

FTC Questions Relating to HR 1409, September 14, 2012

My name is Hailey Gentile, DVM. I am a small animal house call and relief veterinarian in Northern Vermont. I feel that I can speak to the feelings of many rural small animal practitioners in the United States.

- How are pet medications distributed to consumers? By and large through the veterinarian, or an online pharmacy (either run by the veterinarian, or a national chain, such as 1-800-Pet Meds)
- What are the business rationales for various pet medication distribution practices? Veterinarians distribute medications to their patients in order to insure not only that the correct medication is dispensed, but also that the correct dose is given to the pet at the appropriate interval, via the appropriate method (i.e. orally, transdermally, etc). We also have the full medical record of the patient and can check for drug interactions between other medications and/or supplements a pet may be taking. For profit companies have made a business of buying veterinary medications in bulk at a reduced rate.
- How has competition to sell medications to pet owners evolved in light of these distribution practices? The practice of buying LARGE bulk of veterinary medical products and offering them to the consumer at or below veterinary cost has taken the veterinarian out the equation as far as safety and appropriate dosing are concerned. The pharmacists with these companies are trained for human medicinal practices, which differ from animals greatly. Not only in the type of medications used (albeit there are many human products used in veterinary medicine), but also dosages and frequency, which tend to differ tremendously from human dosages and frequencies. The competition to sell more product has also fueled a black market for products, as well as counterfeit products.
- How do these practices affect prices to consumers? Black market and counterfeit products can be harmful, ineffective, and/or both to our patients. This creates great concern among veterinarians, as we are forced to explain these things to our clients, creating unnecessary guilt (from clients that have used these products and are now concerned for the animal's health), and in some cases, undue illness for patients.
- How do these practices affect product supply and quality? As stated above, due to an increased demand, supply and quality are decreased, to the detriment of some pets. Furthermore, the manufacturers of these products will not support products that are not purchased from licensed veterinarians. Consumers and patients are upset by this disservice and veterinarians spend a great deal of time handling complaints and complications from adverse reactions.
- How do these practices affect consumer choice? Consumer choice is intact, but the consumer may not fully understand the ramifications of their decisions.

- How do these practices affect entry into the pet medications market? New avenues to enter the pet medications market can open up due to the development of further black market outlets, and/or counterfeit products, further reducing the safety of medications for our animal patients.

- How do these practices affect innovation in the pet medications market? For the development and continued research for new veterinary medical products, if consumers are purchasing most of their products from these other outlets, the amount of money going back to the drug companies that manufacture and maintain these products is reduced, leading to negative cash flow, and less new product or current product research and development. While the invention of other avenues for consumers to purchase medications may lead to veterinarians attempting to be more creative to get medications to their patients more safely, I would be much easier to survey the consumer than to create a danger to their pet's health and well being.

- What efficiencies or inefficiencies are associated with these practices? The consumer sees an efficiency, or convenience in purchasing a cheaper medication, but there is a great increase in the possibility of a medication reaction or a medication being ineffective (if a counterfeit product), which can create inefficiencies in the pet's overall health, leading to an influx in preventable diseases or other health concerns. Also, great inefficiencies are created for the veterinarian, with a steep increase in time spent in the veterinary practice reviewing prescription requests, authorizing the request, submitting the request, and resubmitting the request when the online pharmacy has "lost the paperwork," detracts from patient care.

- What, if any, product safety or counterfeiting issues exist with respect to these practices?

As addressed, these are a large concern, as obvious counterfeit issues exist for many major brand name pet medications, including most preventatives.

- Have there been instances in which false or misleading information about product safety risks was disseminated to consumers? Whether known or unknown, the national market veterinary pharmacies, not associated with a veterinarians, are disseminating information that their products are the EXACT same when in fact, they may be counterfeit.

- Are there other factors that should be considered when analyzing the competition and consumer protection issues related to the distribution of pet medications? Current television and online advertising often implies a veterinarian is not needed to obtain medications. This diminishes the value of veterinary medicine and proposes veterinarians are an enemy in the mission for pet health care. This could not be further from the truth; we are the best trained advocates for the health and safety of our patients. Part of consumer protection is patient advocacy. So many times, a prescription could be miss-interpreted or miss-handled somewhere along the line (including by the owner), if it is taken out of the veterinarian's office to be filled. That is a big concern to veterinarians, as we have taken an oath to keep our patients safe and healthy.

- How varied are current veterinarian practices with respect to providing written, portable prescriptions to clients? In the state of Vermont, we will provide, following the guidelines for written prescriptions (which include secure paper that cannot be faxed or copied) to our clients at their request.

- To what extent are consumers aware that they can request a portable prescription from their veterinarian and have the prescription dispensed elsewhere? I have not worked in a practice that posts this information, but when asked, it is provided.

- Which states require prescription portability for pet medications? Which do not? Are there states in which a proposal for prescription portability for pet medications was rejected by the legislature and, if so, why? Vermont is not a state that requires prescription portability

- In states that do require prescription portability, what recourse do consumers have if a veterinarian refuses to provide a written, portable prescription? Vermont is not a state that requires prescription portability.

- What evidence exists to support a need for federal legislation requiring veterinarians to provide written prescriptions to their clients? I do not believe there is any acceptable evidence to support this requirement.

- What price and non-price benefits can accrue to consumers from prescription portability for pet medications? The price benefits are obvious, generally, a cheaper medication due to the pharmacy's ability to purchase larger quantity as a chain, etc. There are no non-price benefits I can perceive, in fact it would be easier and much safer for owners to get their medications directly from their veterinarian (either in the office or on-line, delivered to their door).

- What risks or inefficiencies may be posed by prescription portability for pet medications? The largest risks involve inaccurate medication dispensed, incorrect dosing instructions given (particularly if filled in a human pharmacy as pets metabolize medications quite differently, which human pharmacists are not trained to know), and possible drug interaction issues as owner may choose to get one medication one place and another at another place, as opposed to getting them all with their veterinarian. Some inefficiencies involved include another stop (if it is hot outside and owners opt to stop with their pets in the car to pick up a prescription, they may run the risk of heat stroke in their pets from leaving them in the car while at the pharmacy picking up a prescription.)

- Is there a need for federal legislation requiring veterinarians to notify clients that they have the right to fill their prescriptions at the pharmacy of their choice? No, as this will likely create more harm to pets and confusion to the consumer.

- Is it appropriate to deny veterinarians the ability to charge a fee or require a waiver of

liability for providing a written prescription to clients? No, on both counts, as there is concern for liability issues for the veterinarian writing the prescription and it being filled incorrectly, causing patient harm. Also, writing a prescription does take time and resources, which the veterinarian must be compensated for in order to stay in business.

- How might the passage of H.R. 1406 affect price, consumer choice, and other forms of competition in the pet medications market? Passage of this bill will likely create a further saturation of the pet medical community with counterfeit or black market products that can cause harm through completely different, ineffective or harmful medications, and/or poorly or inappropriately handled medications that have lost their efficacy. Veterinarians prescribe medications every day, creating a mass market for human pharmacies to tap into, but they have no properly trained pharmacists or veterinarians to be sure they can safely dispense these medications. Consumer choice will be improved, but concern for patients receiving the appropriate medication and all of the appropriate medical knowledge given to the client will be greatly reduced.

- How can the prices charged to consumers for pet medications by veterinary clinics and retailers best be quantified and compared? This is difficult to do as prices can vary greatly depending on the purchase amount for distribution.

- To what extent do retailer prices for pet medications affect the prices of medications sold at veterinary practices, or other aspects of veterinary clinic operations? Extremely low prices of pet medications from retailers cause veterinary prices on medications to go up for several reasons. If there are counterfeit products out there, the company making the original medication is not able to move their product and thus there is an increase in price per unit. Unused inventory on the shelf requires an increased need for staff management of products, causing a decrease in time available for other uses of those staff member's time and resources, which can be extremely detrimental, especially to the smaller veterinary businesses (most of the practices in Vermont). Unused inventory also increases overhead expenses, which may force veterinarians to increase prices to cover costs, which can cause client dissatisfaction and loss of revenue.

- To what extent would H.R. 1406 affect veterinarians' sales of pet medications? HR 1406 would be EXTREMELY detrimental to veterinarians' sales of pet medications. In Vermont, we are mostly all small business owners. There are very few corporate practices in our state. We are unable to purchase many of the most popular medications at the price the larger pharmacies are able to sell to consumers. Though many pet owners wish to do the best they can for their pets, the veterinary industry as a whole has been hit hard by the down turn in the economy, and pet owners are always looking for a way to cut costs. Unfortunately, if this bill passes, it will ultimately force veterinarians to increase the price on services in order to recoup losses associated with a decrease in pet medication sales, both directly and indirectly, as stated above.