

lechyd Da response to CMA paper.

The CMA review and the reporting of it has already had a negative impact on the perception of all veterinary businesses, whether they are independent or LVG owned.

We accept that there have been a lot of complaints to the CMA, but the danger is that many of the remedies will **adversely** affect the provision of services ( lessons of the unintended consequences should have been learnt from the introduction of the Competition act of 1998 and the review into medication pricing in 2003).

Much has been made of the complaints about the inflation in veterinary fees, there are several factors behind this:

Increased range and complexity of treatments available

Increased level of sophistication of equipment

Increased expectations of pet owners

The large number of new pet owners that won't have had experience of vet fees previously (many will have paid very inflated prices for these pets and wont have budgeted for ongoing costs). It is probably true that most of us undercharged for our services in the past.

But, it has to be acknowledged that there has been a change in the level of pricing, especially within LVGs compared to independents. **(It is worth noting that it is not within the gift of the vets working for the LVGs to have an influence on the pricing).**

However, the proposed remedies are applied to **all** veterinary businesses.

While we recognise the CMA's intention to promote transparency and fairness within the veterinary sector, we are concerned that several of the proposed remedies risk creating greater harm—particularly for smaller, independent practices—than the issues they seek to address.

The remedies, if applied uniformly across all practices, will disproportionately affect independents that already operate on limited margins and with minimal administrative infrastructure. Unlike the large veterinary groups (LVGs), smaller practices do not have centralised compliance teams or the economies of scale needed to absorb additional regulatory and administrative burdens. The result is likely to be increased costs, reduced service availability, and further consolidation of the market in favour of the LVGs.

Transparency

The increase in transparency of ownership of practices is to be encouraged, and we welcome this.

The requirement to provide an estimate is not unreasonable, but can have the consequences of owners thinking that what is foremost in the vets' mind is money. It is a difficult tightrope to walk, between sensitivity and making owners aware of pricing. We are also in the difficult situation that we are obliged to give emergency treatment, "and it doesn't matter what it costs."

There are issues possibly with the list of prices to be produced ( as an example, a mixed practice may have a price list of 3200 products and services). These individual prices are available on request, but to have all of these published would be impractical. A limited list of prices on a website could also be counter productive because these could become loss leaders in the hands of the less scrupulous and there could be other hidden costs.

There is a major conflict in the "shop around" behaviour that is being advocated and the veterinary surgeons' duty of care obligation. In the event of a medical emergency who is the veterinary surgeon with the duty of care; the one who performed the last vaccination? Or the check for the flea products? Or the one who did the castration? And where will the medical reports lie? If this if translated to the farm animal field it would have major food chain repercussions.

Is it in an animal's best interests, for example, to be carried over a 100 miles for a bitch caesarian because it is £1500 cheaper ? (an actual phone call from an owner in the waiting room of an OOH clinic who was shopping around)

Most practices view OOH provision as a duty and not a business opportunity. Not all countries make the provision of providing a 24 hour service obligatory.

It is an expensive service to provide, it's not paid for by subscription, it's there for our clients whether they use it or not (it's a free triage, phone service and a peace of mind that we're there for when you need us); and often loss making. All of our practices still provide most of their own OOH as a service to their clients. But working practices and expectations of vets have changed, especially as dedicated small animal OOH services have become the norm in many areas. To man OOH services has become more difficult and expensive. With this landscape, and the reduction in the ability to subsidise this service (and with the CMAs promotion of clients to use online pharmacies and the extra time required to implement all the remedies proposed) it is even more likely that OOH provision will consolidate, centralise and become more expensive.

### Online pharmacies and un-equal playing field

Measures that encourage or effectively drive clients towards online pharmacies will worsen this imbalance. Online sellers do not face the same obligations as traditional practices—they are not required to provide 24-hour emergency cover, maintain emergency medicine stocks, or offer clinical advice as part of their service, and are paid up front—yet they benefit from the prescription system without contributing to the infrastructure or workforce that sustains animal healthcare across the UK. This creates an uneven playing field that undermines the financial sustainability of independent practices and weakens local veterinary provision, particularly in rural areas. There is very little jeopardy as they also needn't carry a lot of stock, because they don't have to stock medicines in case of emergency

The emphasis on price as opposed to value is a race to the lowest common denominator and undervalues medicines such as antimicrobials such as antibiotics and anti parasiticides. The advent of online pharmacies has worsened this behaviour and environment.

### Prescriptions

Digital prescriptions for the owners can be misused (sent to multiple pharmacies for example) We do not hear back from the pharmacy to say that they have fulfilled a prescription.

Practice management systems that help in the writing of a prescription (and store a copy) only really allow for one medicine, for one animal at a time.

Putting all the medicines on one prescription will also reduce the choice for the client, as different pharmacies may have different prices for each medicine.

It is not possible within the time of a consultation on a routine basis to go through the offering of a prescription, waiting whilst the owner checks to see if it is cheaper online, then to write a prescription in the time of a consultation, unless these consultations become longer and more expensive.

### Vertical integration

The vertical, as well as the horizontal integration, has become an issue. Not only from the point of view of the LVGs but also the 3 wholesalers ( who have bought up practice management systems, equipment companies and buying groups). There are no problems in accessing the services of a corporate referral service from outside the group, but are there issues from within a group limiting the use of other providers?

So despite the efforts of the CMA on behalf of consumers, we see that many of their remedies are likely to have an adverse effect on the services available to pet owners unless there is a greater impact on the companies that run the LVGs and the wholesalers. The CMA shying away from dealing with the increased consolidation vertically and horizontally as a failing, because no one else can do this.

In short, unless the CMA takes into account the vastly different capacities and responsibilities between small independents and large vertically integrated groups, its remedies may inadvertently reduce competition, restrict access to essential services such as out-of-hours care, and accelerate the dominance of LVGs and online providers.