Industry responds to FTC report


- Jackie King, executive director, American Veterinary Distributors Association.
- Kate Wessels, senior communications manager, American Animal Hospital Association.
- Dr. Ashley Morgan, assistant director, Governmental Relations Division, American Veterinary Medical Association.

Vet-Advantage: Any general reflections on the May 2015 FTC staff report on competition in the pet medications industry?

Jackie King: The FTC did not find evidence that would suggest that veterinarians are not providing their clients with written prescriptions upon request. The FTC also anticipated that veterinarians will continue to face increasing competition from non-veterinary retailers on pet medication sales. This supports AVDA’s 2012 comments to the FTC that asserted that the market for animal health products is highly competitive, offering consumers a broad array of options from which to source both prescription and non-prescription products.

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Kate Wessels: AAHA strongly supports keeping pets healthy and giving pet owners access to the medications their pets need. AAHA stands with other major veterinary organizations such as the AVMA in maintaining that prescriptions are safest for pets when received directly from a veterinarian.

Dr. Ashley Morgan: The report says what many of us have known for a while — that the pet medications industry is evolving. As consumers are presented with more choices of where to fill their pet’s medications, we, as veterinarians, hope that the health and welfare of our animal patients is central to that decision.

Vet-Advantage: The FTC concluded that “portability likely benefits consumers, and therefore generally supports policies that would increase consumer awareness of the availability of portable prescriptions and veterinarian release of prescriptions to consumers.” Your reaction?

King: AVDA’s comments filed with the FTC in 2012 showed that competition and portability is alive and well in the pet medication marketplace. Specifically, AVDA showed:

- 2010 consumer spending on animal health products for pets exceeded $3.7 billion.
- Consumers source these products from nearly 300,000 retail and veterinary clinic locations.
- Consumers spend an estimated $400 million per year to purchase animal health products for pets and other supplies from an expanding number of Internet-based pet pharmacies and pet specialty retailers.
- Additionally, consumers routinely fill millions of veterinary prescriptions at traditional human pharmacy locations for a variety of pet medications.
The market for animal health products is highly competitive, offering consumers a broad array of options from which to source both prescription and non-prescription products.

Wessels: Pet owners already have access to portable prescriptions. Anyone can get their pet’s prescription by merely asking for it. Creating an additional federal law or policy (such as the Fairness to Pet Owners Act) will result in a regulatory headache for veterinarians that will only benefit big-box retailers at the expense of small veterinary businesses. Most veterinarians already willingly provide prescriptions when asked. Policies such as the Fairness to Pet Owners Act are solutions in search of problems.

Morgan: We are not opposed to consumers having options, but do not feel that placing a federal mandate on veterinarians is necessary. AVMA’s Principles of Veterinary Medical Ethics state that a veterinarian shall honor a client’s request for a prescription in lieu of dispensing, and we support a client’s right to choose where they have their prescriptions filled.

Vet-Advantage: The FTC staff concluded “it is difficult to evaluate the effect of current [manufacturer distribution] practices on competition. More information…is necessary….” And wrote in the final summary: “Industry stakeholders are encouraged to continue expressing their views regarding exclusive distribution and exclusive dealing practices to FTC staff, so that we can consider their effects on competition for the sale of pet medications.” Your reaction?

King: AVDA believes that its comments to the FTC in 2012 clearly demonstrated that competition in the pet medication marketplace is fierce, and consumers purchase pet medications from a multitude of sources.

Wessels: We appreciate the FTC’s openness to continue the conversation about pet medications.

Morgan: We do not have additional information to add, but look forward to learning about any additional findings by the Federal Trade Commission on this issue.

Vet-Advantage: The FTC concluded: “Legislative and regulatory proposals designed to improve incentives for drug manufacturers to develop and market generic animal drugs could be considered by policymakers, and further study may help to support such proposals. Furthermore, efforts to empower pharmacists with the information and authority necessary to substitute generic animal drugs for pioneer animal drugs also could be considered.” Your reaction?

King: In the course of preparing its remarks to the FTC, AVDA cited numerous instances where human pharmacists did not have the training necessary to safely fill prescriptions for pets and, indeed, in some cases the pet became seriously ill or died as a result. If human pharmacists are going to fill subscriptions for pet medications, then it stands to reason that they need to be trained to do so.

Wessels: AAHA always supports advancements in animal medications – keeping animals healthy should be the ultimate goal of everyone in the animal health industry.

Morgan: The AVMA has long been supportive of research and development for FDA-approved drug products, including generics. As state pharmacy laws generally dictate how and when pharmacists may substitute generic drugs, the AVMA has been engaging in a dialogue with the pharmacy community on this important issue so that we can ensure that our animal patients are given the right doses of the right medications.

Vet-Advantage: Regarding the “secondary distribution system,” the FTC concluded it would be useful to have “more systematic information on the actual size of the secondary market,” more knowledge about the cost structure of the secondary distribution system for pet medications, “including any inefficiencies that may result in higher prices to consumers,” and more information about the frequency of adverse events that occur due to medications distributed through the normal distribution chain (i.e., those purchased from veterinarians) vs. the secondary distribution chain (i.e., those purchased from non-veterinary retail outlets.) Your reaction?

King: At this time AVDA does not have enough information to respond to this statement. However, we believe that we
have shown in our 2012 comments instances of errors by
untrained personnel have resulted in the “adverse events”
you refer to.

**Wessels:** Pet safety is the ultimate goal. It’s better to play it
safe than sorry when dealing with a pet’s health. Ordering
medications directly from a veterinarian reduces the margin
of error that can lead to mistakes in dosaging or medication
types. Missing medication can have a negative impact on a
pet’s health; it’s important to make sure you have the medi-
cation when a pet needs it. Many veterinary hospitals have
pharmacies onsite so that pet owners can take the medica-
tion home with them the day of the appointment. When a
veterinarian dispenses medication, it removes the risk that
the pet owner won’t find the correct medication in the right dosage at the
pharmacy or online. The relationship
between veterinarians and their ani-
mal patients is unique because animals
aren’t able to share how they feel as a
result of their symptoms or medication.
Prescriptions are safest for pets when
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**Morgan:** The AVMA has long advocated for a robust adverse
event reporting system, regardless of how and where the medi-
cations are obtained. We also encourage the reporting not only
of product defects and serious adverse events, but instances
of lack of efficacy as well. Cost of pet medications is a driving
factor in how and where customers choose to obtain their pets’
prescriptions. However, as with many of the issues discussed
in the FTC report, the agency does not have substantial data
on this issue in order to hypothesize what market factors could
or should be modified to better alleviate the cost burden for
consumers, so we look forward to learning about any additional
findings by the agency on this issue in the future.

**Vet-Advantage:** What actions should veterinarians and/or veterinary distributors take in light of the FTC report?

**Wessels:** Veterinarians should continue the important work of
being an ally to their clients and counseling them about their
pet’s medications. When asked by a client to write a prescrip-
tion, a veterinarian should follow through and suggest trusted
distributors the client can go to to find their pet’s medication.
Pet safety and health is the ultimate goal here.

**Morgan:** While the report itself is lengthy, there is a succinct
executive summary that veterinarians and practice owners
should consider reading. Veterinarians should also review
their state laws and veterinary board policies with respect
to providing written prescriptions to their clients. As of this
month, 36 states now have requirements to this effect, and
we are aware of other states considering action. Promoting
good health for our animal patients is the number one goal,
and we encourage veterinarians to discuss with their clients
any concerns they may have when it comes to filling their
pets’ prescriptions.

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