



The future of medicine

Driven by advances in Pathology

ELECTION MANIFESTO

April 2019



Summary

Australian Pathology is calling on all political parties and stakeholders to commit to enabling Australians to access the best Pathology services, at low or no cost. Australia's Pathology sector has been shown to be one of the most efficient and highest quality Pathology services in the world.

Over recent years, the sector has delivered over \$2.5 billion in savings to the federal government. That's why it's time to invest in innovative new Pathology services and enhance existing services.

TO DO THAT, WE NEED TO

FUND AN ADDITIONAL

\$6 PER BULK BILLED
INCENTIVE ITEM

(added to scheduled fee) to enable
the sector to continue to Bulk Bill
Australian users of Pathology services

ADD INDEXATION
TO THE



**PATHOLOGY MEDICARE
BENEFITS SCHEDULE**

There is much we need the Australian health system to do for patients. Pathology is a critical component of that system and governments must ensure Pathology services continue to be world class, accessible and deliver for patients and the Doctors that depend on these tests.

To do this, we need the major political parties to commit to providing a stable health policy environment to enable Australian Pathology to invest in our staff and the technologies of the future that keep all Australians healthy.

© Pathology Australia Limited 2019

The material in this document has been provided by Australian Pathology.

Pathology Australia Limited trading as Australian Pathology owns the copyright in the document as a whole and all material in the document that has been developed by Pathology Australia Limited.

In relation to Pathology Australia Limited owned material, no part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968 (Cth), or the written permission of Pathology Australia Limited. Requests and inquiries regarding permission to use Pathology Australia Limited material should be addressed to:

Australian Pathology,
Level 1, 16 Napier Close,
Deakin ACT 2600
www.australianpathology.com



About Australian Pathology

Who are we?

Australian Pathology is the national peak body for private pathology in Australia. Our membership performs more than 95% of all private pathology testing completed in Australia, including pathology testing on referral from General Practitioners and Specialists for all patients treated in the community, and inpatient pathology for private patients in private and public hospitals.

If you have ever had a blood test, biopsy or a swab, you have received services from a Pathologist, which are delivered in a Pathology laboratory. Seventy per cent of all medical diagnoses and 100% of all cancer diagnoses rely on a pathology report for diagnosis and care management.

All of Australian Pathology members are committed to the provision of high quality, affordable, safe and accessible pathology service to all Australians.

Who do we represent?

Our membership includes both small specialised laboratories as well as large organisations with laboratories nationwide, including a large footprint in rural and regional Australia. Our leadership and governance structures enable representation at the highest level for small and specialised laboratories as well as large laboratories operating Australia wide.

Unlike other aspects of medicine, the provision of pathology services has become more concentrated over the years in the pursuit of economies and efficiencies. This has provided many benefits back to Australians. This consolidation of the sector is now largely complete with little scope for further rationalisation.

What do we stand for?

Australian Pathology members are there to deliver healthcare services to patients and to their referring medical practitioners. We believe that patients should have choice in the pathology practice they access, be assured of the world class quality of the pathology practice and should be able to access those services at a reasonable cost.

As a sector, we need to be sustainable whilst delivering for patients. We already speak with one voice on behalf of all private pathology practices in Australia, continuing to offer quality services in local communities.

What is pathology?

Pathology is the branch of medicine which is involved in understanding the causes and processes of disease. It does this by looking at changes in the tissues of the body, blood and other body fluids. Some of these changes show the causes of disease while others show how severe a condition is and can be used to monitor the progress of treatments. For acute settings and patients, the pathology service, Pathologists and Medical Scientists are essential to saving individual lives.

Pathology is a specialist medical service, where referrals for pathology services are made by GPs and Specialists in the course of treating and managing patients.



Pathology is integral to the diagnosis of every Cancer and almost every disease. These diseases are diagnosed by a Pathologist. Most chronic disease is monitored by pathology tests. Most surgical procedures also require pre and post-surgical pathology testing.

There are around 35,000 Australians working in pathology from collectors (i.e. phlebotomists) and couriers to Lab Technicians, Medical Scientists and Pathologists. These skilled professionals, along with the most up to date medical technology, make up an efficient system that allows for timely and accurate testing around the clock. This means your Doctor can get results back to you as quickly as possible, facilitating quick diagnoses and allowing for the best possible health treatment plan and outcome.

Pathology laboratories can be found all around Australia. They range from large inner-city laboratories servicing thousands of patients a day, to smaller regional laboratories that are able to service rural and remote communities.

Who are Pathologists?

Pathologists are specialist medical practitioners working in the field of pathology. Their role is to carry out tests on various tissues including blood, body fluids and samples of tissue collected in a Doctor's rooms, a pathology collection centre or other settings such as an operating theatre on the request of a Doctor. These samples are then examined in order to understand what is causing an illness or to monitor treatments.

Pathologists study for 12 years to be a fully qualified and accredited clinician. And it doesn't stop there – Pathologists continue to maintain their accreditation and update themselves on the latest clinical practice every year.

Whilst Pathologists often do not communicate directly with patients, they provide the results of tests and their interpretations to the referring Medical Practitioners and Specialists who provide clinical care to patients. Pathologists therefore act as consultants to other Medical Practitioners and Specialists and play a vital role in the Medical Team providing care to patients including the diagnosis and treatment of diseases.

Who else works in Pathology settings?

Medical scientists

Medical scientists have university degrees that teach them about the human body and how to measure various bodily functions. This knowledge helps them perform tests to detect and monitor various diseases and to ensure they are accurate. In large laboratories, medical scientists often work into the late evening or overnight to ensure results are delivered fast.

Collectors or Phlebotomists

Collection staff need training to take samples correctly, safely and with minimal discomfort to patients.

Beyond these people is a vast network of other staff, without whom laboratories could not function. From couriers delivering samples to laboratories through to reception staff phoning critical results to Doctors, the delivery of fast and accurate results relies on an army of skilled and dedicated professionals.

Who we work with?

Australian Pathology members work with the full gamut of health professionals and decision makers. These include members of parliament, government, bureaucracy, other pathology groups such as Royal College of Pathologists Australasia (RCPA), Public Pathology Australia (PPA), Catholic Health Australia (CHA), the AMA and other medical groups, patients and consumers. In 2016, around 650,000 Pathology patients signed a petition to support continued high quality pathology services in Australia. This result is a testament to the consumer value of our services.

Different types of Pathology

There are several areas of pathology practice, related either to the methods used to test tissue samples or to the type of diseases being investigated. They include:



ANATOMICAL PATHOLOGY

Histopathology / Cytopathology
the diagnosis of disease from examining tissue samples and cellular smears



CHEMICAL PATHOLOGY

the use of chemical analysis to test tissue, blood and body fluid samples



GENETICS

the diagnosis of genetic conditions from tissue, blood and body fluid samples



HAEMATOLOGY

the testing of blood, blood cells and blood products



IMMUNOPATHOLOGY

the examination of tissue, blood and body fluid samples for immune responses associated with disease



MICROBIOLOGY

the study of microscopic organisms in tissue, blood and body fluids

Why Pathology is important

Pathology testing helps doctors make appropriate decisions about the diagnosis and treatment of their patients. This helps prevent disease, ensuring people stay healthier for longer and also prevents unnecessary delays in diagnosis - therefore accessing the best possible treatment for their condition. Pathology also helps people with diseases assess how their treatment is progressing and avoid suffering unnecessary side-effects from inappropriate treatments.

Pathology testing also plays an essential part in screening and disease prevention programs which promote the overall health and wellbeing of our community.

These programs range from testing new born babies for genetic conditions which can be treated successfully, if identified early, to the detection of precancerous conditions. For example, cervical screening in Australia has resulted in the reduction of the incidence of cancer of the cervix by more than 50%.

The future of Pathology testing involves Genomics, and more specifically, involves personalised medicine which is the study of a person's genes to determine the best and most successful treatment options. More and more Clinicians are dependent on the outcomes of the Pathologists' genetic test to determine the next treatment steps.

By reducing the impact of preventable and treatable diseases in the community, the pathology sector is helping to create a healthier future for all Australians.

How is it funded?

Over 40 million patient episodes involving the provision of more than 100 million tests were funded by the federal government through the Medicare Benefits Scheme (MBS) in 2017-18 to a total value of approximately \$3 billion. A lot more tests are performed and reported but they are provided free of charge under the government's coning rules. These rules were introduced in 1992 and mean that only the three highest value tests are funded in any Pathology episode referred by a General Practitioner, regardless of the number of tests requested and performed. In 2014-15, the Private Pathology sector provided over \$2.4 billion in savings to the federal government through productivity improvements and through coning arrangements. Via coning, the sector effectively provided over \$450 million of tests free of charge.¹

Pathology has a very high level of bulk billing in Australia, with more than 88% of pathology services bulk billed, meaning patients are not required to pay out of pocket costs to receive Pathology services.

Over the last 20 years, the sector has provided substantially more services per capita at lower real unit costs per services and has received a smaller overall share of MBS expenditure without a loss of quality. Rebates have not been indexed for 20 years, but dramatic productivity improvement has enabled it to survive in a very tough environment. Not only are rates not indexed, rebates have effectively in real value terms, reduced by 54.2% over 20 years. This has been absorbed by the individual providers and not passed on to patients.

What does this mean for patients?

To ensure the quality of our health system over time, we need to ensure there is indexation to the Pathology Medicare Benefits Schedule and increase bulk billed Pathology items by \$6 per item.

¹ Technical Note, estimating the Pathology Productivity Dividend, Ernst and Young, April 2016.

Call to Action

AUSTRALIAN'S ACCESS TO PATHOLOGY TEST IN THE FUTURE

Australian Pathology members believe there is public trust in the quality, access and choice for consumers of Pathology services. We believe that for the most part, the health system works for Pathology patients.

Australian Pathology fully supports diversity in the services patients can choose to access. In an area of healthcare that has consolidated over many years, we believe there needs to be stability in the sector to ensure patients can choose the provider and services they wish to access.

But there are a number of challenges for Australian Pathology and its members to enable all Australians to continue to access the most up to date Pathology tests in the future.

Here, we propose solutions to some of those challenges.

Systems that work for patients (and Pathology)

Australian Pathology members deliver services throughout Australia. In capital cities, in small towns, in GP clinics and in major hospitals, you will find a Pathology Department. We have spent many years investing in our world class workforce and network of laboratories.

Patients may not know that the federal government funds pathology tests, and that pathology companies collect your rebate on your behalf. In 99.3% of pathology tests that are received by patients out of hospital, patients do not receive a bill for pathology. Since January 2000, in real terms, the price paid for these pathology tests has decreased by 54.2%.

In 2007 the amount paid for the collection of a pathology test was \$14.80. This was to cover the cost of the supply chain – from the salaries for the person conducting the test, the courier who collects and delivers the test, the rent for collection centres, the cars driven by couriers, collection consumables and the technology to allow fast test result downloads to your doctor. So less than \$15 in 2007 to cover a significant chain to ensure your test can be reviewed by a Pathologist in a timely manner.

In 2008 this fee was decreased to \$5. An amount of around \$3 was added (the “Bulk Bill Incentive”), to encourage pathology companies to ensure they continued to ensure that almost all out of hospital pathology tests were free to patients, i.e. that they were bulk billed.

Obviously, this \$8 does not cover the cost of the free service to you and has not increased in 11 years (following the original decrease). It is now time to ensure that pathology companies can continue to provide the large range of free tests and services to you, as patients. Between 2008 and 2019, we have continued to support our workforce with wage increases, keeping up our investment in patient choice of collection centres and to ensure our laboratories continue to invest in the most up to date evidence-based systems and technology for your tests. We have kept up with inflation, but the fees as set by the federal government, have not.

Because of this, we are calling on the Liberal Party, the Labor Party and the National Party to support your free tests by increasing the “Bulk Bill Incentive” by \$6. We believe this is fair and reasonable reflection of our service to you.

1 IN 3

HEALTH PROBLEMS
SEEN BY GPs REQUIRES
PATHOLOGY



70%
OF ALL MEDICAL DIAGNOSES

100%
ALL CANCER DIAGNOSES

RELY ON A **PATHOLOGY**
REPORT FOR DIAGNOSIS AND
CARE MANAGEMENT.



The funding required for this \$6 increase in the Bulk Billing Incentive is \$222M per annum.

Stable policy environment with clear direction

The Pathology sector requires surety. Surety for the consumers accessing health services and surety for the companies providing them. That's why there is a need for surety and stability of health policy arrangements for Pathology.

A stable policy environment with clear direction will enable ongoing investment in new and up to date technologies, facilitating the delivery of the high level of care Australians expect. Surety of government healthcare policies enables healthcare providers to make decisions about their investment in the workforce of the future, in technology, in supply chain and logistics. We do this to make sure we maintain our position as world leading Pathology providers who deliver these high-quality services to patients throughout Australia.

Pathology healthcare delivery is highly dependent on people. People to take the blood, the biopsy or the swab. People to drive those samples to laboratories that operate 24 hours daily, staffed by Medical Scientists and Specialist Clinicians, Pathologists, the people who diagnose disease in every cancer patient and almost every (70%) disease.

But that all comes at a cost.

That's why Australian Pathology is calling for government to keep the Health Policy framework stable, and **by investing in the Pathology Medicare Benefits Schedule by adding Indexation to the Pathology MBS schedule of fees.**

Indexation has not been included in the Pathology MBS Schedule for 20 years. It is now time to change that. We want to invest in the latest, evidence-based tests, because we know this will improve our patient's knowledge of their healthcare and what health interventions can assist them on their journey of recovery. But the fees for patient's tests need to reflect the current costs to deliver these outcomes.

Future of tests – Genomics

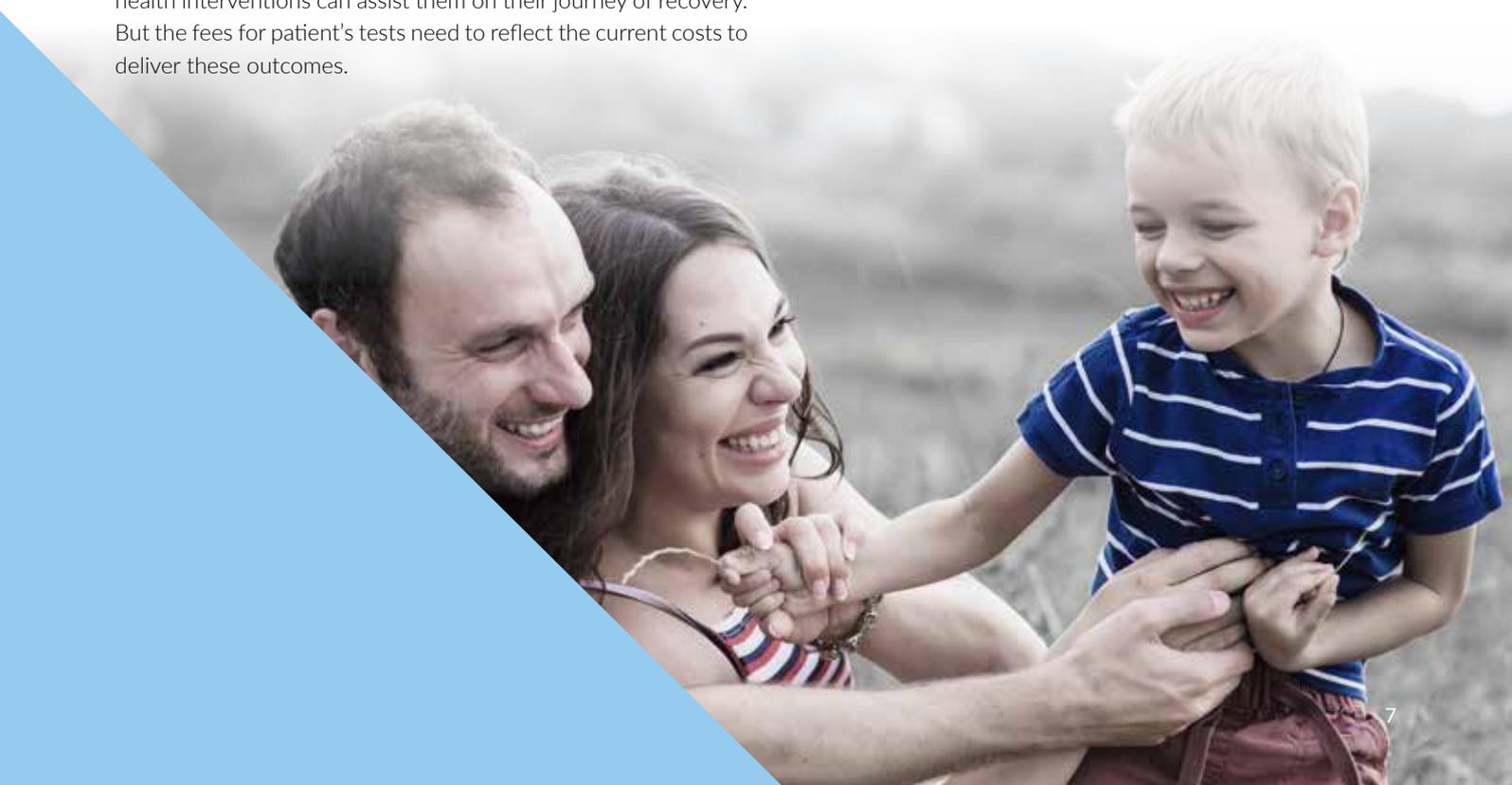
Genomic medicine is an emerging medical discipline that involves using genomic information about an individual as part of their clinical care (e.g. for diagnostic or therapeutic decision-making).

Already, genomic medicine is making a significant positive impact in the fields of oncology, pharmacology, and infectious disease.

Genomic Medicine, or more simply, Genetic tests, are no different to medical tests that have been provided by pathology laboratories for over 150 years. These tests can identify the underlying nature or cause of a disorder, analysing things in the body. In this sense, genetic tests are simply an extension of routine pathology tests.

On the other hand, there are some things that set genetic tests apart. Firstly, they are new. Many doctors and patients are unfamiliar with the power and limitations of genetic tests. Secondly, a genetic test may carry significant predictive power i.e. the ability to predict the future health of a person. Finally, genetic testing often involves identifying a familial (or 'heritable') cause for a disease.

To understand more about this, the Australian National Health & Medical Research Council (NHMRC) has developed a guide to help healthcare professionals and patients understand the appropriate use of genetic tests.



Uses of Genetic Testing

Genetic tests can be used for different purposes, each of which may carry different medical, psychological, financial, legal, or family implications.

The purpose of genetic testing can be categorised in the following way:

DIAGNOSTIC TESTING

Diagnostic testing refers to genetic tests that diagnose whether a person is affected with disease. This is similar to many other pathology tests used to make a diagnosis. However a genetic test may identify a genetic abnormality (mutation) that is inherited, indicating that unaffected family members may be at increased risk of developing that disease.

REPRODUCTIVE TESTING

Reproductive testing refers to tests used to predict the risk of a couple having a baby with a serious medical disorder. This may involve testing a couple prior to them conceiving to determine this risk or testing during pregnancy to determine if the developing foetus is affected.

PREDICTIVE TESTING

Predictive testing involves testing an unaffected person to determine their risk of developing a serious disease that is present in other members in the family.

It is clear that the future of testing for medical interventions is in the area of Genomics, as it should be. As medicine gets more precise, so too should the tests that determine whether an individual would benefit (or indeed be hindered) from the health intervention. The power of a genetic test can determine the next course of health action or intervention for a patient, the drug they take to cure their cancer or increase the likelihood of survival from their health condition for many, many years.

Australian Pathology believes it is time to speed up the process for the listing of new Genetic Pathology tests, backed by evidence, so that all Australians can access these tests thereby achieving better health outcomes. We need these genetic tests listed on the Medicare Benefits Schedule as a priority.

PHARMACOGENETIC TESTING

Pharmacogenetic testing refers to tests that are used to assist in the selection and dose of medications for a patient. These tests may identify a familial tendency to have an adverse reaction to a particular drug or dose, but this is only relevant if a relative is also going to be exposed to that medication.

RELATIONSHIP TESTING

There is a group of tests that can confirm or exclude the relationship between two people. This is often referred to as paternity testing, but it has a broader role and can be useful in many situations.

ONCOLOGY TESTING

Oncology testing refers to the testing of a tumour to assist in diagnosis, or to guide decisions about cancer therapy. The abnormalities identified in these tests are usually restricted to the tumour tissue and are not inherited. This is an area of Pathology that has expanded dramatically in recent years with an increasing number of genetic markers identified that provide diagnostic, prognostic and therapeutic information to clinicians. However, the MBS schedule has not kept pace with these developments. While some testing is available to Australians who can pay for these tests, the MBS schedule has not kept pace with developments and as a result many of the tests are not accessible to the majority of Australians. Making these tests available to more Australians can assist in early intervention for diagnosis and treatment, potentially reducing the cost of treating these Australians in the longer term.





Australian Pathology Call to Action

We all know that money is scarce for governments, but it is scarce for many consumers too. That's why Australian Pathology believes it's time for the federal government to invest in consumers' access to key Pathology tests.

Australian Pathology is calling on the major political parties to commit to enabling all Australians to access the best Pathology services at low or no cost. Australian Pathology has, for many years, delivered over \$2.5 billion in savings to the federal government. That's why it's time to invest in new and improved Pathology services.

To do that, we need to:

- > Fund an additional \$6 per Bulk Billed Incentive item (added to scheduled fee) to enable the sector to continue to Bulk Bill Australian users of Pathology services, and
- > Add indexation to the Pathology Medicare Benefits Schedule.

There is much we need the health system to do for patients. Pathology is a critical component of that system and successive governments must ensure Pathology services continue to be world class and accessible to deliver for patients and the Doctors that depend on these tests.

To achieve this, Australians need the major political parties to ensure there is a stable health policy environment in order to enable Australian Pathology to invest in our staff and the technologies of the future that keep all Australians healthy.



Level 1, 16 Napier Close
Deakin, ACT 2600

02 6282 2277

02 6122 8548

info@australianpathology.com

www.australianpathology.com

Representing
private pathology
in Australia