



CATHOLIC HEALTH
Australia

MEDIA RELEASE

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Urgent action needed to maintain not-for-profit and independent pathology

“Whoever is elected to government on 2 July will need to take urgent action to ensure the continuation of the not-for-profit and independent pathology sector,” CEO of Catholic Health Australia (CHA), Suzanne Greenwood, said today.

“The not-for-profit pathology sector is under extreme financial pressure as a result of ongoing cuts to MBS rebates, a freeze in MBS indexation since 1998, unilateral reductions in benefits paid by private health insurers and rapid increases in collection centre costs.”

“Additionally, the Medicare rules mean a large number of tests performed by pathology labs are not remunerated.”

The removal of the bulk billing incentives from 1 July would have dealt a further heavy blow to the sector.

“Whilst CHA welcomes the commitment that a returned Turnbull government will address the issue of high collection centre rents, this will disproportionately assist the larger corporate providers and will not be sufficient to adequately offset the cuts imposed on smaller providers by removing the bulk billing incentives.”

Whoever is elected to government on 2 July needs to take urgent action to:

- Not proceed with cuts to the bulk billing incentives; and
- Take action to ensure that pathology collection centre rents are consistent with commercial rental rates; and
- Ensure that MBS rebates for pathology appropriately take into account the complexity of blood tests, professional input required for their analysis, commitment to training and research, provision of services to regional areas.

CHA considers this can best be achieved by the introduction of a targeted Patient Episode Initiation (PEI) fee directed at not-for-profit, independent and regional providers.



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“In the absence of effective action, not-for-profit providers will have no choice, but to continue to close smaller and regional laboratories, undertake further redundancies and potentially impose co-payments.”

“Not-for-profit pathology organisations offer choice to doctors and patients. We provide excellence in diagnosis, compassionate and caring customer service, as well as innovation, vital research and teaching,” added Mrs Greenwood.

“Ongoing cuts to funding for Pathology will reduce diversity and quality in Australian pathology. We are passionate about what we do, and we will fight for a sustainable pathology industry that protects diversity, quality, and most of all the rights of Australians to a fair choice.”

“We look forward to working with whoever is in government in July to ensure that policies are in place to maintain a diversity of suppliers, affording Australians continued access to world-leading pathology services,” said Mrs Greenwood.

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Catholic Health Australia represents Australia’s largest non-government grouping of hospitals, aged and community care services, providing approximately 10 per cent of hospital and aged care services in Australia, including around 30 per cent of private hospital care as well as approximately 5 per cent of public hospital care.