

Response to CMA Paper Issued 2025-05-01 – Remedies

Contents

Page(s)

Introduction

3

Introductory paragraphs of the report

4

Questions 1 and 2

4-5

Section 2

6-7

Section 3

8

Remedy 1

8

Questions 3 to 11

8-11

Remedy 2

12

Questions 12 to 18

13-14

Remedy 3

15

Questions 19 to 21

15

Remedy 4

16

Questions 22 to 26

16

Remedy 5

17

Questions 27 to 35

17-19

Remedy 6

20

Questions 36 to 39

20

Section 4

21-22

Remedy 7

23-25

Questions 40 to 43

25

Remedy 8

26

Questions 44 to 46

26

Remedy 9

27

Questions 47 to 54

27

Remedy 10

28

Questions 55 to 59

28

Remedy 11

29

Questions 60 to 65

29-30

Section 5

31

Remedy 12

31

Questions 66 and 67

31

Remedy 13

31

Question 68

32

Remedy 14

32

Questions 69 to 72

32

Section 6	33
Remedy 15	33
Question 73	33
Remedy 16	33
Questions 74 to 77	33-34
Remedy 17	34
Questions 78 and 79	34
Remedy 18	35
Questions 80 to 83	35
Remedy 19	35
Questions 84 and 85	35
Remedy 20	36
Questions 86 and 87	36
Remedy 21	36
Questions 88 to 90	36
Remedy 22	37
Question 91	37
Remedy 23	37
Question 92	37
Remedy 24	37
Questions 93 to 95	37
Remedy 25	37
Questions 96 to 98	37
Remedies 26 to 28	38
Questions 99 to 101	38
 Proportionality	 39
Questions 102 to 105	39
 Summary	 40
Summary of remedies	40
Closing remarks	43

Introduction

My initial impression is that this seems to be a very strange paper because, whilst it sets out sweeping changes to parts of the profession that are not fundamentally broken, it appears to ignore an elephant in the room.

I am concerned, as are many others I have spoken to who have worked for many years in the sector, that one of the big challenges for the profession and which has been a strong driver on price inflation, is absent in this remedies paper. Instead, there are a series of measures that will **disproportionately affect smaller independent practices**.

During the race to corporate acquisition, the profession witnessed the replacement of the working capital provided by individual vets (funded through bank borrowing that is repaid over a long-term) with private equity funds (which require repayment over a much shorter term). Furthermore, the “land grab” that resulted in over 60% of the profession being in the hands of just 6 companies, saw the acquisition of practices at inflated valuations which has been exacerbated by the practise of corporate arbitrage.

The result is that the cost of financing the capital investment of corporate practice is significantly higher than the cost of funding traditional independent (vet-owned) practice – a cost that has to be passed onto the consumer through increased fees and other ways of working, such as the anecdotal “dumbing down” of many corporate FOPs in order to funnel work through to their higher priced hospital hubs.

It should also be recognised that in a traditional independent, vet-owned, model, revenue received in excess of that required by its business owners is reinvested in the practices to provide better services for its customer base and a better working environment for its staff. The negative consequence of potential profiteering was always held in check by the ethical nature of the profession – vets become vets as a vocation, not to get rich, and understand the needs to control costs in order to serve their loyal client base. In a corporate model these ethical checks and balances are distanced from the owners and decision makers and the profession haemorrhages funds to non-veterinary shareholders.

This pattern is well understood by those working in the profession and illustrated by the many observations that price lists increase significantly immediately after corporate acquisition. And yet nowhere in this remedies paper is this discussed. Instead, there are a series of proposed remedies that are largely impractical, professionally disruptive, don’t necessarily provide the transparency needed, and will heap costs onto the many businesses that still continue to provide a cost-effective and ethical service. There is a high risk of the unintended consequence of higher prices for the consumer and an increased barrier to healthcare for pets that is not in the interests of animal health and welfare.

Introductory Paragraphs

Paragraphs 2-6

These introductory paragraphs correctly identify the level of dedication and care provided by veterinary professionals and all team members with which clients interact. It also recognises that the interests of animal health and welfare are best served by a thriving veterinary profession. It is therefore paramount that any remedies introduced do not precipitate an unintended consequence whereby the trust in practice teams is eroded. This could be a very real long-term consequence of seeking to fragment the profession in the interests of short-term consumer benefit.

Paragraphs 9-11

Correctly identify that clients rely on vets to be able to guide them through the maze of what is most appropriate for their pet and therefore rely on that trusting relationship they have with individual vets and the practice in which they work. Furthermore it reinforces the importance of ensuring that veterinary businesses correctly support their vets to build this trusting relationship.

Paragraph 23

The statement: “could require changes to practice management systems” is both welcome and concerning. For the size of the veterinary profession there is an unusually large number of different practice management systems (PMS). This could be seen as an example of working competition. However, many PMS are slow to develop and often restricted through poor APIs to be able to integrate with third-party software. There are many examples of restrictions on practices’ ability to develop new client services due to the intransigence of the PMS providers – despite the large competition in the PMS market.

Table 1

The statement: “measures to increase online purchases of medicines” contains implicit bias. It takes as an assumption that it is a good thing if more medicines are purchased online, presumably based on an assumption that medicines are cheaper if purchased this way, but completely ignores the convenience many pet owners enjoy of accessing medicines at the source of prescription.

In its own research the CMA itself (in the 5 working papers) identifies that once a prescription has been charged many clients have found that there is no point going online because there aren’t any further savings.

This is an example of how the competition of internet pharmacies has already driven down the selling price of medicines from bricks and mortar veterinary practices. The apparent difference in price is because the cost of prescribing the product (with all that the prescription entails including training of product action and interaction, pharmacovigilance, audit, etc – see below under discussion of the medicines remedies) is included in the margin on sale of the medicine.

The exceptions to this are those medicines which are available online at such a low price that FOPs cannot compete with them. Medicines such as Apoquel (Zoetis), Optimune (MSD), Amodip (Ceva) are retailed by internet pharmacies at a price below which FOPs can purchase them, even when all rebates are taken into account. It would make more sense for the CMA to prioritise this discrepancy rather than persist in pursuing their current pathway.

Question 1

The implication is that most of this will be achieved by self-certification, with businesses stating explicitly that they are abiding by any action. This is probably the most cost-effective method. However, it is also the route most open to abuse. Any self-certification should be signed by an MRCVS who can be held responsible for the information provided.

Question 2

The suggestion is that trials may be used to determine the effectiveness of changing how pet owners are offered prescriptions and the transparency of veterinary medicines.

It should be noted that these would require changes to the way PMS are structured and utilised when medicines are prescribed / sold from veterinary practices. Currently, to enhance efficiency (and therefore reduce costs) the prescription fee is included in the margin of sale on a medicine when that medicine is dispensed by the prescriber. Changing to a process whereby the prescription is always charged as a separate line item is a sensible way forward to aid transparency, but is an onerous change (and therefore comes with a cost) for practices to implement. Making this change on a trial basis only has the potential to cause unnecessary disruption and cost if the change is not maintained.

Section 2 - Summary of potential issues in this market investigation

Paragraph 2.3

It is good to see recognition that “This is not a market in which one would expect pet owners to switch frequently between different vet practices just to secure lower prices”, because the provision of veterinary services is “based on trust in a clinical expert and strong relationships between clients and professionals”.

It supports my previously stated view that this is a market that works well when it is in the hands of the veterinary surgeons – who, through their holistic understanding, aim to balance the needs of the pet with those of the client (including affordability), and the limitations of the clinical team whilst working within a business that, through profitability, maintains sustainability.

Paragraph 2.4

Of these identified features, I would comment as follows:

- a) Limited information about price has, historically, not been because of a desire to hide prices, but because of the complexity of quoting comparable prices for most services of a veterinary practice.
- b) Ownership of practices – this used to be clear when practices were owned as partnerships between veterinary surgeons; it has only become unclear (and used for potential obfuscation) since the rise of the corporate consolidators.
- c) Comparison of the offering of quality is, like pricing, difficult. For example, does the presence or absence of a particular piece of equipment convey a measure of quality? I would maintain that quality is in the way that the art of veterinary science is practised – and this is what is recognised by word-of-mouth recommendation.

Service provision, for example opening hours, expertise, OOH cover, is a much more useful indicator. It would be a much more helpful system for pet owners if they could choose a practice based on full knowledge of what services are provided, backed up by personal recommendation, then to discuss the costs of care involved, than for a pet owner to register based on price and only then to discover that the practice really doesn't meet their needs.

- d) Pet care plans should be clear and there should be a range of plans in any practice so that clients can choose what is most appropriate for them.
- e) It is concerning to read that LVG's view price sensitivity as low, when it is something that individual veterinary surgeons (and veterinary owned businesses) would be acutely aware of.

Paragraphs 2.8 to 2.21

These are all examples of why the trusting relationship between animal owner and veterinary surgeon is so important. It is supported by veterinary practices which are owned and run by the vets who work in those practices because they are directly exposed to the effects of any leadership and management decisions on the pet owners and veterinary staff.

Paragraphs 2.22 to 2.29

I still have concerns that the CMA does not fully understand this issue (see remarks about table 1 above and more detailed about medicine pricing, below).

Paragraphs 2.30 to 2.32

Historically, all veterinary practices performed their own OOH work and it is only relatively recently that this market has become so consolidated. In contrast to the assertion in paragraph 2.31, all veterinary

practices have options because they could take the work back in-house. The options are only limited if they choose to delegate (in some cases abdicate) this service.

The most important aspect is that pet owners should have absolute clarity about:

- When their practice is open
- What happens when it is closed
- What the cost implications are if their practice does not perform its own OOH service

So that they can make an informed choice about the holistic service offering (and therefore value for money of any fees charged) of practices in their local area.

Indeed, the CMA might consider that if all the practices in a local area outsource their OOH care to the same (or at most two) OOH providers, then pet owners have no choice (effective monopoly) for two-thirds of the hours in any week, irrespective of who owns each FOP.

Paragraphs 2.33 to 2.36

It should be noted that the fee charged by practices for the disposal of a deceased pet is not limited to the cremation fee, but includes staff time in handling, storing, and tracing bodies, and the facilities in which to store bodies prior to collection, then the staff time of contacting owners regarding collection of any ashes. A solution might simply be to split this down so that clients can see a cremation fee (third-party charge) separate from a fee for the handling of the body, though the optics of this may be unpalatable for a pet owner at a time of highest emotional sensitivity.

Paragraphs 2.37 to 2.38

The current regulatory framework is regulation of individual vets and nurses who have to be registered with the RCVS in order to practise. The protection of consumers was historically built into this because in order to practise the art of veterinary medicine, vets had to work in the interests of the pet owner as well as the animal.

Where veterinary businesses are owned by veterinary surgeons this protection still inherently exists. However, there is a lack of regulation and accountability of businesses which are owned by non-vets. Consequently, reform is indeed necessary.

Paragraphs 2.39 to 2.41

Whilst the majority of local areas may indeed have the competition of 3 or more practices during the day, this competition does not necessarily extend to the majority of the hours in a week, which fall outside normal opening hours (nights and weekends), if all those practices share the same provider of OOH services.

Also, if the competition between local practices is just between different LVGs, then there is the potential that, despite the existence of competition, pet owners in those areas will have seen prices increase disproportionately because there is the practise

) that there is a wholesale increase in prices in the period after acquisition.

Consequently, such competition may not be exerting an effect on the lowering of prices to consumers.

Section 3 - Helping pet owners choose FOPs, referral providers and treatments that are right for them and their pet

Remedy 1 - Require FOPs and referral providers to publish information for pet owners

Publication of information for pet owners should indeed be improved, and I support the general thrust of this remedy. However, the suggested approach is largely inappropriate, misses the important information and simply risks misleading pet owners and increasing costs.

A price-comparison website, whilst appearing to be a simple way of comparing practices, would lead to false transparency because of the complexities of charging for veterinary care. It would be costly to produce and maintain and of very limited value to a pet owner. Most pet owners will only need to choose between a very small number of practices in their local area and will usually use word of mouth for recommendation.

The CMA's own research showed that location was of prime importance, then recommendation. They simply want this to be delivered at a fair price – a measure that cannot be taken from a comparison site, because it needs to be a “fair price” for the whole package of care.

Question 3

The desire to create a standardised price list that pet owners might use to differentiate vet practices is understandable, but inherently flawed. There is far too much variability of price structures between individual practices and any “price comparison website” would be misleading at best and potentially harmful if it conveys a false sense of comparison.

For example:

- Consultation fee
This should be easy to compare, but it is not always as transparent as it seems. What does it include, just the consultation, or other minor services that might be performed within the consultation? For example, if I compare my own practice with my local competitor (we are independent, our competitor is an [LVG] practice) for consultation fee, emptying of anal glands and nail clipping:

	My practice	Competition	Difference (%)
Consultation	£52.97	£72.00	36%
Empty anal glands	£13.00	£43.50	235%
Nail clip	£12.00	£41.00	242%

This seems to be a simple comparison. However, at my own practice, if these minor procedures were required at the same time as the consultation they would be performed in the consultation for no extra charge, whereas at the competition they would be charged extra.

	My practice	Competition	Difference (%)
Consult (+ anal glands + claws)	£52.97	£156.50	195%

A price comparison website would struggle with this type of complexity even in the simplest of transactions and in this case suggest a difference in price of 36% when the reality is 195%.

- OOH Consultation

The unanswered question would be the scale of other charges for any work performed OOH. For instance, my own practice charges a one-off surcharge for a pet that is seen OOH but thereafter charges all the normal daytime fees. Practices which use a third-party provider do not just see an increased charge for the consultation but for all other services too.

- Nursing care

Is this intended to mean the same as hospitalisation? Is it just the nursing care itself, or does it include the cost of being in the practice kennels? What duration does it cover? What level of nursing attention? Etc

- Vaccines

It is standard practise for practices to charge a fee that includes the cost of the vaccine, the consultation required to examine the animal, and the administration of the vaccine.

- Prescription fees

There is still misunderstanding here in the documents released by the CMA. There are various stages to the client journey through the whole “consultation” process:

- The consultation – the time taken to assess the client’s needs, examine the animal, determine a provisional diagnosis, develop a treatment plan, and write up these notes in the clinical records.
- The prescription – if it is necessary – includes the determination of which product should be prescribed, and all the background work that has gone into this, including knowledge of actions and interactions, side-effects and contraindications, together with keeping up to date, auditing, and pharmacovigilance. This prescription is essentially a verbal prescription from the vets to themselves. However, if it is intended that a medicine might be dispensed by another vet then there will be the need for –
- A written prescription – which may or may not need to be taken to a third-party pharmacy
- Dispensing the medicine – including the cost of the medicine, wastage costs, maintain a pharmacy etc.

The CMA seems to be under the impression that the prescription component is part of the consultation. It isn’t, it is a separate piece of work, the cost of which is covered by the margin on sale of medicines where they are sold from the practice directly. If a client chooses to use a third party pharmacy, then the cost of the prescription has to be charged accordingly.

- Medications

This is inherently flawed – there are far too many products to make a list meaningful especially as the need for any particular product is through a prescription, not client choice. Furthermore, veterinary surgeons and pharmaceutical companies are prohibited from advertising POM-V products to the public. Creating a price comparison site with named products could breach this requirement.

- Common and specialist procedures

These are rarely, if ever, “shoppable” prices. The exact price will depend on a variety of factors and can only be quoted with a degree of accuracy after consultation and examination. Furthermore, the list of other procedures is a bizarre selection.

- End-of-life Care

This is the most critically sensitive part of the whole client journey. The costs and choices require sensitive discussion, and clients will value the trusting relationship more than ever here. Including these charges in a comparison site is potentially unpalatable.

In reality, the only price that is a sensible thing for comparison is a basic consultation with nothing added, because it is only after accessing care through this consultation that a vet will be able to examine the animal and be able to discuss options with a client.

Furthermore, there are several potential unintended consequences later in the remedies paper which risk putting upward pressure on the cost of a consultation (eg loss of marginal income on medicine sales) which would create a barrier to access for less wealthy clients.

Question 4

No, it is unlikely to be feasible or helpful for all the reasons listed above. Pet owners need to be able to compare practices on **services** offered and then discuss the potential costs of their needs. A price-comparison website will not work for this purpose and is more likely to lead to increased prices as practices would need to ensure they weren't caught out.

Question 5

No. It scratches the surface but simply hints at the complexity of a like-for-like meaningful comparison.

Question 6

Again, this illustrates the futility of pursuing a price-comparison website of this type. Most practices could only ever state "price from" to be honest. Healthcare is not a shoppable commodity, it is highly variable and the exact choices and the costs involved can only follow a meaningful discussion with a veterinary surgeon who has the animal under care and has examined the animal.

For example, if there is a need to compare prices for treating clinical conditions (osteoarthritis, heart disease, diabetes, allergic skin disease), the choice of approach and potential treatments available prohibit any meaningful comparison.

Question 7

No, it would be misleading and could lead to dissatisfaction – pet owners might look at a price list and expect the price to be £X only to find it was actually £Y when they discussed it fully with the veterinary surgeon.

Question 8

No. See above

Question 9

Yes, there are significant detrimental consequences. Under the current system a veterinary surgeon will work with the animal owner to find the most appropriate course of treatment at a price that is affordable. If a standardised list is produced it will simply drive-up fees so that practices don't find themselves beholden to a quote that is subsequently unrealistic. The result would almost certainly mean higher costs of veterinary care, which is the opposite of what the CMA is trying to achieve.

Question 10

Yes. This would introduce a requirement for submitting data and maintaining data. This takes time. Time increases costs, increased costs lead to higher fees, etc.

Question 11

Quality is a highly misleading term. Simply having a piece of equipment is no guarantee that it will be used appropriately or well, or that the outcome is any better or different from a practice without the equipment.

Evidence of further post-graduate training may be useful – providing it is training of a quality that has been quality assured by the RCVS. However, the key things that pet owners need to understand about a veterinary practice include:

- Who owns the practice – staff who work in the practice (independent) or a third party (corporate / LVG)?
- What branch addresses does the practice work from?
- What time is the practice open?
- What happens when the practice is closed?
- What happens at weekends?
- Does the practice have the facilities and staffing to look after patients 24/7 or do they have to be transferred to a third-party?
- What range of cases can be managed by the practice?
- What cases typically have to be referred elsewhere?
- Does the practice offer a health plan and if so, what does it include?
- Etc

In other words, remedy 1 should focus much more heavily on service so that pet owners can make an informed decision about the value delivered by any prices that are charged.

Remedy 2 - Create a comparison website supporting pet owners to compare the offerings of different FOPs and referral providers

A comparison website with appropriate information would be useful and already exists in the RCVS “Find a Vet” feature. Whilst the current format of Find a Vet is limited, I understand that Find a Vet is currently being reviewed and updated as part of the RCVS website development. This should be given the opportunity to work before trying to create another service. The usefulness of Find a Vet would be enhanced by enforcing mandatory submission of data through mandatory regulation of practices (see below under legislation).

However, any comparison website should focus on service offering (see above) rather than prices where an apples-with-apples approach is impossible and may create a false sense of comfort. To repeat many of the reasons discussed above, whilst a price-comparison website seems to be an obvious approach, it is at best flawed, likely misleading, and unlikely to be of significant benefit to a pet owner. The CMA’s own customer research has already found that clients choose and value a practice because:

- **It is local and accessible**
There is a branch close to where they live so they do not need to take their animal on a long journey to visit the vet, and the branch is open at a time that is convenient for them.
- **They build a relationship of trust with specific vets**
This is in the interests of animal health and welfare and is something that would be undermined by any remedy that seeks to push clients to “shop around”
- **It offers the range of services they need**
Including consulting, surgery and investigation, accessibility for medicines, and is there at nights and weekends when they need it
- **It has been supported by word-of-mouth recommendation.**

Pet owners want the above list and simply expect to pay a fair price for it. They will recognise that cheapest is not always the best or unlikely to fulfil the above list, likewise a more expensive service does not necessarily equate to a better service. They simply want a fair price.

Price comparison websites are not a good way of achieving this because a pet owner only really needs to choose between 2 or 3 local practices – something that can be better achieved through their own research (providing there is full transparency of service provision on practices’ websites), backed up by recommendation from friends and local contacts.

I have discussed the remedy of a price comparison website with several pet-owning friends (clients and non-clients of my practice) and also existing clients. Their feedback is simple: it would not be of value; they understand that the cost of care for animals is so varied and complex that a simple price-comparison site would be unable to work effectively. Indeed, it may simply lead to greater confusion amongst pet owners.

In short, remedy 2 seems to be all about fundamentally trying to change the behaviour of the pet-owning public, rather than offering a new service of any real value.

There is only one price comparison that would be meaningful for a pet owner: what is the average cost of care at a FOP per dog / cat per year. However, in order to provide this figure for comparison practices would have to take into account all the costs incurred by third-parties (including referrals), otherwise a practice offering a very basic service would appear cheaper even though the overall cost was higher.

The CMA hinted at this in their papers in February which showed that the costs per year for independent practices were similar in total compared with LVG FOPs, but noted that the charges at independent practices included many more surgical and diagnostic charges which ought to raise the price overall. These costs being hidden in practices that refer these cases.

Question 12

As stated above, this is a flawed approach. Therefore, rather than stating what information should be included, I refer back to previous comments about why this is an inappropriate path for the CMA to pursue.

Composite price measures are hugely misleading for clinical conditions because the variability of what is required can be so different from one animal to another. The CMA seems to be under the impression that veterinary care can be delivered through a simple algorithm. This is far from reality!

The information that clients really need is not about pricing, but is:

- Who owns the practice?
- Which vets work at the practice?
- What are the ranges of expertise of vets working at the practice including any post-graduate qualifications?
- When is the practice open?
- What length is a standard consultation?
- What service does the practice provide at weekends?
- What service does the practice provide at night and in the evenings?
- Are there facilities for caring for a patient overnight and if so is the building staffed 24-hours?
- Are the charges at nights and weekends the same as during the day, or does a different scale apply?
- In the event that a pet needs care that cannot be provided by the practice, who do they recommend?

In short, pet owners need a service-comparison website, not a price-comparison site. This is best achieved through an enhanced “Find a Vet” feature through the RCVS.

Question 13

See above. The most useful price-comparison website would be not to produce one in the first place. Focus on the list of services above instead.

Question 14

Any comparison site has to be a trusted source of information. A service comparison site through a regulator such as the RCVS, combined with mandatory regulation of practices and veterinary businesses would be best for public interest. However, as stated above this would be service comparison, not price-comparison.

Question 15

The creation of any new piece of work with a significant bureaucratic component will simply create more work for a practice to have to do. This will increase the cost of staffing, and this increase will disproportionately affect smaller independent practices. Consequently, the whole of remedy 2 in its current suggested form will have the adverse unintended consequence of raising the cost of pet care, not lowering it. The impact will be disproportionate for smaller independent practices.

Question 16

Feasibility only eases when automation is possible. Unfortunately, the range of practice management systems (PMS) available and in use in the UK is a) wide and b) varies significantly in capability and ability to integrate.

To achieve anything of the sort of thing the CMA desires from remedy 2 without imposing huge workloads on FOPs would necessitate standardised PMS across the profession with standardised price lists and a PMS open to third-part integration. This is not available or achievable – and even if it was available, the cost of implementation and the time involved would be prohibitive and counter-productive.

Furthermore, a comparison site would have to be able to interpret the variety of costs which may need to be added into the care for any particular condition. Pet owners cannot be expected to understand all that is involved with treating different diseases, so they have to rely on the trusting relationship with a vet who, during a consultation, can discuss different options and the difference in prices.

Question 17

Prices will, by necessity, vary considerably, consequently, variable prices will be the norm for most services and directly comparable prices will be a very small minority – this further undermines the value of such a comparison site. The approach used for one animal owned by one pet owner may be very different from the approach used for a second animal owned by a different pet owner. This is the art of contextualised care. Consequently, price comparison is meaningless.

For example, allergic skin disease:

- At one end of the spectrum, it can be managed with steroid treatment and appropriately spaced re-check appointments. It is an approach with many adverse consequences but may be applicable in certain cases.
- At the other end of the spectrum is bespoke management based on allergen detection, elimination/avoidance and immunotherapy. It comes at a massively increased cost.
- Most cases are managed somewhere between the two, but it would be of no value whatsoever for a pet owner to know that the cost of managing allergic skin disease could legitimately range from £200 to £5000 per year, for example.

Hence, comparison can only be made as part of a meaningful discussion with a vet whom the client trusts (trust that has been built on establishing a relationship through continuity of care).

Question 18

Simple. Don't do it. This is the cheapest option. Use an enhanced **service comparison** tool such as an improved "Find a Vet" function coupled with mandatory regulation.

Remedy 3 - Require FOPs to publish information about pet care plans and minimise friction to cancel or switch

Pet health-care plans are an important feature of modern veterinary practice. They allow pet owners to access a package of appropriate basic healthcare for a price that is lower than purchasing the items separately. Pet health-care plans have seen a marked improvement in the health and welfare of animals: where there is good penetration of a care plan amongst a practice's client base there is a lower incidence of contagious (vaccinatable) diseases, parasitic diseases (and vector-borne illness), and allergic skin disease. Furthermore, they allow early detection of other illnesses and disorders that can then be dealt with in a more cost-efficient way.

However, I agree that a practice should offer a choice of plans that are developed to meet the needs of the local client base. For example, my practice already offers plans that provide a variety of services:

- Basic preventative care plans
- Preventative care plus discounts on other services
- Either of the above with the ability to have unlimited consultations.

Clients can change between plans or cancel freely. The only stipulation is that if they change from a plan or cancel early, they should fund the cost of any care benefits they have received over and above what they have financially contributed to the plan.

This delivers clarity, economy, and versatility.

The important factor is that staff are appropriately trained to be able to advise pet owners about the merits of individual plans and to be able to illustrate savings that might be made on each different plan.

Enforcement of this should be through mandatory practice regulation including evidence for this training and clarity of materials offered to clients to aid their decision making.

In short, one size does not fit all, and it is necessary for a practice to understand the needs of its clients (built up through an open working relationship) to be able to advise appropriately.

Question 19

The impact should be small because this is already in place for many practices.

Question 20

As already discussed, my own pet care plans already provide this service flexibility, so it is readily achievable.

Question 21

Administrative challenges rely on good data analysis and audit tools, together with the (as yet to come) mandatory regulation of practices.

However, certain features, such as the ability to send a statement to a pet owner showing prices paid against savings made, is limited by the ability of practice management systems to automate this information. We currently provide this information on a request-only basis because it necessitates manual processing of account data.

It would be inappropriate to make this a mandatory requirement until all PMS providers included this functionality in their systems.

Remedy 4 - Provide FOP vets with information relating to referral providers

The range of treatments offered by different FOPs is very variable (and often more inclusive in independent practices which don't have a hospital hub in their own company).

I refer back to my previous discussion about clarity over the different services that practices provide so that pet owners have transparency over whether the practice with which they register is likely to need to make use of referral services and if so for which types of case. FOP vets will be aware of the approximate range of prices that they know referral practices will charge. However, this range can be variable (£5,000 to £10,000 for example).

To be able to offer more accurate estimations of cost would provide a significant administrative burden on a FOP vet. Consequently, if the CMA pushes for FOP vets to be able to provide more information to a client then they should be prepared for the need for every FOP vet to charge a "referral administration fee" or similar – a cost that is currently absorbed by most practices.

However, where opening competition could be more valuable and appropriate would be to raise the awareness of other referral options. Just because a practice needs to refer a case does not mean it has to be referred to a specialist centre. There are other options, for example:

- Other local practices which do offer the service and which the FOP has knowledge of the competence of the clinical team / specific vet.
- Other local practices where there may not be the same personal knowledge, but where the practice has advanced practitioners in a clinical discipline

This would be a better way to improve competition in referrals rather than simply use a price-comparison site of different specialist hospitals.

Question 22

See above. Better to raise awareness of other practices that can accept referrals rather than just specialist hospitals.

Question 23

Same consequences as for the previously discussed price comparison site. Time = cost.

Question 24

Administrative burdens that would simply create additional costs. Also, a need to protect from undercharging in cases that are more complex could lead to overall higher quoted prices and an increased cost to pet owners.

Question 25

I am an FOP and my practice makes few referrals because we have an experienced team in-house including several RCVS Advanced Practitioners. We could offer a very economic referral option for other practices except that there is a trend in the profession to refer to specialist hospitals (especially when an animal is insured).

Question 26

Choice is better achieved through personal recommendation.

Remedy 5 - Provision of clear and accurate information about different treatments, services and referral options in advance and in writing

I refer to my reply to remedy 2:

The information that clients really need is not about pricing, but is:

- Who owns the practice?
- Which vets work at the practice?
- What are the ranges of expertise of vets working at the practice including any post-graduate qualifications?
- When is the practice open?
- What length is a standard consultation?
- What service does the practice provide at weekends?
- What service does the practice provide at night and in the evenings?
- Are there facilities for caring for a patient overnight and if so, is the building staffed 24-hours?
- Are the charges at nights and weekends the same as during the day, or does a different scale apply?
- If a pet needs care that cannot be provided by the practice, who do they recommend?

In short, pet owners need a service-comparison website, not a price-comparison site. This is best achieved through an enhanced “Find a Vet” feature through the RCVS.

As a practice our vets always provide pet owners with an estimate for treatment, and this is included in writing on the admission form for any inpatient procedure. For more complicated cases in which there may be price variability (trauma cases, investigation of unusual medical conditions etc) pet owners are estimated for the initial scope of work and then further discussions and estimates are made for any additional work involved.

Anything that is not urgent has client thinking-time available – for example if a procedure is recommended an estimate would be made and arrangements to perform the procedure be made in the clinical diary for a point in the future. Every client has the option to cancel or discuss further.

What is more important is that pet owners appreciate the potential for ongoing work. For example, if a blood sample or radiograph is suggested, there should be an understanding that if this uncovers evidence of condition X, then there will be implications for ongoing treatment or investigation costs.

This is simply good **professional practice** and should already be being practised by vets. Mandatory regulation of practices could include the requirement for this to be evidenced.

Question 27

This should already be in place through existing professional conduct requirements.

What might be more useful is wider education of the pet-owning public. Pet owners are very much more aware of different treatment options that might be available because the profession has been the focus of many television series (Vets in Practice, The Yorkshire Vet, Supervet, Vets 24/7, The Highland Vet, etc) however, rarely, if ever, are the costs of any treatments discussed.

If the media used these fly-on-the-wall documentaries to discuss costs then the public would have a much greater overall awareness. Furthermore, it would probably be more useful than a price comparison website.

Question 28

This already happens apart from urgent / emergency cases. A patient is examined, a plan discussed with the owner and any further investigation or treatment is arranged for a point in the future. The pet owner has full control over whether to go ahead or not.

Question 29

See above. However, even in these circumstances costs will always be discussed and clients have the option to opt for euthanasia if required in extreme cases.

Question 30

This depends on what level of detail is required. The clinical records will already include a brief summary of discussions and the recommended approach and estimate for treatment. It would be inappropriate and unnecessarily time-consuming (and therefore raise costs) for every client record to include details of every potential treatment option and every potential cost. Furthermore, it would be confusing for the client. Making an informed decision is a 2-way process, it should not be about presenting a shopping list of options from which the client makes a choice.

Question 31

The most appropriate option (which is included on a consent form) is the one that has been arrived at through an informed discussion with the client (based on trust) in which the context of all circumstances of the animal and owner have been considered. This is simply good professional practise and stems from developing good relationships of trust between vet and pet owner.

Where unexpected events arise that necessitate a different approach these will always be discussed with the pet owner before proceeding.

Question 32

Providing this remedy option is consistent with a good professional approach as I have described above then the implications would be minimal. If they require every potential treatment option to be included in notes and offering to clients, then this will significantly increase the length of consultations and simply add cost to the consultation fee. The unintended consequence would then be an increased financial barrier to accessing veterinary care.

Question 33

See above. The key is to ensure that appropriate options are discussed based on context.

Question 34

Not applicable

Question 35

See above. If a trusting relationship exists between vet and pet owner and the vet understands the needs of the animal and its owner, then ultimately only one option would be recommended – the one that is most appropriate. Where there are still multiple options these would be discussed together with the

pros and cons. This is all about obtaining informed consent and being transparent about prices. During any discussion. In other words, good professional practice.

Remedy 6 - Prohibition of business practices which limit or constrain the choices offered to pet owners

Vets must be able to offer independent and impartial advice. This is a requirement of their license to practise. If a business is owned by vets this will also, inherently, be a requirement of the business owners.

Consequently, this only becomes a potential problem if the ownership and leadership is outwith the hands of MRCVS. Mandatory regulation of practices and businesses which own practices is necessary – and any owner of a business which practises under the auspices of the regulated profession should be subject to the same level of regulation.

This regulation should be performed by the RCVS and mandated through a new VSA. Furthermore, the RCVS could use its Royal College function to be more vocal in discussing these professional standards with members of the profession.

Question 36

This is a role for the RCVS through mandatory practice and business regulation.

Question 37

This should be the responsibility of the RCVS and mandated through a new VSA.

Question 38

Yes, there should be greater monitoring so that they are held to the same level of accountability.

Question 39

It should be noted that there is a huge difference between practice protocols that have been developed by veterinary surgeons within a practice, and business practises that are imposed from distant non-vet managers. The former are positive support for vets and pet owners, designed by veterinary surgeons in the interests of the animals they treat, the latter are target driven interferences.

All practice processes and protocols that have a clinical implication should be developed, or at least adapted for suitability, by the veterinary surgeons within a practice.

Section 4 - Increasing price competition in the medicines market

Paragraph 4.1 is a very blunt assessment and inherently biased. It seeks to compare one small aspect of a pet's care between two different suppliers without reaching into the understanding of why this is the case and even if it is actually accurate?

The CMA has made an assumption that medicines are cheaper through online pharmacies – and yet its own client research states that many pet owners reported that there weren't actually any savings by the time they had paid for the prescription. Apples are not being compared with apples. The current system is actually working well where veterinary practices are able to purchase medicines at a price similar to that at which online pharmacies purchase medicines. The anomalies where this isn't the case (eg Optimune, Apoquel, Amodip, Vetoryl, etc) arise when bricks and mortar independent practices are unable to compete in the current market because they are at a competitive disadvantage when it comes to purchasing the medicine from the wholesaler.

It seems perverse that in attempting to address an imbalance in competition in the medicines market, the CMA is looking to worsen an existing imbalance by increasing the barriers for bricks and mortar practices to compete. Furthermore, given that the dominant internet pharmacies are owned by the LVGs, this is exacerbating the imbalance between the LVGs and independent FOPs – the end point of these proposals is to enable the LVGs to increase their income from work performed by small independent practices.

This all comes down to the ability to compare apples with apples. As already stated above, there is a need for the CMA to develop a greater understanding of the client journey and the steps FOPs currently take to enable access to care:

- The consultation
This is the part where the vet:
 - i. Seeks to understand the concerns of the client,
 - ii. Takes a history,
 - iii. Examines the animal,
 - iv. Develops a provisional working diagnosis,
 - v. Discusses the findings and their implication with the pet owner,
 - vi. Formulates a plan including treatment and investigation options,
 - vii. Records all the above in their clinical notes.This is all achieved within 15 minutes – something that offers remarkable value for money!
- The prescription
In cases where it is appropriate to make a prescription, which includes:
 - i. Developing the knowledge of available medicines and their uses,
 - ii. Maintaining this knowledge in the face of new products, through training and development,
 - iii. Understanding the actions and interactions for any condition, comorbidities, and concurrent medication,
 - iv. Pharmacovigilance,
 - v. Auditing.
- Product dispensing
Which necessitates

- i. Maintaining a practice pharmacy, including stock control, temperature monitoring, audits, etc
- ii. Labelling,
- iii. Advising a pet owner about the appropriate use of the medicine.

NB this final point carries an additional value within a veterinary practice – it is performed face-to-face and the member of veterinary staff can be sure that the pet owner adequately understands how to administer, store, and use the medicine. This service is obfuscated for internet pharmacies.

- iv. Providing a service for the safe disposal of medicines.

Waste medicines should be disposed of in a safe way – and definitely not in household waste. Veterinary practices will accept return of unused medicine and dispose of it through the appropriate channels. There is no charge made for this service because it is accepted that it will be included in the margin of sale made when the medicine was sold. On-line pharmacies, as the agent dispensing the medicine, should also be responsible for the medicine's disposal. This will never happen and either bricks and mortar FOPs have to shoulder the cost or the medicine will be disposed of in household waste – with all the negative human health implications involved.

Practices charge a margin on the sale of medicines sold through the practice. This margin covers the cost of the medicine, any wastage, and also the significant costs of prescribing the product. Furthermore, because it is a margin on sale, it varies with the price of the medicine and the quantity dispensed. This is of benefit to the pet owner because small volumes of cheaper medicines effectively have a prescription charge subsidised by larger volumes or more expensive medicines. Access to veterinary care is enhanced.

When a written prescription is requested by a pet owner the practice loses all margin on sale of the medicine. Consequently, it has to charge a realistic fee not just for the administrative cost of providing the prescription in a written format, but for the other aspects of prescribing which are no longer covered by the margin on sale of the medicine.

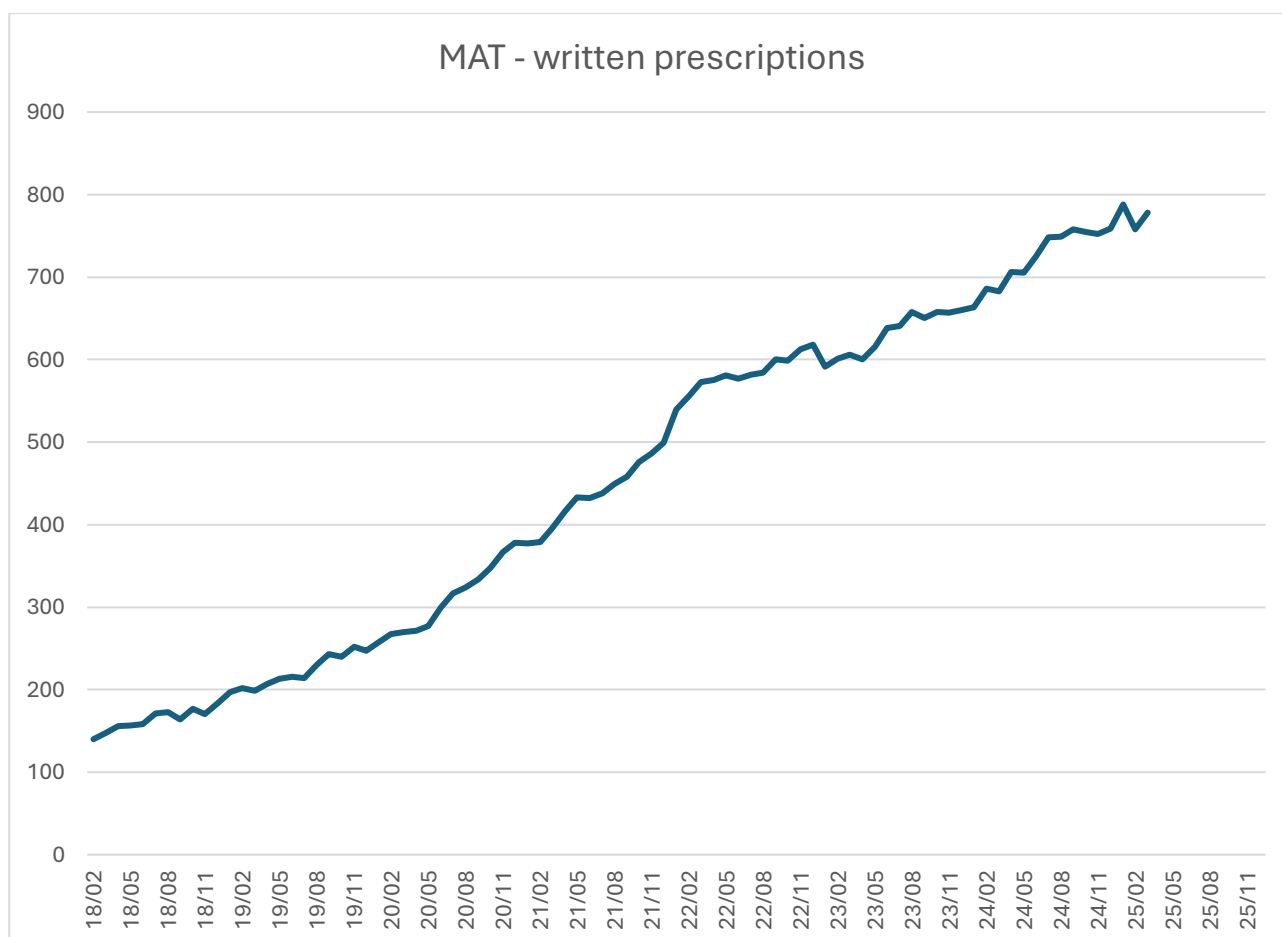
The CMA seems to be under the impression that those other aspects of prescribing are part of the consultation fee. This is simply not the case, after all, the cost of a consultation is the same whether a medicine is prescribed or not. If a requirement is made to include them as part of a consultation fee instead of a prescribing fee, then there will be the unintended consequence of an increased cost of consulting – which simply raises the barriers for accessing care. This is at odds with the need to promote animal health and welfare.

Remedy 7 - Changes to how consumers are informed about and offered prescriptions

I would question the CMA's position that there is a lack of awareness amongst pet owners about the ability to request a written prescription. In paragraph 4.10 there is the statement "38% of consumers in our pet owners survey were not aware", which, could also be phrased as 62% are aware. Given that the potential need for a written prescription only really arises for an animal on long-term treatment, and only a proportion of animals are on long-term treatment, this would suggest that actually the understanding is widespread for those that need the information.

Are any of us aware of all the things that we don't need when it comes to service provision, until the time comes when a service is actually required?

I maintain therefore that the status quo is working. Sufficient pet owners are aware and the provision of signs and notices in vet practices, together with the numerous discussions on pet-owner social media channels, has been effective. Indeed, monitoring the volume of written prescriptions issued through my own practice illustrates this well:



Any interference in a system that is already achieving its aim might be considered to be a fool's errand and will simply increase the potential workload of practices (at a cost to pet owners) without achieving anything.

Furthermore, if the CMA seeks to cap prescription fees, or prohibit them altogether, especially if it does not recognise what is involved in making a prescription, it will simply reduce one income stream for a practice that will have to be made up elsewhere through increased charges for other services.

This is the holistic nature of a veterinary practice. Indeed, it could be argued that the Competition Commission's intervention in 2003 had an adverse effect on the cost of veterinary care: it simply introduced a third-party into the veterinary supply chain which sucked an income stream out of veterinary practice. Practice fees had to increase in order to balance the books.

The proposed remedies this time around look set to have a similar set of adverse unintended consequences.

Paragraph 4.13 is incorrect as detailed above.

- 4.13 (a) is a concatenation of the consultation and prescribing processes. However, the former is included in the consultation fee, the latter in the margin on sale of a medicine.
- 4.13 (b) is a cost for the administrative burden together with the prescribing fee where there is a need to list it separately because the margin on sale has been lost.

Paragraph 4.15 is correct – if the CMA wishes to increase transparency, then it would be sensible for all practices to add a prescription fee for all products prescribed and reduce the cost of medicines because the same margin on sale would no longer be required. This is feasible and a good way forward – though may have the effect of making some medicines (for which the prescription fee is inherently cross-subsidised eg low volume, low value medicines) more expensive.

A pet owner would then see an itemised invoice showing:

- Price of consultation
- Price of prescription
- Price of dispensing fee
- Price of medicine

Whereas currently the last three items of this list are simply seen as the “cost of the medicine” – hence the apparent discrepancy between prices in FOPs and from online pharmacies.

However, should a similar requirement be made of internet pharmacies such that they would have to ensure that the price of a product might be significantly more expensive online by the time the pet owner had paid for a prescription?

Price cap

If a price-cap is to be introduced on a prescription fee then it is essential that the CMA takes into account everything that is involved in making that prescription, not just the administrative cost of transcribing an existing prescription into written form.

Paragraph 4.22 seems to penalise practices excessively. For example, is there a requirement of a supermarket to display the savings a shopper could make if they were to visit a competitor? If this proposal is carried through then not only will veterinary practices be made to tell clients that they can go elsewhere for a cheaper price, but vet practices would have to undertake the cost of working this out for a client! How does the CMA intend practices to charge for this service?

Prescription Fraud

An unintended consequence of the increased use of written prescriptions has been fraud. This was highlighted in the VMD's response.

We have had instances where clients have amended written prescriptions through alteration and photocopying, including:

- Extending the length of validity of a prescription
- Increasing volumes prescribed
- Changing products completely

Consequently, in order to protect animals from this fraud there should be a mandatory requirement for written prescriptions to be sent electronically to a nominated pharmacy and not handed in paper format to a client.

Paragraph 4.44

This could most easily be achieved by adding a prescription fee to all items prescribed and reducing the margin on sale of a medicine. Given the relative ease with which this could be achieved, it would seem the most straightforward approach and avoid the need for many of the other proposals that are either flawed or carry significant costs.

A client would then receive an invoice stating:

- Consultation fee
- Prescription fee
- Dispensing fee (in a written prescription the dispensing fee is replaced by the administrative component of transcribing and issuing the prescription in written format)
- Medicine cost

And therefore have full transparency.

With regard to paragraph 4.46, this is indicative of the discrepancies between the multiple practice management systems available to vet practices.

Question 40

It would be an unnecessary bureaucratic burden for prescriptions to be provided for medicines which are administered by the vet. It would simply increase costs to pet owners due to the excessive time spent unnecessarily formalising written versions of existing verbal prescriptions.

For example- when an animal undergoes a procedure involving a general anaesthetic eg invasive surgery, the vet may use more than ten prescription medicines. Currently these prescriptions are tacet: verbal from the vets to themselves, which is efficient and minimises the cost to pet owners.

Question 41

Yes, significant challenges – see my commentary above.

Question 42

As described above, create 4 entries for something that currently only has two, ie separate fees for consultation, prescription, dispensing fee (or replace with administration fee for written prescriptions) and medicine cost.

Question 43

This depends on whether the CMA is intent on introducing a system of needless bureaucracy, or whether it takes the pragmatic approach that I have outlined above. If the latter, then this could be achieved within 3 months.

Remedy 8 - Transparency of medicine prices so pet owners can compare between FOPs and other suppliers

This proposed remedy seems over-complicated. It may have the effect of irritating pet owners, irritating veterinary staff and extending the length of time the client spends in the consulting room whilst deciding if they want to redeem the prescription at the FOP or not.

The obvious unintended consequence is a massive reduction in efficiency of veterinary practices such that fewer pet owners can be seen each day resulting in an increased net cost to each pet owner. These measures would blatantly have a negative effect rather than help pet owners and represent an approach that rejects common sense and pragmatism in order to worship at the altar of competition – irrespective of whether it is necessary or would result in a better outcome.

Furthermore, vet practices are simply being requested to undertake more work so that a pet owner can choose not to make a purchase from them. There will be very few instances where a pet owner will be able to make a saving on the price of a medicine prescribed and dispensed in a consultation – most such medicines will be for short courses of treatment and the cost of prescribing (absorbed by the margin on sale) means that they are already sourcing the medicine at the best price.

Any potential savings for a pet owner would only come about for long-term medication, which will never be prescribed at an initial consultation. Every pet owner therefore has the ability to research medicine costs before returning for follow-up consultations for ongoing cases. Transparency through separating the prescription charge would be a pragmatic approach.

Question 44

This is inappropriate to include at this stage. It is better to adopt my pragmatic approach of an invoice stating:

- Consultation fee
- Prescription fee
- Dispensing fee (in a written prescription the dispensing fee is replaced by the administrative component of transcribing and issuing the prescription in written format)
- Medicine cost

Pet owners who need a one-off medication will have the convenience of obtaining it there and then; pet owners whose animals are on longer-term medication will have the time between this visit and the next repeat of medication to decide how best to obtain medicines.

Question 45

See above.

Question 46

See above. Adopt pragmatism first and assess whether it has the desired effect. This whole remedy seems to be based on the CMA's misunderstanding of medicine prices because it is not comparing apples with apples, through a misunderstanding of what constitutes the prescribing process.

This potential remedy will likely increase overall costs for pet owners due to increased bureaucracy for practices and a loss of cross-subsidy from any margin on sale of a medicine.

Remedy 9 - Requirement for generic prescribing (with limited exceptions) to increase inter brand competition for medicine sales

This proposed remedy is inherently flawed and carries serious consequences for animal health and welfare. When veterinary practices choose which medicines to hold in stock and to prescribe, the vets making these decisions will weigh up various factors. Part of this will be the formulation of the medicine and the ease of administration.

As clinicians we are acutely aware that a medicine can only be effective if it is inside the animal. Palatability, for instance, is important. It is also noted that the range of medicines for which more palatable and more easily administered options are available (divisible tablets, for instance) has improved considerably in recent years. This has been to the benefit of animals and their owners.

The proposed remedy ignores all this and seeks to focus only on price. The unintended consequence would be that pharmaceutical companies would cease investing in research and development to improve administration and instead simply aim for delivering the cheapest cost option because, after all, this would be the only criterion on which a medicine was now assessed. The knowledge that veterinary surgeons have about the range of available options and their key differences will be replaced by a pet-owning public having to try to research this for themselves.

Questions 47 and 48

No comment – this is an inappropriate route to pursue.

Question 49

Yes, many – see narrative above.

Question 50

Even where there is clinical equivalence there are significant differences in tablet size / divisibility / palatability etc. This is, again, not apples with apples! – or at least if it is, then a client purchasing an apple thinking it had the palatability of a Braeburn would be very disappointed to bite into a Bramley!

Questions 51 and 52

See above. This is the wrong approach.

Question 53

This will pass work onto pet owners who don't have the requisite understanding to make an informed choice.

Question 54

It should not be facilitated in the first place!

Remedy 10 - Prescription price controls

Option A confers an unfair advantage on businesses with higher current prescription fees, unless all practices are mandated to charge the same fee.

Option B is the status quo – our fee is based on the time taken to prescribe.

Option C would remove a source of practice revenue (that currently comes from either the prescription fee or the margin on sale of medicine which covers this fee) and practices would have to raise other prices to balance the books. This does not generate a saving for the pet owner.

Paragraph 4.103 (b) indeed, the writing of a prescription (the part of the process where the prescription in the PMS is transcribed into a written format) probably does represent a similar cost to a dispensing fee. However, the whole cost for a written prescription is this administration fee plus the other work I have previously listed. We estimate that the time taken to prescribe a product is approximately half the time of a standard consultation. Our fee for this service is therefore set accordingly.

Question 55

No. The cost of a prescription is a fee for the practice's time. If it is perceived as a barrier then it shows that already the medicine is effectively being sold at an appropriate price. There is therefore no need for the CMA to change the status quo.

Question 56

Yes. It is a fee for legitimate chargeable time. Cap it or remove it and that cost will have to be recouped from other fees. Veterinary practices are not businesses of isolated units, but living, breathing, fluid organisations. As Newton stated in 1687: for every action there is an equal and opposite reaction. Many of the proposed CMA remedies will just set up shock waves in an equilibrium that will have far-reaching unintended consequences.

Question 57

Competition exists. The CMA constantly refers to a perceived lack of competition based on a misunderstanding of how medicines are priced and how the margin on the sale of a medicine includes the cost of its prescription.

Question 58

NB this is not the whole cost of the prescription as detailed above. The costs will depend on the length of time required to enter the information into the PMS in a format that facilitates electronic transfer to the pharmacy. This will vary according to PMS provision.

Question 59

Costs of dispensing a medicine include:

- Maintaining a pharmacy (stock control, temperature monitoring, audits etc)
- Labelling
- Cross-checking
- Face-to-face discussion with the pet owner to ensure they understand how to administer and store the medicine (this is mandatory and currently not performed by online pharmacies)
- Providing a service for the safe disposal of medicines that are unused (this is a requirement with which, I suspect, no internet pharmacy complies)

Remedy 11 - Interim medicines price controls

Paragraph 4.105 is flawed – for the reasons discussed earlier – driving down medicine prices will drive up other fees accordingly. However, I take offence at the statement “incentives for vet firms to moderate prices and profits”. Medicines provide a marginal income for veterinary practices which helps to cross-subsidise other services (and covers the costs of prescribing), thereby improving the accessibility for pet care. We do not make a “profit” from the sale of medicines.

In contrast, a business such as an online pharmacy which only retails medicines from other vets’ prescriptions, is making a profit. In other words, the proposed actions of the CMA and those introduced by the Competition Commission before it, have led to an erosion of marginal income for veterinary practices in order to deliver a source of profit for third-party businesses that previously didn’t exist. The net effect has been to increase total costs to pet owners because practices have to continue to balance their books in the absence of a source of marginal income.

Question 60

Price control options will have negative unintended consequences. Our prices for medicines have to be flexible in order to reflect the changes in the price at which we are able to purchase them. Would the CMA insist that a supermarket set a price for a jar of coffee without the ability to alter that price according to retail costs?

Imposing a set margin at which medicines might be sold would be possible (providing prescriptions are charged for appropriately), but only if there is a level playing field for the purchase price of medicines by practices.

Question 61

Price control on this income stream will simply lead to increased prices elsewhere (I refer back to Mr Newton!). The adverse effects of suppressing income from one component of a practice’s work will be the increase in other fees (eg consultation fees, OOH charges, etc) which will raise the barrier for pet owners to receive veterinary care.

Question 62

These are arbitrary matters and unsuitable for the complexity of how we work in the real world.

Question 63

Prices will be self-monitoring if pet owners understand how practices charge for services so they can actually compare apples with apples. Furthermore, this will result in fewer medicines being sold online because if the price is the same at the vet practice there is no need to add the inconvenience.

Implementation of Remedies

Paragraph 4.132

- (a) Clunky, but feasible – provided the fee for a prescription is genuinely representative of what is involved (again – I point to the CMA's misperceptions here) – and it is limited to making clarity around the prescription in the PMS separate from the charge for the medicine. The mandatory issuing of written prescriptions will increase the admin time such that a consultation is likely to be 50% longer, thereby increasing the cost to a client accordingly.
- (b) An unnecessary burden for practices which will just add costs into a system. Transparency will be achieved simply by splitting the charge for the prescription from the charge for the medicine so that pet owners can compare like with like.
- (c) Dangerous from the perspective of protecting animal health and welfare, and the pet owner experience.

Regarding system integration, the CMA seems to have an overly optimistic view of the capability of current PMS and the flexibility of the PMS providers' development teams. The costs involved would be huge – and passed onto the pet owner. The time taken to implement such a system across the whole of the profession will be years, if not decades.

An e-prescription portal is a nice idea in principle, but the costs involved in setting this up and maintaining a price comparison aspect would, again, be significant and ultimately borne by the pet owner. It is simply robbing Peter to pay Paul asking them to fund something in order that they might save money on the product it delivers.

It is also worth pointing out that the CMA in its example on page 111, has captured just how flawed and complex the situation would be:

- The example prescription fails to include most of the statutory information required on a prescription by the VMD
- The product is incorrect, because 30ml preparations of meloxicam are available for cats, not dogs

Integrating PMS with a price comparison tool is a) unachievable with current PMS systems; b) would take years to achieve; c) would be very costly; and d) markedly unfair – are there any other examples where anyone selling a product has to inform the purchaser of competitor prices?

Question 64

This is a significant cost and disruption to force on a relatively small profession. The CMA should be open to the obvious unintended consequences of higher fees for pet owners that would increase the barrier to pet care – which is not in the interests of animal health or welfare.

Question 65

I don't. It is a fool's errand.

Section 5 - Increasing competition in outsourced OOH care and tackling high mark-ups in the price of cremations

The more pressing issue around OOH care – one which the CMA is avoiding – is the cost charged for this service and the lack of competition due to consolidation in outsourced provision. There should be total transparency on the opening page of a practice's website detailing whether they provide their own care or outsource it and also whether fees charged are the normal fees or a different fee structure.

Practices which offer their own OOH service almost always charge less for this service than the two commercial outsourced companies that dominate the market. The CMA might choose to consider why companies, which should be able to deliver economies of scale, are actually charging higher prices for accessing their services!

The excessive charges for leaving an OOH contract imposed on some practices is indicative of the income that these LVGs expect to generate from those practices; NB it far exceeds the reasonable charges made by independent FOPs which perform their own OOH services!

Question 66

Three months should be adequate notice as this is typical notice period for employed staff.

Question 67

There shouldn't be a fee. Simply limit it to a three-month notice period.

Cremation services

It would be interesting to see the evidence on which the CMA bases its assumption that FOPs charge high mark-ups on cremations, I can only assume that they have derived this information from those LVGs which own their own crematoria.

It correctly notes that “pet owners purchase cremation services at a time when they are emotionally distressed and may not find it easy to make price comparisons”. It might be more accurate to say that at this particularly distressing time pet owners don't want to have to make price comparisons. Instead, they rely on a bond of trust between them and their veterinary surgeon / practice.

To make this easier for pet owners we try to simplify fee structures as much as possible and limit choice to:

- Euthanasia – with the following choices:
 - owner disposing of the body
 - communal cremation
 - individual cremation
- Cremation only for deceased pets brought to the practice – with the choices of:
 - Communal cremation
 - Individual cremation

There will be variance for the size of the pet.

NB included in these fees are the costs of:

- Handling and managing the deceased pet
- Storage of the deceased pet
- Arranging for the cremation
- Return of ashes where appropriate
- Etc

It is our opinion that pet owners prefer to see a single price for “cremation” rather than an itemised account listing each of these separate components. It is therefore possible that the CMA has interpreted apparent “high markups” as simply the included costs of carcase handling and disposal. There is similarity here with misinterpreting the sale price of medicines and overlooking the cost of the prescribing which is included in that margin on sale.

Question 68

We already differentiate the cost for individual and communal cremations. We charge a composite fee that includes the handling and storage of the deceased pet.

Question 69

Price control is a blunt instrument. Instead, there should be guidance on what elements are acceptable to be charged in addition to the actual cost of the cremation.

Question 70

See above. Simply, guidance on how to construct a fair fee in this instance.

Question 71

Not applicable – see above

Question 72

Not applicable – see above

Section 6 - A regulatory framework which protects consumers and promotes competition

Paragraph 6.4 is somewhat demeaning of the important role that regulation provides in ensuring appropriate standards are in place: “they also contribute to public trust” might better be phrased as “they are essential as the bedrock of public trust”. After all, for a member of the public to know that only a veterinary surgeon who has been trained appropriately and demonstrated knowledge through examination by learned professionals, is significant.

With regards to paragraph 6.5, as I have stated previously, where the cost of financing veterinary practice was through repayment of bank-loaned capital over a lifetime as a business owner, the level of profit required could be reduced and still allow investment in the business to meet a high-quality of service delivery. The fundamental problem with the model of corporate acquisition is that fees have had to increase in practices after acquisition to cover the costs of financing private equity debt on businesses with artificially inflated capital values.

Regulation of veterinary businesses is an essential way forwards and should be **more stringent on those businesses not owned by vets** because the inherent protection of being personally answerable to the regulatory body has been removed.

Remedy 15 - Regulatory requirements on vet businesses

Question 73

I agree that veterinary businesses should be regulated. Also, that this is best achieved by using the RCVS and empowering it through a new VSA. There should be the ability to impose sanctions that are more useful than the current process of having to prove “serious professional misconduct”.

Remedy 16 - Developing new quality measures

The primary issue with this remedy is that “quality” is an emotive term that is usually used to describe how good something is relative to something else. This is a measure that is impossible to judge and regulate and one with in which FOPs already compete locally on the basis of clients’ word of mouth recommendations.

However, there is a need for clarity around the different service provision of practices. This is listed in my reply to remedy 2, above. This differentiation would be best served by expanding the existing PSS into mandatory practice regulation and coupling it with expansion of the existing “Find a Vet” portal on the RCVS website.

In this way there is the economy and speed of simply building on existing services which work well, within their current limitations, and enforcing it through mandatory compliance and maintenance of a practice’s data.

I note the concern in paragraph 6.47 that “it would not be in the interests of competition, consumers or animal welfare if the impact of an enhanced PSS was to disproportionately increase the costs of

operating a vet business, particularly for smaller practices”. This is pleasing to see. However, I note that expansion of an existing scheme such as this would have far less impact on these businesses than the massive disruptors proposed in remedies 4 to 11!

Question 74

See above for the difficulty of defining quality. Focus on service offering using Find a Vet and a mandatory PSS.

Question 75

Yes. This would be the most effective way of improving transparency around service offering – especially if combined with an enhanced “Find a Vet” function. It would also be the most cost-effective change the CMA could implement.

Question 76

See above. The emphasis should be focused on increasing transparency around what services are offered, together with measures to educate the pet-owning public about questions they might ask of their veterinary practice.

Question 77

See above. Combine the PSS with Find a Vet, enhance them both and focus on these aspects rather than pursuing a misleading option such as a price-comparison website.

Remedy 17 - A consumer and competition duty

As previously stated, where business practises are developed by business owners who are vets themselves, and who work in the practice with their staff and clients, there is an inherent consumer duty (protection) because we are answerable to the RCVS code of professional conduct.

What is currently lacking is a means to hold the non-MRCVS owners of practices to the same professional standard. This should be achieved through mandatory regulation and a new VSA.

Question 78

As described above. This is relevant for non-MRCVS owners of veterinary practices. It should be within the new VSA framework.

Question 79

See above.

Remedy 18 - Effective and proportionate compliance monitoring

Question 80

I agree that the RCVS currently has only weak powers of monitoring and redress. Improved monitoring could work from the starting point of a system of annual certification of both individuals and practices (and the businesses owning the practices). However, the RCVS needs the flexibility for it to be able to ask mandatory questions (requiring self-certification) at an annual certification process (equivalent to licence renewal) and to be able to vary the questions according to changes within the profession. Furthermore it should have the powers of spot checks etc.

Question 81

Mechanisms should be proportionate to the status of service offering advertised through the Find a Vet portal.

Question 82

Costs would be minimal if they are based around an annual “Licence Renewal”. Additional costs would depend on the requirement for mandatory spot-checks etc

Question 83

The small animal veterinary profession is funded entirely by the discretionary spending of pet owners. The CMA should be aware that any remedies it introduces which have an effect on either lost revenue for practices or increased costs of bureaucracy, will see price increases passed onto those same pet owners.

If the findings of the CMA are that the need for these regulatory changes are due to the acquisition of practices by the LVGs, then it ought to be the LVGs which fund any increased costs.

Remedy 19 - Effective and proportionate enforcement

The ineffectiveness of the RCVS currently, as a proportionate regulator, is understandable. Its powers date from the 1966 VSA – a time where professional ethics held strong and consumer protection was inherent with the privilege of membership of the RCVS.

Changes over 60 years, especially more recently, do indeed require a different approach. There should be new ways to enforce infringements with the existing code of professional conduct for failings that do not meet the current “serious professional misconduct” threshold. However, it is essential that they apply to all business owners and that non-MRCVS are held to the same degree of accountability and sanction.

Question 84

Yes, see above, proportionate to the level of infringement.

Question 85

The inevitable unintended consequence is that the need for procedure and record keeping will increase in practices and this will, by necessity, incur costs that will have to be passed onto consumers. It is

essential that these requirements are proportionate to practice size and complexity – in other words, the LVGs might reasonably be expected to cover a greater proportion of the total costs than the 60% of the profession they currently control.

Remedy 20 - Requirements on vet businesses for effective in-house complaints handling

A good system of complaints handling is important for any business. Inevitably, most complaints arise because of miscommunication or misunderstanding. Consequently, most complaints can be resolved by the veterinary surgeon in charge of a case at a very early stage simply speaking to the animal's owner to overcome any misunderstanding.

Where genuine complaints exceed this there should be a formal process in place – and ultimately an overseeing body for considering complaints that still remain unresolved. NB the difficulty for any mediation service or ombudsman will be in filtering out time-wasters and those pet owners who make a complaint simply to avoid settling an account. Any handling process might be more effective in only dealing with legitimate cases of concerns for pet owners who have already resolved their financial matters with the practice.

Question 86

Yes – it is an essential component of running any business

Question 87

See above.

Remedy 21 - Requirement for vet businesses to participate in the VCMS

Question 88

Yes. However, it is also important that any mediation service is able to dismiss cases where a pet owner persists in alleging complaint and finding fault even when a learned third party has informed them that they have no case.

Question 89

There will inevitably be a burden of costs for a practice. However, much of the time spent with dealing with complaints already might be reduced through earlier access to the VCMS.

Question 90

Any third-party system for handling complaints should be able to dismiss a complainant early in cases where the complaint seems petty and vindictive and especially if simply trying to avoid settling a justifiable account.

Remedy 22 - Requirement for vet businesses to raise awareness of the VCMS

Question 91

Raising awareness of the VCMS should be included in a practice's complaints handling policy. This policy should be included in any welcome pack issued to new clients registering with the practice.

Remedy 23 - Use of complaints insights and data to improve standards

Question 92

This is a case of harnessing the potential power of being a Royal College that Regulates. Data would be gathered through the regulator function and the Royal College role would then work with this data to modify standards, raise awareness within the profession etc. Synergy!

Remedy 24 - Supplementing mediation with a form of binding adjudication

Question 93

In genuine cases of a practice or vet being at fault, a formal adjudication process would be useful. However, it is important that it is developed appropriately and not rushed in its implementation. The cost to benefit equation would have to be balanced carefully as all costs would, essentially, ultimately be passed onto consumers.

Question 94

The RCVS is best placed to design and implement this, expanding the scope of the existing VCMS. This could be a component of any new VSA.

Question 95

To be fully effective it should be statutory.

Remedy 25 - Establishment of a veterinary ombudsman

Question 96

The benefits are standardisation – though would need careful implementation and cost would have to be proportionate to the size of a business. NB Any ombudsman service will carry significant costs, so it is advisable for the CMA to pursue the other remedies first.

Question 97

The RCVS would be best placed to advise on this after appropriate consideration. It should not be rushed.

Question 98

Statutory.

Remedy 26 - Protection of the vet nurse's title

Remedy 27 - Clarification of the existing framework

Remedy 28 - Reform to expand the vet nurse role

Question 99

The existing scope of Schedule 3 is already quite clear – there is the ability for a veterinary surgeon to delegate certain tasks to a Registered Veterinary Nurse. However, it is implicit that the veterinary surgeon should be satisfied that the nurse is competent to carry out the task and the level of supervision required.

This does not need to change. Only a veterinary surgeon has the holistic understanding of an animal's needs to be able to be at the heart of leading its package of care. Delegation from this has to involve ensuring that individual personnel are satisfied as to competence.

In other words, there is no need to open up or amend the existing Schedule 3, although protection of the title may help reinforce this.

Question 100

For the profession to address this first involves the regulator fully understanding the nature of existing barriers. Often these relate to either practice size or the need for a veterinary surgeon to be present to perform other procedures. Altering the scope of a nurse within Schedule 3 would not alter this.

To some extent, the nursing profession is limited by the apparent desire of more vocal elements simply to be “mini-vets” and to do minor procedures currently performed by vets. The profession could achieve so much more, however, by really getting to grips with the wider aspect of nursing and forging new areas of care within veterinary practice rather than simply becoming technicians.

There are important unintended consequences:

1. A nurse might undertake a task that is deemed simple for a vet, but at the top of the scale of capability/competence for a nurse. Working at the limits of one's capabilities may be an unsafe place to work because there is no leeway if problems arise. Consequently, apparently simple tasks which are low risk in the hands of a vet may become complex and risky in the hands of an individual without the same holistic understanding.
2. Simple tasks are only simple because a person has practised them regularly and has an holistic understanding and ability to work at a higher level. These apparently simple tasks form the bedrock of training newer graduates as they find their feet in the profession. It would be unwise to delegate these to nurses because we would then require veterinary graduates to jump a step to a higher level of complexity without first mastering the basics.

It should be noted that with the expansion of UK veterinary schools there is going to be a significantly increased number of graduate vets who all need exposure to the basics.

Consequently, effective use of the veterinary nurse should be focused on developing the care packages that are currently underdeveloped, not through the blinkered approach of yearning to be vet technicians.

Question 101

See above. There is opportunity for expansion into better ways of providing nursing care and supporting patients on health pathways. This may be enhanced by protecting the title. NB this is unlikely to reduce the cost of care.

Proportionality

Paragraph 6.118 is oxymoronic. Additional resources will incur increased costs and funding for these can only come from the discretionary spending of pet owners. It is doubly ironic because the costs to pet owners have already increased because of the high cost of servicing private equity debt – something that was unnecessary before corporate consolidation of the profession.

Question 102

Only partly. There would be benefits, certainly, but these will lead to increased costs, not lower costs, especially if important income streams are lost to FOP through the measures proposed in section 4.

Question 103

Ensure that any remedy that is proposed is proportionate in the effect on a practice's income and running costs with the outcome it seeks to achieve. Remedies 1 to 11 are likely to carry significant unintended consequences that will increase the costs of pet care. Remedies 16 to 25 are much more achievable.

Question 104

The CMA has already recognised that the RCVS has its hands tied by the outdated VSA. The RCVS has demonstrated a desire to regulate more effectively through a new VSA, using enhanced elements that are already in place (Find a Vet, PSS mandatory etc). These should be given the opportunity to be put in place first.

Question 105

Given that our profession is funded entirely through the discretionary spending of pet owners, perhaps the CMA might look to levying a charge on the private equity firms which have created much of our current predicament through exploitation of a market and the unaccountability of being outside the scope of the existing VSA?

Summary

I have various concerns regarding this remedies paper:

1. The timing of its release

It has been released before the CMA have published all the data they have acquired through their RFIs – particularly the paper that will look into the financial side of veterinary practices.

2. Content of the Remedies

Pet owners have said that they value the trusting relationship with a vet/practice and look for a practice that is local and accessible. They simply want to feel they are getting a fair price. The CMA appears to have ignored the things that are valued by the section of the public it is trying to help and has instead introduced a range of proposed remedies that will fundamentally alter the way pet owners interact with their practices and drive wedges into the relationships.

Furthermore, these remedies – especially those in sections 3 and 4 – will require new and expensive ways of working that will inevitably increase the costs of practices and have a detrimental effect on animal welfare through raising barriers to accessing services.

3. The CMA appears to avoid obvious solutions

For example, simply including a prescription fee so that pet owners can easily compare like with like. There is no need for the expensive and unnecessary price-comparison websites.

4. Not giving adequate opportunity for existing processes to work within new regulatory powers

The RCVS has very good schemes and comparison sites (PSS and Find a Vet). Their true value can only be achieved through mandatory regulatory powers and specifically of businesses themselves.

A pragmatic and low cost approach would be to advise the government to push ahead with a new VSA so that the RCVS can achieve to its full potential.

5. The Elephant in the Room

The fundamental driver of increased costs of veterinary practices (and therefore increased costs to pet owners) has been the replacement of 60% of the profession's bank-funded capital (affordable and repaid over a long term) with the cost of financing private equity on businesses that have been artificially overvalued (expensive and short-term).

This is obvious to those of us working in the profession and yet it is absent from all CMA reference. Instead, there are a raft of proposed measures which could be devastating for the smaller independent practices which remain.

Summary of Remedies

Section 3 – Helping pet owners choose FOPs, referral providers and treatments that are right for them and their pet

I broadly support the **intention** of these remedies but not by the methods proposed. I would advocate a different approach:

- Build on the existing schemes of Find a Vet and PSS
- Make both schemes mandatory for practices
- Mandate clarity on websites
- Avoid pursuing the costly price comparison website proposal which is likely to have a negative unintended consequence of increasing prices to pet owners and creating more confusion than clarity
- Avoid introducing those remedies that will simply lead to increased administration work and time for veterinary surgeons – they will reduce practice efficiency and increase costs to pet owners

Section 4 – Increasing price competition in the medicines market

I broadly disagree with most of the proposed remedies because they:

- Are based on a misunderstanding of this portion of the profession's income
- Fail to take into account the cross-subsidisation of other fees charged by a practice (prescription fees, consultation fees, OOH service etc)
- Imply that there is still misunderstanding of what constitutes making a prescription
- Will almost certainly lead to an increase in the overall cost of pet care to pet owners
- Carry significant risks to animal health and welfare

Instead, I would propose:

- Creating transparency through raising awareness amongst pet owners of how the marginal income sourced through the sale of medicines is used in practice
- Mandating that a prescription fee and a dispensing fee are visible separate from the price of the medicine, to enable an apples-with-apples comparison
- Maintaining the current awareness of pet owners to the right to ask for a written prescription to be issued (at an appropriate price) but not to mandate that a written prescription is given to pet owners automatically

Section 5 – Increasing competition in outsourced OOH care and tackling high mark-ups in the price of cremations

I broadly support these proposals. However, I would encourage the CMA to consider:

- Whether there is adequate competition of practices in a local geographical area, even if it appears so during daytime hours, if all those practices are using the same night and weekend service
- Ensuring that there is no obfuscation of practices to avoid full disclosure of who provides their OOH/weekend work, what happens to hospitalised animals, and how this will affect the fees that are charged
- That practices are still able to maintain a charge for the other components of handling dead bodies, not just the cost of the cremations

Section 6 – A regulatory framework which protects consumers and promotes competition

I broadly support the intention of these remedies, especially the mandatory regulation of veterinary businesses. However, I would urge the CMA to pursue the most cost-effective route to achieving its desired aims, which will be to empower the RCVS and push for a new VSA.

Overall, I would urge the CMA to revisit many of its proposals so that the benefits can be achieved with minimal disruption to normal business and without increasing costs in a way that is disproportionate to the potential benefit to pet owners. I remain concerned that the potential costs to businesses will fall disproportionately on the shoulders of smaller independent practices.

Closing Remarks

As a veterinary surgeon and owner of an independent practice that delivers a valued service to its clients 24/7/365, I fully support the concept of increasing transparency. However, I would urge the CMA to reconsider many of these proposed remedies that will have a negative effect by unintentionally increasing prices and the overall cost of pet care, create greater confusion through fake transparency, disproportionately affect smaller independent practices, erode the valued trust that pet owners place in their vets, and threaten animal health and welfare.

With respect to helping pet owners to choose the appropriate practice and treatments, I urge the CMA to:

- Focus on transparency of service by building on enhanced existing mechanisms such as Find a Vet, Practice Standards Scheme, and practice websites
- Avoid pursuing a price-comparison website which would be an expensive way of failing to compare like with like
- Recognise and address the fact that many problems are the result of financing the debt resulting from the sale of 60% of the profession's capital to private equity, at inflated valuation.

With respect to competition in the medicines market, I urge the CMA to:

- Understand fully what is involved when making prescriptions
- Recognise that practices do not make profits from the sale of medicines, but use them to generate a marginal income which cross subsidises other services (including the prescription fee, and services like consultations and OOH care provision)
- Seek to improve transparency by mandating the inclusion of a prescription fee for all medicines, but
- Avoid imposing mandatory written prescriptions
- Avoid a market focused on generic prescribing
- Avoid expensive and unfair price comparison sites
- I would also encourage the CMA to consider where competition is already biased against practices, such as the inability of practices to purchase certain medicines at a price that can compete with the internet (eg Optimmune, Apoquel, Amodip, etc)

With respect to OOH care, I urge the CMA to:

- Recognise that pet owners choose their OOH service provision when choosing their FOP – not at the time of real need. Full transparency at the point of choosing a FOP is required

With respect to the regulatory framework, I urge the CMA to:

- Give the RCVS the powers it needs to be able to regulate practices, not just vets, through mandatory participation in PSS, and mandatory transparency of service through Find a Vet
- Enable a greater range of sanctions so that non-vet business owners can be held to the same level of accountability as vets
- Support the RCVS in its aims to achieve a new VSA

We are vets. We are not sellers of mobile phones or their contracts; we are not sellers of discrete legal services such as conveyancing, or one-off events like funerals.

We work 24/7/365 to deliver a lifelong package of care to pet owners who build a long and enduring relationship of trust with us. We celebrate with you when your pet recovers, and cry with you when we end its life.

Please do not sacrifice everything that is valued about our profession on the altar of fake competition.