Working paper comments

I am responding as sole owner of a small independent practice in Oxfordshire. I will have to submit my unedited and incomplete comments, for which I apologise, as I simply have not had time to work through all the proposals. I have focused on Table 1 and Annex A and then added additional points as I have worked through the main document (currently at page 89!) so have not been able to set out my comments as specific answers to your questions which I realise will make it more difficult for you in reading this. Should an extension be granted I would prepare a more comprehensive response with greater reference to your specific questions.

While in support of this review of the sector my main concern is that many of the proposed measures will, inadvertently, drive up the price of veterinary services (in particular consultation fees) as a result of lowering income from the sale of products and the increased administrative burden on (in particular smaller) practices. Many of our businesses operate with a very small profit margin so if a reduction in prices isn't offset by increasing fees elsewhere then business will either be sold (probably to LVGs) or close, reducing consumer choice. There are often circumstances where a consultation to provide advice and perhaps a minor amount of medication, can significantly improve the welfare of an animal. If the price of veterinary advice were to significantly increase then many animals may simply not be brought in for veterinary attention and it is this "invisible" population of animals, often owned by people living in difficult financial circumstances, that will inevitably suffer.

The substantially higher than inflation prices that have been seen in the sector, while to an extent directly attributable to private equity ownership and lack of competition, are also explained by the historical background of the profession, which does not seem to have been mentioned in the introductory statements of the working paper. We were historically a sector made up of small owner-operator businesses, where the owner was traditionally a vet and rarely took a proper salary, and the staff dedicated professionals working for tiny salaries (given the hours worked including OOHs); LVGs and modern working practices (such as day staff no longer willing to be on call overnight, more appropriate salaries, enhanced maternity pay etc) have altered the sector beyond recognition, bringing prices of veterinary care more in line with other professional fees.

Comments on Appendix A:

- standardised price list

Much of this we already cover in a price list available on our website. The difficulty will be with providing a price for chronic conditions. An example would be dermatitis:

Price for easily controlled dermatitis might be a consult every 6mths + inexpensive medication, for a less well controlled case it would be more frequent consultations + multiple medications (some administered orally at home, some by injection in the practice by nurses). There is also a seasonal element to many pet's skin conditions so more consultations + meds required in the summer. And while it wouldn't be impossible (albeit time consuming, this is likely to fall to the practice owner in a smaller practice or another senior vet, the cost of this admin time inevitably being passed on to the consumer) I fear that the public would in effect by comparing apples with pears and, in some instances, may be disgruntled when their pet doesn't follow a "one size fits all" pricing model.

- Possible that owners will shop around to the extent that one vet practice may begin to see lots of skin cases, another a lot of neutering etc. While that may encourage practices to compete on pricing it could lead to a deskilling of vets in some practices. It could also lead to pets being registered at multiple vet practices, using one for routine care and one for emergencies for example, which may be a good thing but certainly poses challenges for patient continuity and safety.

- dispensing/administration/injection fees - Generally speaking a product being sold to a pet owner is composed of the price of the product, the mark up (usually a %) and disp/admin/inj fee. So to publish only one of these three components will not allow a pet owner to be able to compare what they would actually pay by purchasing from one outlet over another (and online pharmacies/non-vet bricks and mortar pharmacies are not obliged to explain their drug pricing model with separated out dispensing fees etc). A possible solution might be for practices to publish the total price of a few representative products for a set quantity. Thus giving the public the ability to directly compare drug prices between outlets even if the particular product/quantity listed was not directly applicable to their pet. A possible issue with this would be if outlets were to keep these particular products at a competitive price point and price other (non published) products less favourably. Another point to note is that certain products can have different fees associated, for example many smaller practices will have a higher mark up and or disp/admin/inj fee for products that they cannot use up within the broach or use by dates so thus have a high wastage or drugs that need special handling (controlled drugs, chemo etc) so once again any list provided by a practice is unlikely to be a) comprehensive and b) particularly useful to a member of the public trying to make an informed choice.

Section3: Measures to increase transparency/ability to compare

- Prices, covered above
- Services offered: I believe this would be helpful for pet owners, is generally already covered by practice websites, however owners are usually guided by their regular vet and often aren't aware of alternative service providers nor the level of expertise (which should always be made clear as per the RCVS Code) so a centralised list could be helpful to at least bring into the conversation with their vet about who best to refer a patient to. LVGs insisting on internal referrals is also of concern as I understand from conversations with my clients that the level of expertise is not always fully explained in these situations. Bundle pricing has pros and cons - it is simpler for pet owners to compare providers (though still may not be comparing like with like) and to know what the final bill will look like but harder for them to know what it does and doesn't include (a breakdown can be provided but more administrative burden and many pet owners would need it explaining line by line as understanding of how each part may benefit their pet is complex eg iv fluids, dental xrays, additional monitoring/warming equipment for GAs etc etc). Eventually AI will be able to give info on pricing within a practice and feed it into a central website/other, this is already being done by at least one insurance company to allow individualised setting of insurance premiums based on the pet's risk factors (breed, age etc) and the fees charged by the vet practice they usual attend.
- concerns that any encouragement for owners to shop around based on price could lead to more "limited service providers" which can damage the patient-client-vet relationship and increase the administration burden on practices (and therefore increase prices) as care starts to fragment and clinical continuity is lost (one of the great things about so many skills under one roof in the average FOP is that the patient and their medical history are properly known to staff in the practice).
- Ownership links: am 100% in favour of this being clearer - LVGs vary in how clear they make this on their websites/in adverts etc.
- OOH arrangements: all practices should already be making clear what their arrangements are (as per RCVS code). If it is being considered whether to "uncouple" the relationship between a FOP and a specific OOH provider this could be a good thing for consumer choice but may have unintended consequences such as the dissolution of the need for all vets to provide 24/7 cover (themselves or through a specific arrangement with another practice) requiring a change in the RCVS Code, and practices being able to "cherry

pick” their opening times which could make care less accessible for pet owners, especially in more rural areas.

- Measure(s) of quality: there is the feeling amongst some vets that the existing PSS places an administrative burden on practices while not actually addressing the reality of quality care in practices based on treatment outcomes - it is easier to check a practice has protocols in place than it is to check a) whether they are actually reflected on the ground and b) whether these protocols and other factors (such as individual vet skills) are giving good clinical outcomes. By making such schemes compulsory team members may end up caught up in a substantial “pen pushing” exercise to the detriment of patient care (as staff available to care for pets will diminish). A possible solution is more of an outcome based quality assessment, though individual factors make this very difficult, ideally need large amounts of data, such as would be available in NHS, to enable meaningful comparisons. Bias is immediately seen, for example, where a practice undertakes surgery on more critical patients vs one that only undertakes procedures on more stable patients, for pet owners it would be difficult to appreciate the medical nuance that lies between any headline figures such as mortality rates.

- Comparison website: this could be quite useful though suffers from the issue of comparing apples and pears as discussed elsewhere in this email. However it could certainly contain some basic info, like cost of specific surgeries and what level of expertise is provided by the practice (along with a clear explanation of terms such as “Specialist”, “Advanced Practitioner”, “Certificate holder” re vet skills) and type of practice (“multidisciplinary hospital”, 24hr care etc) and this would be a useful database for pet owner and referring vets alike. It could actually reduce the administrative workload for referring vets as they could direct pet owners to the site to do their own “homework” on where they would like to be referred to (the relevant part of the RCVS code would potentially need review as currently the referring vet is responsible for selecting an appropriate referral vet).

- Pet care plans: already standard to publish the potential savings and, in many cases cancellation policy is clear and fair, for example can immediately cancel but need to pay back any difference between products/services taken and amount paid into plan, which is needed to protect businesses from clients who take a lot early on and then direct debit fails. Clarity about portability of plan is needed as pet owners looking to move away from LVGs can be negatively impacted compared with those moving from one clinic within an LVG to another. To try to give an individual breakdown of each client’s individual savings would create an undue burden on vet clinics (or a major investment in bespoke software development, this, and any other proposals requiring new software, would need a long implementation “grace period”) and may mean

plan prices go up or that plans (which generally do save clients significant amounts) are withdrawn. However a clear statement provided, as part of the T&Cs, explaining that the plan may not give the illustrated savings if not all the products/services are used could be made mandatory.

- Info re referral providers: see “Comparison website” comments above

- Provision of info about options: while this is laudable and generally done quite well in most practices, either during consultations (often verbal) or with follow-up estimates (in writing). While written information is the ideal the practicalities of providing every possible option in writing, especially when not for a specific one-off procedure, would be very time consuming and inevitably require the cost of consultations to increase (as they would need to be longer) or an administration fee to be changed for provision of written estimates (think solicitor or accountant fees for providing tailored information in emails etc). Still issues with providing estimates in emergency situations, even if “example emergencies” could somehow be published in advance (very difficult to see how this would be possible) owners are unlikely to have absorbed this information in advance of a situation arising (though it may be they would use such information as a part of the reason for choosing a practice at the time of registering), on the ground a quick verbal estimate of initial treatment followed by a more considered estimate on a consent form is usually all that can be provided without pulling the vet away from the urgent patient care.

- Prohibition of limiting choices: this is good, how would it be enforced - perhaps if a comparison website such as discussed above was introduced and it was compulsory for this to be provided to pet owners at key touchpoints - registering with vet clinic, at times that referral is offered - and was well publicised, then this would naturally reduce the issue.

- Treatment options being given: this is very time consuming and an integral part to any vet consultation, working with pet owner within their financial limits/practical ability to bring in or medicate pet/pet owner preferences all alongside clinical considerations. To list all possible options verbally, let alone in writing, would be impossible within a standard 15-20min consultation. Even when we email clients with a comprehensive explanation as to options and their clinical pros and cons and costs we get multiple questions back and thus ensues lengthy email/phone call conversations to further guide the owner’s choice. Which then may or may not lead to them choosing to proceed with a treatment. The cost of salarying a vet involved in these conversations, with possibly only one consult fee charged at the start of the process, is prohibitive (though is just about absorbed if kept to a few, more complex cases/owners with more questions/concerns, it can’t be rolled out across every consult at the level that some of the remedies appear to suggest). The current method of

discussing verbally, and making a brief note in the clinical record of, a range of treatment options (usually a max of 3 from many - basic, average and “gold standard”) and then documenting the final choice by means of a written consent form for the selected option and estimated cost, works fairly well. The idea of anything over a certain cost having more of a requirement to document seems reasonable, although is this cost of an average procedure or would it include complications, ongoing costs etc? Written consent forms in any case are usually only used for animals admitted for procedures and not for treatment provided on an outpatient basis, if outpatients were to be included in the need for a written consent form (as a means of providing the treatment plan/costs) or other documnet this would be too time consuming in reality. “Thinking time” is inbuilt anyway, if a procedure is non-urgent clients will go away and think about it, armed with the provided info on options/costs, in my experience there is rarely any non-clinical reason a pet owner is rushed into making a decision.

Side note re comparison website - currently even the RCVS “Find a vet” website has outdated info on it, how frequently would practices need to update their website entry and how would this be enforced and by whom? An annual update would seem a fair balance (between keeping it relevant and too much workload for practices) with additional requirement to update if there were any change of ownership of the practice. A trial period with a website that contains basic information on practices and some key pricing information (of the more “set” prices such as neutering, TPLOs etc, though a risk that practices may price these more competitively than the non-published services) would give time to see how the practicalities and compliance would work before a more ambitious version could be considered. If all practices were obliged to have links to this central website from their own websites then this could have the benefit of reducing the duplication of information such as each practice having to have prices etc on its own website. An easy way to assess the effectiveness of the new central website would be to measure traffic to the website.

Section 4: Measures to provide additional information about the option to purchase online

- Prescriptions: need to ensure there isn’t a competitive advantage for LVGs in that if they own online pharmacies they will corner the market from all angles and may squeeze independent practices out of the market. Some online pharmacies are purported to be using their direct access to pet owners they are supplying meds to to advertise services in linked LVG practices which may allow them to sell products at lower prices as a loss leader if primary reason is to gather data/cross sell other products/services.

- Transparency of medicine prices (covered above)

- Generic prescribing: it would be good to remove the need to follow the Cascade as this will significantly reduce the cost of meds for pet owners. However I understand the point of view that it may discourage the development of novel/improved drugs for pets. Perhaps a timeframe where new drugs are “protected” for a period and then subsequently generics could be prescribed would be a good compromise (though hard to police?)

- Price controls (medicines/prescriptions): it costs a practice a lot to prescribe, stock, administer and sell products. Most practices run at a very small profit margin. Any price restrictions will inevitably lead to the increasing of the price of services. While it is laudable to properly charge for professional time rather than “subsidise” it from the sale of products, I do very much fear that this will price some pet owners out of seeking professional help for their pets when in need. There are plenty of times where a pet is helped by seeing a veterinary professional (and may not need any/many meds or where a written prescription or off-the-shelf product can be recommended) and these are the pets that will suffer by their owners being put off by/unable to afford higher prices for consultations and other (“subsidised”)services such as neutering.

- We have overcome the issue with pet owners (& ourselves) from being concerned about counterfeit/inferior products being purchased online by providing the VMD accredited list in URL form on our prescriptions along with a short sentence explaining the dangers of buying from non-listed sites.

- Impossible for vets to list all brand names on prescription, would need pharmacies to accept generic name of product, could lead to issues as not all brands are the same (for example palatability, sizing etc) and also cascade issues (not sure if changes to the cascade within CMA remit).

- “Pet owners could search for medicines available from authorised pharmacies by brand, active ingredient, formulations, dosages and conditions.” does not seem like a desirable scenario - here we are giving the pet owner the role of the vet, to be selecting a medication based on a lay person’s understanding of their pets condition, with no reference to side effects, contraindications etc, is opening up a lot of potential for confusion, owner’s questioning the choice of drug that a vet has prescribed etc.

- Qs 40-43 a general comment on practice materials (signage, T&Cs, website, verbally) that medicines can be found cheaper online seems more proportionate than putting onus on vet to do specific price comparisons - the owner can do that once armed with the costs of one eg bottle of meds from FOP. ***As well as injections given in practice, any meds given for under***

1mth should be exempt from having to write a prescription, this allows immediate meds (such as antibiotics) to be started straight away and long-term meds to be assessed for appropriateness - otherwise vets would not be in a position to write a prescription for say 6mths of chronic meds as at the start we don't know if will be effective/have side effects etc and do not want owner to have be able to purchase larger amount of medication then they then end up using as they may then sell on etc. This seems proportionate and allows practices to stock a sensible amount of "immediate use" meds alongside meds that pets may need short-term (up to one month) giving time to assess if longer-term the medication is suitable for the patient, that the owner is confident in administering (this is important, demonstrating how to give medication, which an online pharmacy cannot do), and means that a prescription can then be written for an appropriate longer period of supply (and also gives the owner a direct price comparison between the initial medication bought in FOP and that obtainable online with time for them to do that comparison and familiarise themselves with an online supplier and posting timescales). Electronic prescriptions will no doubt eventually replace written but this will happen naturally and at the moment shouldn't attempt to enforce this as may deter some practices/pet owners more familiar with written prescriptions from using written prescriptions. Need a 6mth lead time until any changes brought in as for small practices it's usually the owner who is also trying to juggle running a practice and look after their patients with trying to set up systems/inform pet owners/train team - example when the new prescribing rules came in in Sept 2023, this was hard to do quickly.

Section 5: Measures to promote OOH competition and transparency of cremations prices

- OOH competition: from POV of daytime-only practices the proposal for restricting the clauses making it hard to change OOH provider is good but for those practices providing fully manned OOH services this could have a negative impact as it is a very difficult service to run profitably (having historically worked by having daytime vets "on call" overnight/on weekends for no or very little remuneration) and may cause prices to rise or businesses to cease to offer OOH services (which is already a serious issue for pet owners in rural areas).

- Any price control needs to be fair across the board, if LVGs have ownership of crematoriums and benefit from lower costs to the practice then this will have the effect of squeezing profit for independent practices which will then need to put prices up elsewhere (or reduce staff costs, close the practice etc). Preferably practices would not be using a mark-up model for cremations but instead applying a standard “handling” fee (for body moving, storage, and the considerable responsibility of ensuring the compassionate and accurate return of ashes to pet owners). Also could offer owners to take their pet’s body away with them and arrange own cremation (as many practices do already). So uncoupling of the prices charged by crematoriums and the vet clinic “handling” fee is desirable. Note: limiting the “handling fee” to too low an amount could mean that some practices refuse to offer the service and require all pet owners to make their own transporting/cremation arrangements which many pet owners would likely be unhappy about.

Section 6: Recommendations re regulatory reform

- Much of what is being suggested I would welcome, however I have concerns that schemes such as the PSS (Practice Standards) suffer from a number of issues - firstly lack of awareness by the public, secondly they do not always (often?!) correlate with actual standards on the ground, thirdly they could place an undue administrative burden on smaller practices (where there isn’t a central taskforce) which could lead to increased prices to pet owners and/or closure of independent practices (think all those vets that retired early due to covid, everyone has their limits!).

- Uncoupling of the role of RCVS (maintaining professional standards for individual vets and nurses) and a new regulatory body responsible for good business practice (enforcing any new recommendations of pricing, comparison website etc) to which the OWNERS/OFFICERS of business would be held accountable, regardless of whether they were a vet or not. This is a key need in the sector and long overdue in my opinion. It is recognised that the RCVS may be the only body currently placed to be able to take on the oversight of good business practice but this would unlikely to be effective and should be moved to a new body as quickly as possible.

- Section 6: A regulatory framework which protects consumers and promote competition the potential for complaints data to be incorporated into a new measure of quality - you have already addressed some of this issues and appear to be putting this somewhat on the back burner, at least in terms of requiring client feedback/complaints data to be on any comparison website set up, which does need more though especially when we consider that a lot

of complaints result from money issues of which there is a difference between pet owners not being made aware of costs and pet owners who clearly do not wish to pay their bill/have found out they are not insured and then make spurious suggestions of clinical incompetence etc. Absolutely support that all practices should have a complaints procedure in place that pet owners have access to a written version of.

General note: complaints procedure, OOH arrangements, online pharmacies being a cheaper way to obtain meds etc etc could all be in mandatory practice Terms and Conditions provided at registration and then annually via email/welcome pack and on website etc, bringing everything together.

Further to my previous email I have reflected further on the provision of a central compulsory comparison website. I think for one-off procedures, where pet owners may be willing to travel, this could be a useful tool. However for FOP, where locality is the biggest driver for choice, the proposed website is a bit of a sledgehammer to crack a nut - most owners will have the choice of 3 or 4 local practices, it would not be too onerous to expect pet owners to price shop directly by contacting the individual clinics or looking at prices published on practice websites. The technology and funding for a central website may be prohibitive, particularly in the short-term, and therefore the focus at this point should be on ensuring practices do publish their prices on their websites and other publications - perhaps with a compulsory list of some key item but actually asking practices to standardise to the same exact categories (for example, weight categories) is unnecessary, unless the suggestion is that a client with a 22kg dog for example does not have the ability to ascertain where the dog would fall within weight categories themselves (if one practice it would be in a 20-30kg category and another in a 15-25kg category).

I gather the extended deadline is midday today so once again apologies I have not had time to review and comment on the second half of the working paper.