budget commitment to reform pathology application charging arrangements by repealing the *Health Insurance (Pathology) (Fees) Act 1991* (the Pathology Fees Act) from 1 July 2025. This will remove fees of between \$500 to \$2,500 payable by the pathology sector for the approval of:

- approved pathology authorities (APAs)
- approved pathology practitioners (APPs); and
- accredited pathology laboratories (APLs).

These reforms will reduce the time taken to receive approval to provide Medicare benefits, relieve some of the administrative burden of the application process, and provide approximately \$800,000 per annum of fee relief to the pathology sector.

Further information on the existing arrangements for applying for approval to provide Medicare eligible pathology services as an APA, APP and APL can be found on Services Australia's website at - [www.servicesaustralia.gov.au/apply for pathology services approval and accreditation](https://www.servicesaustralia.gov.au/apply-for-pathology-services-approval-and-accreditation).

## What will happen next?

### 1. Fees will be removed, pending passage of legislation

A bill to repeal the Pathology Fees Act has been prepared for the Australian Parliament's consideration. This means, **pending the successful passage of the repeal bill**, fees will not be payable for APA, APP and APL approvals with a start date of 1 July 2025 or later.

### 2. Interim arrangements will require payment of fees

The legislative requirement to charge fees under the Pathology Fees Act for the approval of APAs, APPs and APLs remains until this bill is passed by the Parliament and comes into effect. This means that until the Act is passed Services Australia **must** continue to charge the prescribed fee for each of these applications.

Once passage of the bill has been confirmed, Services Australia will commence processes to identify all applicants who paid fees for approvals with a start date of 1 July 2025 until the commencement date of this bill. The fees paid for those applications will be refunded in full. Applicants will **not** be required to contact Services Australia to commence this process.

### 3. Approvals will be streamlined

Under the Pathology Fees Act, pathology approvals are granted final approval 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.

From the commencement of the bill, the approval process for pathology applications will be streamlined:

- applicants will no longer receive a preliminary approval, or requests for payment to finalise their applications; and
- approvals will be granted in accordance with the *Health Insurance Act 1973*, following assessment of application forms and supporting information.

## What will not change?

### 1. Existing application types

Each of the existing application types will remain in place and continue to serve the same purpose. Taxes for Approved Collection Centres will continue unchanged.

### 2. Accreditation requirements are being retained

Under the *Health Insurance Act 1973*, those seeking approval to provide pathology services under Medicare must meet certain criteria, including complying with all relevant undertakings and approvals. With few exceptions, Medicare benefits for pathology services are only payable when they are rendered by or on behalf of an APP in an APL operated by an APA.

### 3. Providers must still apply to Services Australia for approvals and renewals

Pathology service providers must obtain approval from Services Australia before they can commence providing pathology services under Medicare.

Renewal applications must be submitted for assessment within 3 months of expected expiry, allowing enough time for processing before approval periods end.

### 4. Approval periods

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 Authorities	1 year
Approved Pathology Practitioners	1 year
Accredited Pathology Laboratories	Up to 3 years
Approved Collection Centres	2 years

## 5. The tax for Approved Collection Centre applications

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. Taxes, eligibility criteria, and application processes will not be affected by this change.