

## Proposed Health Canada Service Fees Impediments to Quality Animal Care and Welfare

Veterinary Purchasing (VP) is a St. Mary's, Ontario based business owned solely by licensed veterinarians to purchase animal health products and hospital supplies for distribution to its members. VP mined its sales data for 2017 to help the Canadian Animal Health Institute (CAHI) and its members assess the impact of Health Canada's Service Fee Proposal for Drugs and Medical Devices (October 2017) on the veterinary drugs it buys and distributes. In total, VP stocks and distributes 1,026 veterinary drug products to veterinarians, most of which are based in Ontario.

CAHI analysis indicates that with the service fees proposed by Health Canada, a veterinary drug would have to generate a minimum of \$500 - 800K in annual sales to warrant re-registration. VP's Ontario sales represent approximately 1/3 of veterinary drug sales across Canada. Using this information, the representative Ontario annual sales values needed for re-registration would be \$167K to \$267K.

### Using the above criteria:

- **842 (82%) of the veterinary drugs products sell less \$167K**
- **909 (89%) of the veterinary drug products sell less than \$267K**

This information demonstrates the devastating effect that the proposed service fees will have on a veterinarian's ability to practice good animal medicine and on animal owners to keep production and companion animals healthy. Losing 80 to 90% of the registered products would be a huge step backward toward more crude, compounded medications and more off label use, and frankly poorer health care for both food and companion animals.

