



**Australian Government**  

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**Department of Health and Ageing**

**SUBMISSION TO THE**  
**SENATE COMMUNITY AFFAIRS LEGISLATION COMMITTEE**  
**REGARDING**  
***THE HEALTH INSURANCE AMENDMENT (PATHOLOGY REQUESTS) BILL 2010***

## Introduction

Australians enjoy access to world-class diagnostic services in the Australian health system. The Australian Government ensures that this access is universal by providing funding for diagnostic services through the Medicare system. Australia's high quality of diagnostic services is supported through government regulation that enforces minimum standards and continuous innovation by industry. The pathology sector uses advanced systems that achieve efficiency, consistency and traceability to achieve both good outcomes for patients and cost-effective operation for providers.

The report of the National Health and Hospitals Reform Commission reaffirms the Australian Government's strong support of patients' rights to make decisions regarding their own healthcare and our world-class pathology system enables safe decision-making. However, patients are currently limited in their ability to exercise their right to choose from amongst the various providers offering consistently high quality pathology services. The *Health Insurance Act 1973* requires that a patient must attend the pathology provider named on the request form prepared by their doctor in order to be entitled to a Medicare benefit for the pathology service. There are no compelling reasons for restricting patient choice and the *Health Insurance Amendment (Pathology Requests) Bill 2010* (the Bill) removes this unwarranted legislative impediment.

The Bill retains the requirement for a request for a pathology service to be made by a suitably qualified medical practitioner. Medical practitioners are expected to discuss with patients their options regarding all aspects of their care. Where patients decide to exercise their right to choose a pathology provider, the choices they make will be well informed.

Empowering patients to choose their own pathology provider will promote competition in the pathology industry on the basis of price, service and convenience for patients. The Consumers Health Forum of Australia, which is the national peak body representing the interests of Australian healthcare consumers, has indicated strong support for the Bill's aim of increasing patient choice.

The change brings pathology into line with diagnostic imaging, where patients are currently able to take a request form to any provider of their choice and still be eligible for Medicare benefits in relation to the service. Patients are also able to exercise their choice of general practitioner.

## Response to Terms of Reference

The Department has engaged stakeholders regarding the management of this initiative, including through the release of a discussion paper with an open invitation for comments. The Department will continue to consult to ensure patient choice is enabled effectively.

*Examination of the onus being placed on patients to choose the pathology practitioner*  
The Bill does not place the onus on the patients to choose their own pathology provider. The onus remains on the treating doctor to advise patients of the most appropriate choice. After discussing pathology services with a patient, the treating practitioner prepares a request for

the service. Currently, in the vast majority of cases doctors use pre-printed pathology request forms provided to them by pathology providers, which bear the logo and address of the pathology provider. Therefore patients will be immediately aware of the doctor's preference of provider and where to attend for the service upon looking at the form. Patients will not be required to decide upon the best pathology provider for their needs. It is expected that in most cases patients will continue to follow the advice of their doctor and attend the provider named on the request.

The National Health and Hospitals Reform Commission has confirmed that the health system should be empowering consumers to make fully informed decisions. This conclusion was reached after extensive consultation with governments, health professionals and other experts, health and consumer interest groups, and members of the general community.

*Examine possible problems arising between unknown referring doctors and pathology practitioners – resulting in delays*

Legislation requires that pathology requests must bear the name and address of the requesting doctor. Thus there is little danger of doctors being uncontactable by pathology providers who receive these requests. Modern health information technology systems are highly sophisticated and include considerable flexibility and fail safes.

The Royal Australian College of General Practitioners Standards for General Practices, 4<sup>th</sup> Edition, indicate that Doctors should engage patients in discussions regarding choices in their care. This includes discussions regarding a variety of topics, including the need for diagnostic services. Both parties to these discussions should share their views. Therefore, if a patient decides to attend a pathology provider other than that recommended by their practitioner, they are likely to inform their doctor of this during their ongoing discussions.

*Examine problems that may arise as a result of the inconsistent measurement series and reference ranges used by different pathologists*

The Royal College of Pathologists of Australasia operates quality control and quality assurance programs to maintain both the accuracy and the consistency of laboratory results to ensure the consistency of results across providers. Also, current pathology laboratory accreditation standards enforced by the *National Pathology Accreditation Advisory Council Requirements for Pathology Laboratories, 2007 Edition*, require providers to note on pathology reports any extra information that may be relevant for a doctor to interpret results. This includes explanatory notes to doctors who may not be familiar with their reporting style.

Clinicians are well accustomed to interpreting pathology results that are obtained from a variety of providers who may use different reference ranges. For instance, patients who are discharged from hospital may require follow up pathology testing in the community with the need to compare the results of tests performed by two different providers – one hospital-based and the other community-based. International Normalised Ratio (INR) testing to manage oral anticoagulation medication is a common example. Biochemical tests are provided invariably with the result, the laboratory's reference range and, if necessary, comment by the specialist pathologist.

*Examine potential impacts on arrangements between GPs and pathology providers relating to emergency and out of hours contacts*

Legislation requires requesting clinicians to provide their name and contact details on pathology request forms. If requesters require urgent results, ordinarily the need for urgency would be indicated on request forms or by personal contact with pathology providers. The proposal does not create any added risk or administrative burden for requesters or providers if these existing arrangements are followed.

**Conclusion**

Allowing patients to exercise their right to choose will encourage pathology providers to compete on the basis of price, service and convenience for patients, ensuring that all Australians have access to affordable, high quality pathology services. These changes will put downward pressure on out of pocket costs to patients and pressure providers to maintain a high rate of bulk billing.

The issues outlined for consideration by the Community Affairs Legislation Committee do not present any risks that are not addressed in the current health system. Proper communication between doctors and patients coupled with existing highly developed quality and consistency assurance mechanisms mean that patients will be empowered to make fully informed decisions regarding their own healthcare safely.