Response to CMA provisional findings regarding Veterinary Services Market.

As a small animal FOP practice manager, having worked in the sector for 16 years, the rate of change in the veterinary profession, which has become an industry over the last 20 years, has been enormous and keenly felt by those of us working on the front line.

Well-functioning market for veterinary services:

1. Profitability – the response acknowledges that the profitability of independent practices is unknown and therefore the increased profits of the LVGs are the only benchmark used. It is therefore unfair and unjustified to impose blanket remedies which aim to reduce excessive profit levels especially where those remedies will have a disproportionately adverse effect on independent practices, as is the case with the veterinary medicines remedy for example. Profit levels for independent practices are often as low as 5% and for those who are doing well, up to 20%, due often to the entrepreneurial nature of a practice-owner who is investing unpaid time and energy in building their own practice.
2. The ability to 'switch between providers' should be qualified: The CMA response appears to suggest that clients could be encouraged to shop around for the cheapest options, much like a supermarket shopper might. This does not take into the account of a) the need for holistic care of an animal (where continuity of care is required to ensure contra-indicated treatment does not arise) nor b) the unique status of the veterinary surgeon who is committed to providing for the animals 'under his or her care'. Any remedy should include measures to address the practical issues associated with an animal receiving treatment at three different practices for three different reasons, say: vaccination, episode of vomiting and diarrhoea and incidence of seizures. Which of these practices would then have responsibility for the health outcome for the animal in case of a complaint (where all three of these issues could be related)?
3. Point 7.3 refers to the rebates which the LVGs are benefiting from thanks to scaled up procurement and that these savings are not being passed on to the client. Independent practices are already at a considerable disadvantage in not being able to negotiate discounts on the same scale as the LVGs. It is in this area that the competitive market may appear to be 'functioning' but not in favour of the client who is using an independent practice; it is this disparity in access to wholesale that is the real cause of the cost issues in the retail/prescribing of medicines by veterinary surgeons, especially in the independent sector. *The remedy proposed will not address this issue in relation to non-urgent medications or those which must be administered by a vet.*
4. Veterinary practices are limited in their choices in two ways:
   a) They are only permitted to purchase medications from a small group of licensed wholesalers, and there is very poor competition within this tiny pool.
   b) The veterinary surgeon is strictly limited in what medications they are permitted to prescribe or advise for use – they are required to adhere to the Cascade, especially in relation to human pharma items. A vet may not suggest that a client buy an over the counter medication for their animal if it is a human medicine (which would nearly always be far cheaper) as they are required to prescribe a licensed animal product, when available, in preference. This situation has not been addressed within the provisional conclusions for remedy at all and it is a situation which frustrates the efforts of vets to provide value for money.

Veterinary Medicines

1. Point 11.12 is based upon data from the LVGs and the **rebates** received from wholesalers – rebates that are not available to the average smaller independent. A remedy based on this, which aims to curb the profits made by the LVGs, is misplaced – efforts for redress should be redirected to addressing the disparity in competition between the LVGs who have undue influence due to the oligopoly of purchase power at manufacturer level as compared to the independent practices who have almost no leverage with the wholesaler or manufacturer.
2. **Efficiency** in relation to the provision of written prescriptions – there is no way of significantly reducing the time it takes for the veterinary surgeon to create an accurate and valid written prescription. The multiplicity of pharmaceutical forms a given medication may take, contra-indications and timing of administration, appropriate dosage rates for weight and strength of effect, the length of time and number of potential and permitted repeat dispensings, are all factors which the vet is required to ensure are correctly conveyed into the written prescription (a role not permitted to be delegated e.g. to a pharmacist).
   If veterinary surgeons are to be redirected into administrative tasks for every consultation, this will take considerable time out of their clinical schedule - availability for clinical work will decrease and the fees charged for their time overall will consequently increase.
3. The provisional response has not clarified the basis on which a written prescription should be made, although mention has been made of the issue associated with gaining a written prescription for an Own Brand mediation. Will the veterinary surgeon be required to prescribe the generic ingredient and leave the client or pharmacy to decide on the form and brand of the medication – and where the vet no longer has any input in terms of compliance in relation to palatability or administrative method most suitable, who then takes responsibility for compliance and/or efficacy issues of a given treatment?
4. Point 11.77 appears to be suggesting that a veterinary surgeon will not have choice of products used, but will be told by a business manager which product s/he can use, irrespective of clinical efficacy or suitability for the animal. This flies directly in the face of support for clinical freedom and contextual care which the CMA has, in other spaces, advocated. It also could lead to loss of competition, when the supply narrows to the few products which a few large players are buying, and leading to overdependence on those few.
5. Nearly every independent is already a member of a buying group, but this has not facilitated the kind of leverage on rebates which is projected in the provisional response. (And in many cases buying groups are still disadvantaged where manufacturers will not recognise their collective buying power, but only offer discounts based on individual practice purchase levels).

Veterinary Nurses

1. As a business we would welcome changes put forward in the three areas as outlined in the the provisional response, namely, the protection of the title, review of the tasks permitted under Schedule 3 (and corresponding updating of the VSA) and a review of accountability/ responsibility for work delegated to and undertaken by veterinary nurses.

Response to REMEDIES

1. We would welcome the requirements to prominently display details of ownership.
2. 2a) We are already complying with this kind of information as per the PSS.
   2b)There will be a disproportionate administrative burden to keeping a full list of surgical procedures up to date, which may work against a responsive market and may not in fact reflect the variables involved in certain surgeries – this would only be possible with an exhaustive estimate. A list which reflects the median of the range of prices for weight for a range of procedures would be a more feasible solution, in order to provide the customer with knowledge to compare different practices' costs.
   2c) Maintaining a list of current prices for preferred products (this could run to about a dozen products) would be onerous if required for a range of species and all possible weights. The price list should be indicative rather than exhaustive e.g. for standard cat, rabbit and medium dog in small animal. Or between the largest and smallest weights where there is a significant range.
   2d) Many practices already show the comparison for buying separately compared to buying as part of a plan – this is part of our marketing strategy for the plan.
3. We would welcome the added ease of access to information to compare practices – but suggest a standardised form be created for ease of completion with the suggested amendments as above to make the dataset more manageable.
4. We would welcome this kind of survey as we are sure that independent practices will be more favourably represented.
5. 5a) This is a policy we already have in place and we would welcome it being expanded to all practices.
   5b) We also offer all clients an itemised bill – but it is often not desired, especially for routine standard procedures.
6. This would appear to be more relevant to veterinary surgeons who are working in one of the LVGs.
7. Instead of requiring vets to communicate with the client regarding prescriptions, when they should be focussing on diagnosing and treating the animals in their care, the onus should be on the client to request a written prescription for non-urgent medications. We would suggest that standardised notices should therefore also be prominently displayed in the consult room itself.
8. Requiring the vet, who may have emergencies and in-patients to attend to, to write a written script for non-urgent medication by end of consult or even by end of day, is a disproportionate remedy. We suggest that this requirement to provide is fulfilled within 24 hours digitally.
   Furthermore, the IT structure required to ensure that the scripts are uniform and consistent within all Practice Management Systems, the timeframe for implementation should be extended to 12 months, at minimum. This would also allow for a system to be created whereby prescriptions can be sent directly to the pharmacy of the client's choice in order to prevent fraud, which is an increasing problem. It is the policy of many practices currently, only to send a prescription direct in order to minimise the risk of fraudulent use and to protect the client from inadvertently using an unlicensed provider.
9. Clarify that veterinary surgeons will be able to provide a written prescription for the specific product that they are recommending (in terms of suitability, palatability and administration) in order to promote compliance. Further clarification is needed on the scope for pharmacies

to substitute alternatives if supply issues prevent the fulfilment of the script. It would be unfair if the vet were to be called upon to provide further scripts (with expectations from the client not to charge for this), if the script could not be filled for reasons entirely outside their control.

10. We operate a system in which the client takes the responsibility for requesting a repeat prescription when a long-term medication is running out and we ask if they wish for this to be written or dispensed in-clinic. This recommendation sounds like it is creating salesperson role in seeking further medication orders.
11. The fee of £16 per prescription regardless of the number of items on the prescription is unrealistic in terms of the time taken for a veterinarian to accurately complete a written script. ~A more proportionate remedy would be the use of a sliding scale for the cost of the written prescription according to the number of items. The base fee itself is not in proportion to the average cost of a 15 minute consultation, and does not accurately reflect the amount of time that is required to produce a script. A minimum time frame of 5 minutes with several minutes more per item to be prescribed would be more realistic. In our own case, we currently charge £52 per consult for 15 minutes and this fee price is very much in the lower quartile in our (rural and low socio-economic) area of Cornwall. The current remedies proposes a condensed timeframe for production of scripts along with inadequate remuneration for the costs associated with completion of written scripts – to manage this issue, practices will be forced to increase consult length times and charge accordingly, ultimately, both increasing fees and bringing about a reduction in supply of veterinary time for clinical/diagnostic work – both of which were the issues which brought about the need for a review by the CMA initially.
12. This does not directly affect our practice.
13. We welcome the clarity that is required her and would question why this timeframe to comply is as long as it is.
14. A clear and concise, consistent complaint policy would be welcomed as a way to provide a uniform response across the profession.
15. We have always participated in the mediation process in the very few cases where a complaint has not been resolved in-house. This process has been fairly and impartially implemented in our experience.]
16. 16a) A decision tree would be helpful to enable pet owners to understand the routes open to them for redress. We would support this kind of help for pet owners.
17. We are disappointed that the recommendations do not include any specific reference to the role of RVNs or the protection of their status, nor to a review of the VSA in regard to their accountability and responsibility as professionals with specialised clinical skills.

In regard to the concerns that the market is not working effectively in maintaining competition we would make the following observation:

We fear an unintended consequence of several remedies (in particular those relating to publication of extensive price lists, the provision of written prescriptions and the reduction in stocks of medicines to be readily dispensed in-clinic) – that those small independent practices that have recently started up in response to the gap in the market for nimble, entrepreneurial practitioners to provide a personal service with high continuity of care (something highly prized by clients but barely mentioned in the reports), will find the administrative burdens presented by some of these remedies unsustainable. These smaller independents are the very core of competition to the LVGs (out of

which many of the veterinary surgeons themselves have come). But they are often small efficient teams who are focussed on clinical work and have little margin for the kind of administrative teams which some of these remedies assume.

Secondly, we foresee that problems being experienced by customers who are using online pharmacies (lost/delayed deliveries, out of stock issues, fraudulent websites to name a few) being visited upon the veterinary practices with the expectation that, having provided a route to outsource the supply , they will now also be expected to provide the route to resolution of such issues.