

Media Release

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Sustainable solution needed for pathology services

The sustainability of the pathology sector requires a long-term solution that supports the affordability and accessibility of services for patients.

The Commonwealth Government has announced funding in the Federal Budget to reintroduce indexation on five items in the Medicare Benefits Schedule from July 1, 2025, but the majority of items remain subject to a 25-year freeze on indexation.

There are also a series of changes relating to the treatment and eligibility of other items.

The announcement follows the release of independent modelling in April by Healius Limited (Healius) (ASX: HLS) - one of the nation's largest providers of pathology services.

The report found high inflation, fewer GP referrals and the added costs embedded in servicing regional, remote and Indigenous communities made the current funding model unsustainable.

It also found the Commonwealth needed to invest \$890 million into pathology services over the next four years to meet the project cost of delivering services.

With 70 per cent of all medical decisions — and 100 per cent of all cancer diagnoses — relying on pathology, the report highlighted the need for additional investment to support this critical part of the nation's healthcare system.

The report backed warnings from across the sector that the affordability and availability of pathology services were under threat without a major injection of funds over the next four years and beyond.

Quotes attributable to Healius Chief Executive Officer Paul Anderson:

“Pathology is a critical part of the nation's health infrastructure and both patients and GPs depend on it to make vital health care decisions every day.

“The decision to lift indexation on select items that account for approximately a quarter of all pathology services suggests the Government understands the long-standing indexation freeze needs to be unpicked.

“To maintain accessibility and affordability for all Australians, we now need to apply the same policy principle to the rest of the items on the pathology services table.

“The combination of a 25-year indexation freeze and high-cost pressures ultimately challenges our ability to maintain bulk billing and the existing network of collection centres.

“Healius is unique in the scope and scale of pathology collection centres across remote, rural, regional and Indigenous communities.

“We will continue to work constructively with the government to achieve a sensible funding model for the sector.”

Media contact: Mark Neeham, Group Executive, Government & Public Affairs, Healius
Ph: 02 9432 9400