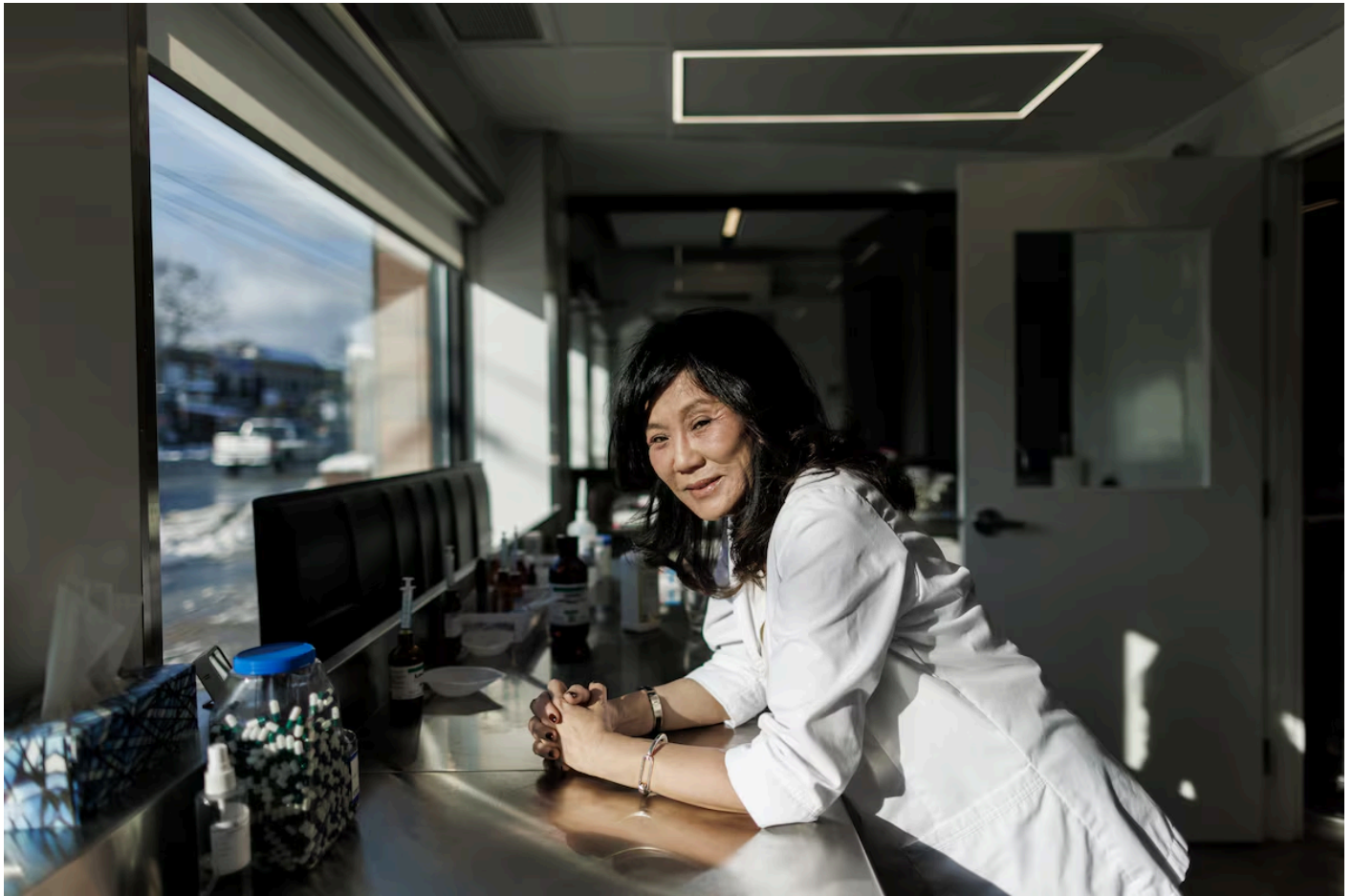


Pharmacists unfairly blocked from stocking drugs for pets, Competition Bureau says

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Pharmacist Dr. Wendy Chui, who filed a complaint last year and who owns PetsDrugMart.ca, said she was delighted by the bureau's report on the lack of competition for pet medication.

COLE BURSTON/THE GLOBE AND MAIL

The Competition Bureau says pharmacists are being unfairly blocked from stocking medication for pets, and it is recommending provinces take action to give consumers more choice.

The regulator released a report Wednesday that looked at the market for pet medication in Canada and found a lack of competition could be contributing to higher prices and fewer options for consumers.

The investigation follows a complaint by an Ontario pharmacist and a series of stories in The Globe and Mail about the business contracts and regulations that have largely kept pharmacies out of the market, as well as the rising cost of pet ownership.

Most pet owners in Canada receive prescriptions and the drugs themselves from veterinarians.

Pharmacists are legally allowed to dispense animal medication, but are largely restricted from stocking the drugs because of deals between distributors and pharmaceutical companies. There is one national distributor, CDMV Inc., which is based in Quebec, and a number of regional distributors that are co-operatives owned by veterinarians. (CDMV did not respond to a request for comment.)

The Competition Bureau said the deals were examples of “exclusive distribution” and that “pet owners’ choice of where to fill their pet prescriptions is often limited to veterinary offices – leading to a loss of services and potentially higher prices.”

The bureau cited industry figures that suggested households spent \$9.3-billion on all veterinary care and other services for their pets last year, up from almost \$4-billion spent in 2019.

It said it had received more than 40 complaints about the sector.

Wendy Chui, the pharmacist who filed a complaint last year and who owns PetsDrugMart.ca, said she was delighted by the bureau’s call for provincial mandates to allow pharmacists to access pet pharmaceuticals.

Earlier this year, she was able to negotiate deals with drug makers directly and can now get her supply through CDMV. But she is concerned that those deals could be tenuous and may not benefit other pharmacies unless there is action from provinces.

“I have only been able to achieve this through significant effort, resources and determination,” she said. “Without regulatory changes, other pet pharmacies (unless based in Quebec) may still encounter significant challenges in obtaining authorized supply.”

Tim Arthur, an Ottawa veterinarian and president of the Canadian Veterinary Medicine Association, said veterinarians are legally obligated to provide prescriptions that can be filled elsewhere if clients ask for them.

Some pharmacies will fill prescriptions for an animal if there is a human equivalent of the drug.

Dr. Arthur said an advantage of opening up the market would be that it would create more confidence and transparency in where pharmacies that stock pet drugs get their supplies.

As well, he said, it could increase access to pet medication in places without veterinarians, such as remote communities. “This may, in some circumstances, make it a lot easier for people,” he said.

However, he warned that pharmacists who dispense these drugs should have proper training in how animal medication differs from drugs for humans, such as in dosing and potential side effects.

On the bureau’s affordability concerns, Dr. Arthur said that pharmaceutical dispensing makes up a significant share of a typical veterinary clinic’s revenue and practitioners may have to raise other service fees to make up for lost drug sales.

The Competition Bureau’s report also highlighted the issue of corporate concentration in veterinary medicine. The sector has attracted major interest from private equity funds, and corporations now own about 20 per cent of all clinics and employ about 40 per cent of the entire work force, according to an analysis in the Canadian Veterinary Journal.

“Growing consolidation further threatens competition in the veterinary sector,” the bureau wrote.

Ms. Chui said she has some concern about any large corporate entrance into pet pharmacies.

“I believe regulators in Canada need to pro-actively consider how to address this type of ownership structure before it exists in Canada, to minimize the risk of corporate

pressures and to ensure pet owners can truly benefit from increased competition,” Ms. Chui said.

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