

Member Leaflet

Supporting and informing practice owners/leaders of the CMA developments:

The CMA has decided to launch a formal market investigation into the veterinary industry based on the initial review of the sector in September 2023. At that time, they asked for responses from the public and the profession in the form of a questionnaire. They had 56,000 responses, of which over 80% were from the general public and 20% from those working in the veterinary industry. The response from the veterinary industry accounted for about 20% of the vets and nurses working in the UK.

The CMA also had meetings with vet practices, industry bodies (such as SPVS and BVA) and charities amongst others.

They have identified 5 key concerns which we suggest you talk to your team about :

1) Consumers may not be given enough information to enable them to choose the best veterinary practice or the right treatment for their needs.

Possible actions:

- **Website Prices:**
 - Consider displaying prices on your website for at least the basic services you offer e.g. consulting, vaccinations, neutering, prescription charge. It is worth clarifying the standard of care and what exactly the client receives for the price they pay such as post op analgesia for neuterings etc included in the price. This way it is easier for clients to compare like for like and vets can be proud of what they offer.
- **Estimates:**
 - Vets need to be informing owners of accurate estimates **before** any treatment is agreed to. 50% of owners said they were not informed about costs before agreeing to out of hours treatment. It is relatively easy to add an estimate onto the consent form and get the owners to sign for the estimate alongside the treatment. That way they are consciously agreeing to both the procedure and the cost and finances are spoken about before the procedure. There are veterinary specific finance companies available to help clients with debt which may also be useful. With the estimate, always give a range so there are no surprises and if the

animal is hospitalised keep the owners updated daily of any ongoing costs. Consider an amount which, if the initial consult bill goes over, this is discussed in the consult room before the client goes to reception to ensure there are no surprises. For hospitalised patients, consider an amount that if the bill goes over you need to take a down payment. This means finances are discussed regularly and the owner is regularly informed. Any difficult conversations are broached before the bill escalates. It is really important to manage expectations.

- **OOH**
 - For out of hours inform owners **before** they come to the practice the costs of the initial consult to be seen and then it is important the vet also keeps them informed of ongoing costs. This can be difficult as often it is stressful in emergency situations but is paramount to do this.
- **Groups**
 - When clients are comparing prices at different practices, if you are part of a group of practices it is important to be clear this is the case so clients can compare prices fairly. Often they don't realise it is actually the same company. This should be made clear on the website and front of house.
- **Client Queries:**
 - Make sure you provide time to listen to any client concerns and respond in a measured reassuring way. Clients will be super sensitised to pricing issues currently with potential for additional friction and stress within an already busy veterinary practice. Giving clients time to talk can really help.

SPVS have produced a short Q and A document to help staff answer some of the likely questions and queries clients may have associated with these issues at this time .

2) Concentrated local markets, in part driven by sector consolidation, may be leading to weak competition in some areas.

This has happened over the last ten years due to the growth of large corporate groups and decline of independent practices. The CMA have stepped in, more aggressively in recent times to try and prevent this. SPVS will await the outcome of the review to see how this will be addressed.

3) Large integrated groups may have incentives to act in ways which reduce choice and weaken competition.

Possible actions:

- **Providing Treatment Options:**
 - The CMA were worried about the higher cost of “gold standard” treatments being the only treatments offered and that consumers were less able to access lower cost treatments. It is important to offer different options to owners. From referral to gold standard in house to palliative care to euthanasia. It is important to offer these options and ensure the notes qualify this and the client’s reasons for their ultimate choice. Equally it may be applicable to consider different referral centres based on finances.
- **Labs and Crematoria**
 - Some of the larger vet groups also own labs and crematoria and often these are the only option given to the owners. The CMA will advise on if other options need to be given in their review.

4) Pet owners might be overpaying for medicines or prescriptions.

Possible Action:

- **Prescription Notices**
 - Despite vets having to display signs in reception or treatment rooms to say clients can get a prescription to buy medicines elsewhere, the CMA are concerned these are not effective. Practices need to make this as clear as possible but also consider there may be a move to more people using prescriptions rather than buying drugs from the vets. Ensure the whole practice team is aware of the key benefits of provision of medicines from the practice, whilst also respect the choice the client has to access medicines from another provider (The Q and A SPVS document cover this).
- **Review Fee Structure.**
 - Ultimately this shift may lead to an increase in fees for professional time rather than medication which would be a new business model for UK vets to consider. SPVS will provide further guidance on this depending on the outcome of the CMA review.

5) The regulatory framework is outdated and may no longer be fit for purpose.

This framework is likely to be reviewed to be applied to businesses and not just individual practitioners as it is now. There may be a move towards more regulation e.g. obligatory practice standards. The CMA will review and inform of the outcome and SPVS can guide on any outcomes of this.

Next steps

The CMA market investigation consultation will close on **11 April 2024** and a considered response on how to process will be made. SPVS will guide on any immediate outcomes to help practices.

SPVS are currently producing more resources for all members including financial education for staff “where does £100 in vet fees go?” and a margin calculator tool to easily compare scenarios of different drug marks ups and how it affects profit. This will help practices if the favoured business model is a move towards professional fees being the main provider of turnover.

Please direct any question you have to office@spvs.org.uk

For further details, please contact: office@spvs.org.uk