



Introduction of annual indexation for certain pathology services

Last updated: 19 May 2025

What are the changes?

From 1 July 2025, Medicare Benefits Schedule (MBS) items for certain pathology services – those in the Haematology (P1), Immunology (P4), Tissue Pathology (P5), Cytology (P6) and Infertility & Pregnancy (P8) service groups – will have their fees indexed annually.

Indexation of these service groups will support continued high rates of pathology bulk-billing. They will be indexed alongside and in the same manner as service group P12 - Management of Bulk-billed Services, which are rural bulk-billing incentives for unreferral pathology services rendered in medical clinics for patients under 16 or who have a Commonwealth concessional card. Group P12 incentive items (74990, 74991, 75861, 75862, 75863 and 75864) are only billed in association with Group P9 – simple basic pathology tests and vary in fee based on the Modified Monash Model (MMM) classification of the location.

Chemical (P2), Microbiology (P3) and Genetics (P7) service groups have not been indexed as these items respectively continue to benefit from automation and economies of scale, or largely consist of newer services and technologies, whose costs are decreasing over time. The fees for these services are part of analysis commissioned by the Department of Health, Disability and Ageing (the department) that will report to Government in the second half of 2025.

Why are the changes being made?

The introduction of new pathology services funded under the MBS, and cost reductions from automation and economies of scale, have kept pathology services affordable for providers and patients. In response to pathology provider concern in regard to reaching the limit of their efficiencies, the Government announced in the 2024-25 Budget that certain pathology groups would be indexed.

Service groups P1, P4, P5, P6 and P8 will have annual indexation introduced to ensure that the high rate of pathology bulk-billing of these services continues to be sustainable for pathology providers. In particular, services under Tissue Pathology (P5) and Cytology (P6) are more labour-intensive than other pathology services.

What does this mean for providers?

These changes will not mean any difference to the way practitioners' request Medicare-funded pathology services for their patients.

From 1 July 2025, where these services are bulk-billed, pathology providers will receive increased benefits where the patient has assigned their benefit to the provider for services rendered under service groups P1, P4, P5, P6 and P8. Where the pathology provider has billed the patient for the service, the patient will receive an increased benefit for the services rendered to the patient.

This will be reflected on [MBS Online](#), which includes item fees and benefits for services rendered in- and out-of-hospital.

To be eligible for Medicare benefits, laboratories providing these services must be accredited according to the pathology accreditation standards specified in the [Health Insurance \(Accredited Pathology Laboratories-Approval\) Principles 2017](#).

How will these changes affect patients?

From 1 July 2025, patients will receive increased benefits for services rendered by a pathology provider in service groups P1, P4, P5, P6 and P8 when the patient has not assigned their benefit to the pathology provider. If the benefit has been assigned to the pathology provider and that provider accepts the Medicare benefits as full payment for the professional service, there will be no cost to the patient.

Over the last five years almost 100% of pathology tests provided to patients out-of-hospital were bulk-billed. Out-of-hospital services accounted for almost 90% of all pathology services.

These changes will ensure that patients continue to experience high rates of bulk-billing for pathology services.

Who was consulted on the changes?

Consultation input was received on the introduction of annual indexation to some pathology services from Australian Pathology (AP), Public Pathology Australia (PPA) and the Royal College of Pathologists of Australasia (RCPA).

How will the changes be monitored and reviewed?

Providers must ensure that Medicare services requested or claimed using their provider number meet all legislative requirements. These services should also be considered acceptable by a general body of their profession. All Medicare claiming and requesting is subject to compliance checks. Providers or requesters may be required to submit evidence about the services they bill or request and should retain adequate and contemporaneous records. More information about the department's compliance program can be found on its website at [Medicare compliance](#).

Where can I find more information?

The full item descriptor(s) and information on other changes to the MBS can be found on the [MBS Online website](#). You can also subscribe to future MBS updates by visiting '[Subscribe to the MBS](#)' on the MBS Online website.

Providers seeking advice on interpretation of MBS items, explanatory notes and associated legislation can use the department's email advice service by emailing askMBS@health.gov.au.

Private health insurance information on the product tier arrangements is available at www.privatehealth.gov.au. Detailed information on the MBS item listing within clinical categories is available on the [department's website](#). Private health insurance minimum accommodation benefits information, including MBS item accommodation classification, is available in the latest version of the *Private Health Insurance (Benefit Requirements) Rules 2011* found on the [Federal Register of Legislation](#). If you have a query in relation to private health insurance, you should email PHI@health.gov.au.

Subscribe to '[News for Health Professionals](#)' on the Services Australia website to receive regular news highlights.

If you are seeking advice in relation to Medicare billing, claiming, payments, or obtaining a provider number, please go to the Health Professionals page on the Services Australia website or contact Services Australia on the Provider Enquiry Line – 13 21 50.

The data file for software vendors when available can be accessed via the [Downloads](#) page.

Please note that the information provided is a general guide only. It is ultimately the responsibility of treating practitioners to use their professional judgment to determine the most clinically appropriate services to provide, and then to ensure that any services billed to Medicare fully meet the eligibility requirements outlined in the legislation.

This factsheet is current as of the Last updated date shown above and does not account for MBS changes since that date.