

## **VETS MARKET INVESTIGATION**

### **Summary of roundtable discussion held with senior representatives of veterinary schools via MS Teams on 16 September 2024**

#### **Introduction**

1. The following is a summary of points raised in a discussion with senior staff at veterinary schools in the UK. Some attendees were veterinary surgeons responsible for teaching and others had responsibility for managing the schools.
2. In advance of the roundtable discussion, an Inquiry Group member gave an introduction to the CMA's market investigation, setting out the key issues where we were seeking more information.
3. The roundtable discussion focused on the following issues:
  - Changes in veterinary education
  - Teaching and practising contextualised care
  - Advances in treatments and humanisation of pets
  - Sector partnerships
  - Veterinary medicines, including the cascade
  - The regulation of veterinary services

#### **Changes in veterinary education**

4. The majority of attendees stated that there had been a positive change in the teaching programme to better equip the students for veterinary practice. Similarly, most attendees outlined that there was now more of a focus on non-clinical skills, such as communication and business skills, as part of the compulsory curriculum.
5. Most attendees noted that the context within which students were training and graduating was a vastly different landscape from previous generations, including the content taught, financing of the education, increased equipment

available, decreased prospects of partnership and increased scrutiny of actions eg through the use of social media.

6. One attendee said that, as a community and a profession, they felt they were much more supportive of new graduates than previously but that there was potentially a little bit of a 'dumbing down' of the profession in terms of what a new vet could do or should do. In this context they said that there was a lot of discussion about what 'day one' skills were and some things were not being taught as they were not considered 'day one'.
7. One participant said that more cases were being referred that would have been previously managed in practice, and thought that in part this was due to increased fear of complaints, including to the RCVS, and of litigation.
8. One attendee said that graduate schemes which were offered by large corporate groups were a positive offering.

### **Teaching and practising contextualised care**

9. The majority of the attendees said that there had been a change in the teaching and marking approach to instil contextualised care considerations. One attendee said that teaching used to be around providing a 'gold standard' quality of care. Changes in teaching included, for example, getting students to think about pet and owner factors (eg monetary considerations) when prescribing care. Another attendee said that students were taught to take a staggered approach to offering care, starting with simpler tests and treatments. Another attendee said that their students were taught the most appropriate times to undertake diagnostic testing based on the suspected condition.
10. Most attendees outlined that, as teaching institutions, it was their job to ensure students had all the necessary knowledge to diagnose and treat cases within a first opinion practice. As part of this, one attendee noted that consideration of the monetary costs could inform the diagnosis plan, but this had to be balanced with the evidence necessary to diagnose a condition and risks to animal welfare. One attendee also highlighted issues with mentioning price to pet owners. In particular, they referred to the view that if prices were mentioned by the vet, the pet owner might think the vet was focused on price rather than animal welfare.
11. Some attendees also said that it was important that their programmes prepared students for all types of practice and business models, to reflect the makeup and composition of the current industry. One attendee said that the practice type and their associated guidelines would shape how a vet worked

and what level of treatment options were presented to clients. One participant noted that, while the university taught contextualised care and FOP level treatments, each practice would have its own guidelines which would shape how the vet operated. Large corporate groups, for example, had certain protocols to be followed, as would other organisations.

12. Attendees noted the role of preventative medicine that could catch conditions before they became costly (also positive for animal welfare). They also noted that testing and diagnostics should be employed in an evidence-based way (considering the appropriate population that was most likely to benefit from the test/diagnostic) but this needed to be balanced against the risk of not doing the test. With more experience, vets become more comfortable explaining and managing those risks. One attendee noted that we are in a very risk averse society in comparison to 30 years ago, in part due to social media. Some attendees noted that the sector had moved further to preventative care as vets had greater access to evidence and equipment.

### **Advances in treatments and humanisation of pets**

13. One participant noted that increased awareness of the range of opportunities for care that exist, combined with the availability of pet insurance drives demand. They said that one source of this increased awareness had come from television programmes which show complex cases with no mention of the costs associated.
14. One attendee said that research had been undertaken on the anthropomorphism of pets, specifically on horse owners. In the research, owners interpreted the horse as having human feelings and, as such, made decisions as a human would. The attendees argued that this humanisation came from a pet owners' perspective not the vet. One attendee said that pet owners' increased access and knowledge of human medicine has led to them wanting a similar level of care for their animals. Another attendee said that they were very clear in their teaching that euthanasia is not a welfare concern but a perfectly valid decision.
15. Another attendee said that vets had a natural drive to move towards human medicine, examining whether models used by human healthcare could be beneficial for animals. They also said that animals were dependents, so they have been treated like children and this had an impact on the owners' feelings of guilt and responsibility.
16. One participant explained that in some cases prices had increased due to increases in standards of care, for example blood tests and ultrasound were not previously available or widely used. This attendee argued that

improvements were coming from both new equipment and an advanced standard of care, which was a good outcome for animal welfare.

17. One attendee said that, as a pet owner, they had personally experienced unnecessary diagnostic testing being offered prior to their pet's routine dental procedure and noted that they were only able to decide to decline because of their clinical expertise.
18. One attendee said that they did not see a big difference between independent practices and large corporate groups in terms of the use of high spec equipment: it may be even more common in independent practices, as the clinical teams have more autonomy. They also noted this calibre of equipment would be present in large referral hospitals (many of which are owned by large corporate groups).

### **Sector partnerships**

19. There was a discussion on the differing models of veterinary education. Some veterinary schools run distributed models, where they are dependent on partners (ie providers of veterinary services) to provide clinical positions for students during training, and others have embedded teaching hospitals or undertake a hybrid approach.
20. One attendee said that relationships between vet schools and veterinary care providers and businesses were essential. Most attendees noted that these relationships did not provide any party with influence over teaching programmes. Some attendees noted that there was a necessary balance to strike in cost recovery of teaching hospitals or institutions and respecting treatment prices in the local area. One attendee said that the costs of running a teaching veterinary facility were much higher than a privately run hospital or practice.
21. Another attendee said that education had also been driven by the wider industry such as pharmaceutical companies where they produce new drugs and go into practices to teach them how to use it.

### **Veterinary Medicines and the cascade**

22. Some attendees told us that pet owners could obtain medicines at a lower price online than the price a practice would pay if it were to purchase the same medicine from a wholesaler. One attendee noted that the prices of medicines in a practice had to incorporate the cost of keeping a pharmacy fully stocked, whilst an online pharmacy was able to stock what was popular or would provide sales. Another attendee suggested the online prices were

lower than found in vet practices as online pharmacies apply a mark-up to 'net net prices' (ie once discounts and rebates have been applied) whereas vets would typically apply a mark-up to manufacturer list prices, and that in their experience, FOPs were often unaware of their 'net net' price on medicines. They also noted the ownership of online pharmacies by large corporate groups and the volume advantages (in terms of obtaining the highest rebates) these businesses enjoy.

23. There was a discussion about the contribution of medicines to the overall profitability of a vet practice, particularly relative to provision of advice and other services. One attendee noted that vets may have been afraid of charging properly for the services they offer in the past, relying more on revenues from medicines. Another attendee indicated that increased pressure on medicine prices had led them to move towards pricing services that had not been charged for historically.
24. There was a discussion about the medicines cascade (which covers the rules governing when a human version of a medicine may be prescribed by a vet for a household pet). Some attendees said that they understood the intention behind the cascade, to provide an incentive for research and development of animal specific drugs but noted that specials may need more oversight than generics.
25. One attendee noted the difficulty of running clinical trials where they are prevented from using the (substantially cheaper) generic medicine.

## **Regulation**

26. One attendee noted the disparity in regulation as a veterinary surgeon compared to institutions that own practices, that the individual surgeons were regulated, and businesses were not. Another attendee noted the need to consider impacts of any changes to regulation on all types of practice and species (eg mixed practices or equine vets).

## **Appendix: List of organisations represented at the discussion**

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