

## THE KROGER CO. FAMILY OF PHARMACIES



10/1/2012

Federal Trade Commission  
Office of the Secretary, Room H-113 (Annex X)  
600 Pennsylvania Ave., NW,  
Washington, DC 20580

Chairman Leibowitz,

I am writing today to express concerns about the limited distribution system concerning medications for pets. My concerns center on inflated prices for consumers, and anti-competitive behavior among veterinarians, and the product manufacturers that support them.

Let's walk our way through a common encounter. I take my pet to the local veterinarian, as the pet appears ill. The vet performs an exam and makes a diagnosis. He tells me the medication will be available at the front desk in a few minutes. I'm shell shocked at the price. He tells me that the medication is only available from veterinarians, made that way by a "policy" of the manufacturer. I can't shop around for a better price, and if I do, the next vet will charge me for a full exam, just so I could save a few dollars on the prescription. After a little research at home, I find the medicine is the same as a medicine for humans, and it's on my drug store's \$4 list.

The anti-competitive policies of the drug manufacturers to sell to only veterinarians, inflates prices by limiting competition. In fact, in order to act prudently as a consumer for the on-going medication, it will cost me double in vet exam charges. One veterinarian won't honor another veterinarian's prescription, without an exam, limiting competition even more so.

The manufacturers want to maintain their "brand" income by making it available only thru vets. Generics are an eventual reality, just as with human medications, and opening the channels is a threat to their business model. Their model builds loyalty from the veterinarians, which, in turn, lines the vet's pockets.

Over the past few years, internet sites for pet medications have open consumer's eyes. Savings are available! These sites are run by vet affiliated companies that have gone the way to convert to "merchants". The distribution to these sites still follows the limited distribution policies of the manufactures. Consumers have responded by the millions.

Some retailers have sought out vets that will “over buy” and supply them with “non-Rx only” pet medications. This, too, has stepped up price competition to the benefit of consumers. However, supply chain integrity can be called into question. There will be operators of high quality documentation and handling. We are participating in this distribution method, and are highly confident in our business partner, and the standard operating procedures that have been built to ensure a safe supply channel. Unfortunately there will be operators of poor quality storage and distribution, which could be a threat to safety.

Still, this is not enough. Consumers still want the convenience of their local drug store to be involved. Pharmacies are the centerpiece for human medication distribution, and they proved an essential check and balance to that system. The same should be true for pet medications. The demand from consumers is loud, and we hear about it daily. The drug store industry is extremely competitive, and consumers (and their health plans) are the winners. The same will be true for consumers purchasing medications for pets.

State Board(s) of Pharmacy regulate prescribing and record keeping across all practitioners, including veterinarians. Pharmacists are well suited to accept prescriptions from these practitioners. Pharmacists are becoming more and more engaged in the dispensing of human meds for pets, as the word gets out. The pharmacists education, and continued life-long learning skills make them the perfect point of dispensing for ALL pet medications, both human meds for pets, as well as pet only products. We are very satisfied with the tools that have been developed for our pharmacists, by vets and vet drug references, to help pharmacists practice the same drug utilization review (DUR) skills used in every day practice of human med dispensing, and apply them to pet prescriptions.

We ask that the FTC continue, feverishly, on this path to open the distribution system for pet medications, involve the trustworthy and dependable retail pharmacist, proven for both price competition and “safe and sound” distribution of medications.

Thank you,

Mike Puccini, R.Ph.  
The Kroger Co.  
Pharmacy Business Development Manager