

I believe this should be taken seriously and may require folding into the new legislation in such a way that manufacturers are not permitted to customer-lock prescription only medication (POMs and POMVs).

Your recommendations state in Section 79:

In our proposed remedy, all pet owners with animals with an on-going need for medication must be given a written prescription to enable them to buy the medicine (usually at a much lower cost) online unless they have actively chosen to receive their repeat medications from the FOP

I feel it is critical to reinforce that own-brand POMV sales effectively both prevent and circumvent this recommendation. A written prescription for an own-brand POMV which is not available online is impossible for a start.

Manufacturer price distortion

In a related sense, it may also be required the CMA to ensure that discounts and rebates offered across product ranges are both fair (e.g. related to economies of scale savings for the manufacturer) and equally applied. Many manufacturers offer opaque rebate schemes with 'confidential' sales targets to reach the next level. Perhaps each manufacturer should be compelled to have a published standard rebate/discount pricing scheme which applies equally to all customers.

Much as veterinary practices should publish their prices to ensure fair comparison, I believe manufacturers should also be compelled to publish their prices. This can help ensure smaller businesses can make accurate price comparisons before deciding which to 'pass through' to customers. The current model whereby 'list prices' bear little to no resemblance to final net-net prices, which are opaque and staggeringly variable, is set up in order to allow LVGs an outsized advantage compared to independent FOPs. Many of these discounts and rebates do not have any clear relationship to justified economies of scale.

While buying groups do exist and work well to help counter some of this, a number of manufacturers have withdrawn their services or common discounts from buying groups, presumably in an attempt to preserve higher margins from independents than LVGs. This amounts to subsidy by smaller independents of LVGs lower drug purchase prices.

RCVS Regulation

I welcome the intent to rework the outdated Veterinary Surgeons' Act to reflect modern business ownership. I would encourage and urge this to reflect the modern business – in that individual vets may not be responsible for business decisions which have led to poor client or patient outcomes. It is my view that this should be accompanied or augmented by the ability of the RCVS to levy significant fines against businesses which are found to be transgressing or enforcing business practices which are detrimental to clients and patients.

Without strong powers of investigation and the ability to levy or enforce punishment at a level which is genuinely punitive, this regulation won't work.

An individual veterinary surgeon can be struck off for their transgressions against the industry. This is a very high punitive standard for an individual.

While it would not be appropriate to 'strike off' a LVG business, it is key to ensure that punishment can, and does, reach the same deep and fundamental level for businesses. This is likely to only be achievable through revenue or profit linked-fines. Without this, the regulator will regress to nothing but a series of written warnings and the situation will change little, with individual veterinary surgeons bearing the burden of punishment.

Prescription Fee Cap

I do not agree on principle with the recommendation that any professional service should be subject to a price cap. Professionals can charge more or less and provide more or less service as part of the basis of competition. Prescription fees are a direct relation to the cost per hour of a professional's service.

It is also too vague and broad in such a way that misunderstands the industry in general. For example, we usually charge one 'prescription fee' for a written prescription of up to three medications, at £20. Another practice will charge a 'prescription fee' per medication at £20. Suddenly this price comparison is shown to be unsteady.

Any practice happy to write multiple lines onto 'one' prescription will now very likely regress to a one item/one prescription fee system at an increased price to the client. Prescription fee comparisons between practices allow client choices in much the same way as do consultation fees – so why price controls on prescriptions as the singular price control, when it is potentially more variable than the former?

Your recommendation also does not make it clear if £16 is the cost to the owner, or the cost excluding VAT. If cost to the owner then the practice is billing £13.33 for approximately ten minutes (in many cases) of professional time – an equivalent rate of £80/hr. This is far below the chargeable rate for any comparable professional service of any type; and multiples below equivalent qualified professionals. Even at 5 minutes per written prescription this still remains far below any normal professional rate, never mind the rate to clients. Many locums now charge £50/hr, how can this be reconciled with the overheads and earning needed above that for the practice to make a profit?

Indeed, it is far below the hourly chargeable rate of my local hi-fi repair man.

By enforcing a charge like this, you are putting a cap on an hourly time charge for a professional service, which feels like a misstep.

Best regards

