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## On the rising costs of veterinary care and the legal and ethical implications for pet animal welfare

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### Abstract

The sharp rise in veterinary care costs across Europe in recent years has created significant ethical and legal challenges concerning the welfare of pet animals. Since animals are recognized as sentient beings in both legal and ethical terms, the inability of many pet owners to access necessary veterinary care raises concerns about the broader consequences for animal welfare.

While inflation and technological innovation contribute to rising costs, many countries identify aggressive market consolidation by a few corporate actors as the primary cause. These dominant players reduce competition and limit price transparency, creating conditions that put animal welfare at risk by discouraging timely and affordable access to care, while also undermining veterinarians' ability to operate independently and ethically.

In response, various legislative initiatives have been introduced. Germany enforces a fee schedule to regulate veterinary pricing; Greece has established municipal veterinary services for disadvantaged groups; the United Kingdom is investigating anti-competitive practices in the sector; and the United States of America has proposed tax deductions for veterinary expenses. These examples reflect differing approaches to distributing responsibility between the state, the profession, and pet owners.

To ensure long-term access to veterinary care and uphold animal welfare obligations, the report recommends a multifaceted regulatory strategy. This includes transparent pricing, proportional fee regulation, targeted public services, and safeguards against excessive market concentration. Rather than relying on one actor alone, a shared responsibility model is needed to ensure that economic barriers do not undermine legal and ethical commitments to protect animal welfare.

**Keywords:** Animal welfare law, veterinary care, market competition, fair pricing, bioethics.

## Σχετικά με την αύξηση του κόστους της κτηνιατρικής περίθαλψης και τις νομικές και ηθικές επιπτώσεις για την ευημερία των κατοικίδιων ζώων

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### Περίληψη

Η απότομη αύξηση του κόστους των κτηνιατρικών υπηρεσιών σε όλη την Ευρώπη τα τελευταία χρόνια έχει δημιουργήσει σημαντικές ηθικές και νομικές προκλήσεις όσον αφορά την ευημερία των κατοικίδιων ζώων. Δεδομένου ότι τα ζώα αναγνωρίζονται ως αισθανόμενα όντα τόσο από νομική όσο και από ηθική άποψη, η αδυναμία πολλών ιδιοκτητών κατοικίδιων ζώων να έχουν πρόσβαση στις απαραίτητες κτηνιατρικές υπηρεσίες δημιουργεί ανησυχίες σχετικά με τις ευρύτερες συνέπειες για την ευζωία των ζώων.

Ενώ ο πληθωρισμός και η τεχνολογική καινοτομία συμβάλλουν στην αύξηση του κόστους, πολλές χώρες αναγνωρίζουν ως κύρια αιτία την επιθετική ενοποίηση της αγοράς από λίγους εταιρικούς παράγοντες. Αυτοί οι κυρίαρχοι παράγοντες μειώνουν τον ανταγωνισμό και περιορίζουν τη διαφάνεια των τιμών, δημιουργώντας συνθήκες που θέτουν σε κίνδυνο την ευημερία των ζώων, καθώς αποθαρρύνουν την έγκαιρη και οικονομικά προσιτή πρόσβαση στη φροντίδα, ενώ ταυτόχρονα υπονομεύουν την ικανότητα των κτηνιάτρων να λειτουργούν ανεξάρτητα και ηθικά.

Ως απάντηση, έχουν εισαχθεί διάφορες νομοθετικές πρωτοβουλίες. Η Γερμανία εφαρμόζει ένα τιμολόγιο για τη ρύθμιση Η Ελλάδα έχει δημιουργήσει δημοτικές κτηνιατρικές υπηρεσίες για μειονεκτούσες ομάδες. Το Ηνωμένο Βασίλειο διερευνά αντιανταγωνιστικές πρακτικές στον τομέα. Οι Ηνωμένες Πολιτείες της Αμερικής έχουν προτείνει φορολογικές εκπτώσεις για κτηνιατρικά έξοδα. Αυτά τα παραδείγματα αντικατοπτρίζουν διαφορετικές προσεγγίσεις στην κατανομή των ευθυνών μεταξύ του κράτους, του επαγγέλματος και των ιδιοκτητών κατοικίδιων ζώων.

Για να εξασφαλιστεί η μακροπρόθεσμη πρόσβαση σε κτηνιατρική περίθαλψη και να τηρηθούν οι υποχρεώσεις για την ευημερία των ζώων, η έκθεση συνιστά μια πολυδιάστατη ρυθμιστική στρατηγική. Αυτή περιλαμβάνει διαφανή τιμολόγηση, αναλογική ρύθμιση των τελών, στοχευμένες δημόσιες υπηρεσίες και διασφαλίσεις κατά της υπερβολικής συγκέντρωσης της αγοράς. Αντί να βασιζόμαστε σε έναν μόνο παράγοντα, απαιτείται ένα μοντέλο κοινής ευθύνης για να διασφαλιστεί ότι τα οικονομικά εμπόδια δεν υπονομεύουν τις νομικές και ηθικές δεσμεύσεις για την προστασία της ευημερίας των ζώων.

**Keywords:** Νόμος για την προστασία των ζώων, κτηνιατρική περίθαλψη, ανταγωνισμός στην αγορά, δίκαιη τιμολόγηση, βιοηθική.

## INTRODUCTION

As animals have become increasingly integrated into society and people's everyday lives, concerns related to animal welfare have received growing attention. Consequently, there have been developments in animal welfare legislation, both at the European Union (EU) level and within the national laws of its member states. However, certain aspects of animal welfare remain unregulated, raising important questions regarding the reach and limitations of the current legal framework.

Amid economic instability and rising prices, veterinary care for pet animals has become significantly more expensive. This trend has sparked political debate in several European countries and beyond, as recent statistics indicate that veterinary service providers have increased their prices significantly. Consequently, veterinarians report that pet owners, especially those belonging to vulnerable socio-economic groups, are delaying necessary care due to financial constraints (Pasteur et al., 2024).

Several factors contribute to this development. In countries with the highest veterinary costs, the market is often dominated by a few major corporations, limiting competition and restricting market access for smaller providers. Most countries lack legislation regulating veterinary service pricing, although some have introduced fee schedules and municipal veterinary care centers, as well as proposed tax deductions and further legislation preventing companies from raising the costs as of 2025.

This Report examines the legal and ethical challenges posed by rising veterinary costs in relation to animal welfare. It addresses relevant EU, international, and national legislation on animal welfare (I), ethical considerations (II), contributing factors and proposed legislative solutions to the rising costs of veterinary care (III) and concludes by presenting a conclusion & recommendations (IV).

## I. CURRENT ANIMAL WELFARE LEGISLATION

### 1. Legislation in the EU

At the EU level, animal welfare is primarily regulated through Article 13 of the Treaty on the Functioning of the European Union (TFEU). This article obliges the Union and its Member States to pay full regard to the welfare requirements of animals, as sentient beings, when formulating and implementing Union policies in various sectors. Article 13 was introduced by the Treaty of Lisbon in 2007, elevating the overall legal status of animal welfare.<sup>1</sup> It imposes a binding obligation and holds normative value, influencing both legislative and judicial interpretations in animal welfare matters.

While all Member States have taken Article 13 into account when drafting national legislation, concerns remain about its uneven enforcement,<sup>2</sup> particularly its legal status when balancing other interests and whether it should be recognized as a general principle of EU law.<sup>3</sup>

<sup>1</sup> Before 2007, animal welfare was addressed in a Protocol on Protection and Welfare of Animals annexed to the Treaty of Amsterdam (1997), but it did not carry the same legally binding force.

<sup>2</sup> The policy initiative by the European Commission, *EU Strategy for the Protection and Welfare of animals 2012-2015*, aimed at improving the implementation and coherence of animal standards across member states by eliminating uneven enforcement.

<sup>3</sup> The article *Animal welfare in EU law: Scope and purpose of Article 13 of the treaty on the functioning of the European Union* published in 2024, discusses that the interpretation of the term “pay full regard to the welfare of animals” should give animal welfare

Although the term "animal welfare" is not defined in the treaties, it is generally understood to refer to a species-appropriate condition, a concept that is both scientifically grounded and normative. Article 13 is intended to cover all animal species, including companion animals.

Animal welfare is further addressed in Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health (the Animal Health Law). This regulation sets rules for preventing and controlling animal diseases to protect both public health and animal welfare. Although it primarily focuses on disease control in farm animals, it also includes provisions relevant to pet animals. Article 10 specifically addresses the responsibility for the health of kept animals, including their welfare. The regulation also sets minimum standards for veterinary practices in the Member States.

In December 2023, the European Commission introduced a Proposal for a Regulation of the European Parliament and of the Council on the welfare of dogs and cats and their traceability. It aims to establish minimum standards for the breeding, housing, and care of these animals. As of May 2025, this proposal is still under consideration and has not yet been adopted into EU law.

Although secondary EU legislation sets minimum animal welfare standards, mainly for farm and research animals, the welfare of pet

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particular weight and importance, that Article 13 should be given general principle status, and that animal welfare should be given higher priority when balanced against other rights and interests.

animals is further regulated by international conventions and national laws.

## 2. International legislation and other regulations

Beyond EU legislation, international law further addresses the animal welfare of pets. In 1987, the Council of Europe introduced the European Convention for the Protection of Pet Animals, aiming to ensure pet welfare and promote responsible ownership. Articles 3 and 4 regulate the basic care and keeping of companion animals, requiring owners to ensure their animals' health and welfare, provide appropriate care, and avoid causing unnecessary pain, suffering, or distress. As of February 2025, the convention has been ratified by 27 countries, including 19 EU Member States. The convention set early welfare standards for pets, and its principles have also influenced the national laws of states that have not formally ratified it.

The World Organization for Animal Health (WOAH) is an intergovernmental body that publishes international standards to improve animal health, mainly through the establishment of high-quality national veterinary services. These standards are revised and adopted annually by its 180 member countries, including all EU states, which have committed to incorporating them into their national legislation and regulations.

In summary, EU and international legislation provide minimum guidelines for the welfare of pet animals. However, none of the instruments mentioned directly regulate access to affordable veterinary care services, leaving such matters to the discretion of individual Member States.

## 3. National legislation

Animal welfare legislation concerning pet animals is primarily governed by national law. Member States are free to enact legislation according to their socio-economic conditions, cultural norms, and religious beliefs, provided they comply with Article 13 TFEU, relevant EU regulations, and ratified international agreements. This flexibility has allowed countries to develop specific legal frameworks addressing various aspects of pet welfare, including access to veterinary care and pricing.

All EU Member States have enacted some form of Animal Welfare Act, many of which exceed the minimum standards set by EU legislation. These laws share the common goal of protecting animals from unnecessary pain and suffering. Most national laws also require pet owners to provide necessary veterinary care without delay for injured or ill animals. Sanctions for non-compliance often include fines or imprisonment. Many countries have also adopted Veterinary Practice Acts, which regulate the professional duties and responsibilities of veterinarians and their services. Although veterinary care is recognized as essential to animal welfare, national laws generally say little about access to care in terms of fair pricing or affordability.

## II. ETHICAL CONSIDERATIONS

### 1. From an Animal Welfare Point of View

One of the central questions highlighted by this Report is: Why should humans and society care about animal welfare and the provision of veterinary care? The ethical status of animals remains a topic of ongoing debate. While animals do not possess subjective rights from a legal standpoint, they are recognized as sentient beings under EU and international law. Some member states, such as Germany and Austria, also recognize animals as beings that are “not things”, granting them protection under special statutes. However, in most countries, animals are still legally considered property, although with the added protection of animal welfare laws that mandate humane treatment and appropriate care.

Since animals are acknowledged as sentient, it is widely accepted that they can feel pain and therefore have an intrinsic interest in avoiding suffering. Accordingly, animal suffering should be prevented whenever possible, including suffering caused by untreated illness (Singer, 1975). Veterinary care is among the most effective means of alleviating pain, treating illness, and reducing suffering. From a utilitarian perspective, access to veterinary care is thus an essential component of animal welfare.

Humans have long domesticated, bred, and kept animals for companionship, entertainment, and labor. Today, pet animals are more

integrated into human life and society than ever before. These developments suggest a moral responsibility on the part of pet owners, and a collective ethical duty of society, to meet animals’ basic needs and prevent avoidable suffering, especially as animals are unable to advocate for themselves (Pasteur, 2024).

While some scholars argue that animals have basic moral rights, including the right to have their essential needs met, such as access to veterinary care, the ethical debate often centers on how to balance these responsibilities with economic constraints. Critics may argue that the duty to provide care lies solely with the owner, not the state or broader society. From a libertarian perspective, one might oppose that market-driven solutions are preferable, and that subsidizing or regulating veterinary care would infringe on personal freedom and autonomy (Nozick, 1974). Conversely, others argue that market values do not belong in every sphere of life, and that moral limits should be placed on the free market, which could apply to veterinary care from an ethical and animal welfare standpoint (Sandel, 2012).

### 2. The Human-Animal Bond

Another key ethical dimension of veterinary care access is the human-animal bond. Numerous studies have shown that this bond benefits both animals and humans.<sup>4</sup> Given its importance in modern society, the lack of access

<sup>4</sup> Research on the human-animal bond consistently shows positive effects on both human and animal well-being. Studies have linked pet ownership to reduced stress, improved mental health, and lower blood pressure in humans, while animals benefit from increased social interaction, stimulation, and care (Friedmann and Son, 2009).

to veterinary care negatively impacts both human and non-human members of communities (Blackwell, 2023). The current economic climate has made it more difficult for many pet owners, especially those from socio-economically vulnerable groups, to afford veterinary care. Inflation and rising veterinary costs have contributed to these challenges. Research shows that some owners avoid purchasing pet insurance or are forced to cut other essential expenses to afford veterinary treatment (Reader and Summers, 2024). As animal welfare laws evolve at both the EU and national levels, pet owners face increased legal obligations to meet the needs of their animals. Failure to do so may lead to legal consequences. Therefore, access to affordable veterinary care is not only a matter of animal welfare but also a pressing socio-economic concern.

### III. CAUSING FACTORS AND PROPOSED LEGISLATIVE SOULTIONS TO THE RISING COSTS OF VETERINARY CARE

#### 1. Causing Factors

The rising costs of veterinary care can be attributed to several interrelated factors. One of the most significant is inflation, which has generally driven up the cost of goods and services. However, the cost of veterinary care has increased at a rate significantly higher than that of many other services, outpacing overall inflation in several countries.<sup>5</sup>

This disproportionate increase is largely attributed to structural distortions within the veterinary sector, which have enabled large corporate actors to raise prices for consumers. This trend is particularly evident in countries where veterinary expenses have risen drastically. Other contributing factors include a lack of price transparency, and the increasing costs associated with advanced medical technologies and equipment.

These developments have sparked political debate, not only from an animal welfare perspective but also in terms of market fairness and competition. In response, several countries have implemented, or are considering, legislative interventions aimed at safeguarding animal welfare while keeping veterinary services accessible and affordable for pet owners. The following section outlines existing and proposed legislative solutions intended to address these challenges and improve access to veterinary care.

#### 2. Legislative Solutions

##### a) The Fee Schedule in Germany

Germany is currently the only country that provides concrete legislation regulating the pricing of veterinary care services. Article 12 of the Federal Veterinary Practicing Act (BTÄO) authorizes the Federal Government to regulate

<sup>5</sup> A 2024 study published in *Frontiers in Veterinary Science* reports a 25% increase in the cost of veterinary care services in Sweden since 2023 – an increase that exceeds the general Consumer Price

Index (CPI). Comparable trends have been observed in Denmark and Norway. According to *Euromonitor International*, veterinary care prices in Greece rose in 2022 as a result of high inflation. In the United Kingdom, the *Competition and Markets Authority (CMA)* has documented a 50% increase in veterinary costs between 2015 and 2023, also surpassing the general rate of inflation.

veterinary service fees, including the prices and price ranges for medicinal products used by veterinarians, within a schedule of fees. The law further states that the legitimate interests of both veterinarians and those obligated to pay the fees must be taken into account.

The government-mandated Fee Schedule for Veterinarians (*Gebührenordnung für Tierärzte*, GOT) was originally issued in 1940 based on Article 12 and was comprehensively revised in 1999 to its current form. The schedule sets a fee range for veterinary services from at least one to a maximum of three times the set base fee, depending on the nature and complexity of the service provided. Its primary aim is to ensure standardized and transparent charges that maintain fairness for both veterinarians and pet owners, while also preserving access to affordable care within a regulated framework.

In May 2022, the German Federal Ministry of Food and Agriculture presented a draft bill proposing amendments to the GOT, arguing that it was outdated and no longer reflected current veterinary practice or economic conditions. The proposed changes were based on recent research and consultations with the Federal Chamber of Veterinarians, which included surveys and expert interviews analyzing the costs and structure of veterinary clinics.<sup>6</sup> The revised GOT included increased basic fees, provisions allowing veterinarians to charge above the standard rate in

certain circumstances, and mandatory travel fees for home visits, among other changes.

The draft bill asserts that the amendment is compliant with applicable EU law. In accordance with Directive (EU) 2018/958 on conducting a proportionality assessment before adopting new regulations for professions, an evaluation was carried out. The conclusion was that the revised fee categories and adjustments were proportionate, being evidence-based, transparently derived, and mindful of economic, structural, and professional considerations. The bill also addressed regulatory impacts, noting that veterinary services would become more expensive. Nonetheless, it argued that the willingness to seek veterinary care would likely remain high due to existing animal welfare obligations. From a sustainability perspective, the amendment was also seen as contributing to economic growth and improved animal health, aligning with sustainable development goals.

In stakeholder consultations, the German Animal Welfare Association emphasized the importance of fair compensation for veterinarians in maintaining a nationwide care network and veterinary infrastructure. However, it expressed concern that fee increases could negatively impact animal shelters, welfare organizations, and economically vulnerable pet owners. While financial improvements for veterinarians were deemed necessary, the Association stressed that animal welfare must not suffer as a result.

Similarly, the Federal Office for Technical and Scientific Affairs, along with the Association of Independent Small Animal Clinics, welcomed the amendments, citing severe staffing and compensation issues in the

<sup>6</sup> From the collected data in the report *Examination of the Financial and Structural Impacts Regarding the Appropriateness of the Fee Rates of the Veterinary Fee Schedule (GOT)*, the average cost per treatment minute was calculated at €2.25. This was used to determine revised fees, considering time and service specific data.

profession. However, they also argued that many service fees remain too low and that the amendment represented a missed opportunity to secure the long-term future of the veterinary profession through a truly modern and sustainable fee structure.

Following the enactment of the legislation, the Scientific Services of the Bundestag published a 2024 report summarizing the status of the GOT.<sup>7</sup> The report noted concerns that pet owners' interests may have been underrepresented during the amendment process, particularly in light of the sharp fee increases. Questions were also raised as to whether the changes had achieved their goal of ensuring fair pricing from the perspective of pet owners.<sup>8</sup> Although the GOT has historically faced criticism from the EU for restricting competition in a liberalized market,<sup>9</sup> German legislators maintain that the 2022 amendments align with applicable EU directives.

### b) Government Funded Veterinary Care in Greece

A few EU countries, including Greece, have introduced legislative initiatives that provide free veterinary care through municipal or public programs. These initiatives primarily target socio-economically vulnerable pet owners and aim to address the issue of stray animal populations.

Greece's main legislation governing animal welfare is the Animal Welfare Act 4830/2021 (the Act), which came into effect in September 2021. The purpose of the Act is to protect domestic animals and promote responsible pet ownership. A key feature of the Act is the establishment of a new funding framework known as "Argos", which allocates funding to municipalities and fosters collaboration with animal welfare organizations. The program is set to receive €40 million for the construction and equipping of shelters and veterinary clinics.<sup>10</sup>

Article 10 of the Act mandates that municipalities establish and operate municipal veterinary clinics and animal shelters. These measures are part of a national strategy to manage and care for both stray animals and pets. This marks a significant shift from previous legislation, which placed full responsibility on pet owners and veterinarians for implementing the law. Under the new framework, municipalities may fulfill these duties individually, in cooperation with other municipalities, or in partnership with registered animal welfare organizations.

In addition, Article 4(13) of the Act recognizes pet owners belonging to vulnerable or socially disadvantaged groups. It requires

<sup>7</sup> German Bundestag, *Legal Questions Regarding the Veterinary Fee Schedule (GOT)*, Scientific Services Report WD 8 – 3000 – 066/24, September 2024.

<sup>8</sup> In 2023, the Association of German Animal Keepers (VDTH) submitted a petition to amend the GOT, based on that treatment costs for pet owners have increased dramatically driving pet owners into debt and endangering animal welfare, since animals are being treated inadequately or too late, surrendered to animal shelters or abandoned.

<sup>9</sup> From a historical and political point of view, GOT is over 80 years old with aspects such as inflation and World War II being catalysts for it. It has also historically received criticism from the EU regarding the Fee Schedule being anti-competitive in the light of 2006/123/EU Directive on Services in the Internal Market (Bartkowiak, 2017).

<sup>10</sup> Available at: <https://www.ypes.gr>

municipalities to provide free services such as sterilization and vaccination for animals owned by individuals in these groups. Eligible individuals include people with disabilities, families with multiple children, single-parent households, and unemployed people receiving the minimum guaranteed income. This provision aims to promote responsible pet ownership and prevent the abandonment of animals due to financial hardship.

The “Argos” program has been widely praised by animal welfare organizations and the public as a progressive step toward reducing irresponsible pet ownership and improving animal welfare. However, some stakeholders have described the program as overly ambitious and difficult to implement in practice. Concerns have been raised regarding the lack of adequate resources, training, and expertise among local authorities, particularly within municipalities tasked with enforcing the law. Some pet owners have also criticized the program for the added financial burden associated with mandatory sterilization and registration, despite the government’s recent decision to reduce overall service fees (Siettou et al., 2024).

Although the Act is considered one of the most progressive animal welfare laws in the EU, its practical effectiveness remains uncertain. A post-implementation review is expected in 2026, which will provide a clearer picture of the law’s impact and long-term feasibility.

### c) Veterinary Market Investigations in the United Kingdom

The trend of rising veterinary costs is not limited to the EU. In May 2024, the United Kingdom’s Competition and Markets Authority

(CMA) launched an in-depth market investigation into veterinary services for household pets<sup>11</sup>, in response to the growing costs that have sparked widespread concern among pet owners and raised questions about the impact on animal welfare. A key focus of the investigation is the lack of market competition and pricing transparency, which are believed to be driving disproportionately high profit margins.

The investigation has identified several major concerns in the United Kingdoms’ £5 billion pet care industry. According to CMA working papers, the most pressing issues include the consolidation of formerly independent veterinary practices by a few large corporate groups and the lack of transparent pricing. In recent years, the United Kingdom veterinary sector has experienced significant consolidation, with nearly 60% of first-opinion veterinary practices now owned by the six largest corporate veterinary groups<sup>12</sup>. This is a substantial increase from 2013, when only 10% of practices were corporately owned. These developments have raised concerns about potential breaches of national competition law, which is designed to ensure markets remain sufficiently competitive to protect fair pricing, innovation, and consumer choice.

Legal scholars have pointed to the role of private equity-backed corporations as a key driver of these trends. These corporations

<sup>11</sup> Available at: <https://www.gov.uk/cma-cases/veterinary-services-market-for-pets-review>

<sup>12</sup> IVC Evidensia (the largest corporation, with a share of approximately 22 %), Pets at Home, CVS, Linnaeus, Medivet, and VetPartners. Of these, IVC, Medivet and VetPartners are each owned or financially backed by private equity groups.

provide capital, strategic oversight, and operational support to acquire and integrate smaller practices, capitalizing on the fragmented and underfunded nature of the veterinary market, especially in rural areas. Many of these businesses employ “roll-up” strategies, acquiring independent clinics while retaining their original branding. This can obscure corporate ownership and maintain consumer trust, but it also raises concerns about misleading impressions of market diversity and competition. While such strategies may improve operational efficiency, critics argue they often prioritize short-term profits, reduce service quality, and create barriers to transparency (Reader and Summers, 2024).

The CMA has the authority to implement legally binding remedies if it concludes that competition is being hindered. Although the United Kingdom has a voluntary merger notification system, the CMA maintains a proactive strategy for identifying and investigating problematic acquisitions. Since the launch of the market investigation, four mergers have been reviewed, all of which were found to pose a realistic risk of substantially lessening competition. Potential remedies at the CMA’s disposal include requiring businesses to disclose specific information to consumers, setting maximum fees for veterinary services, or ordering the divestment of businesses or assets.

As of May 2025, several major veterinary corporations have formally responded to the ongoing investigation. While these companies urge the CMA to consider the wider industry and societal changes that are shaping the veterinary sector, such as technological advances, evolving medical knowledge, and changing societal expectations regarding pet care, they appear to be preemptively aligning with anticipated regulatory recommendations. Notably, many practices have begun publishing more comprehensive pricing information online, which some academics interpret as a strategic move to avoid stricter regulatory measures (Reader and Summers, 2025). The CMA is expected to issue a provisional decision in summer 2025, with a final report due in November. The findings could lead to significant reforms in the veterinary sector, including new

regulatory frameworks aimed at improving competition and transparency.

Concerns about the corporatization of veterinary medicine are not unique to the United Kingdom.<sup>13</sup> Similar trends are observable across Europe, where several multinational corporations operate by acquiring and consolidating private practices. While the EU does not currently maintain a unified legal framework regulating veterinary corporate ownership, some member states have implemented national laws to restrict non-veterinary ownership. For example, in France, veterinary businesses must be majority-owned by licensed veterinarians to safeguard professional independence and avoid conflicts of interest. In Austria, limited non-veterinarian ownership is permitted, provided veterinarians retain decisive control. In contrast, countries like the United Kingdom and Sweden currently lack such regulations, allowing for broad non-veterinary ownership (Diana et al., 2025).

Professional associations across Europe have raised concerns about the potential conflict of interest posed by corporatization, emphasizing the need to protect veterinary independence and uphold animal welfare. Additionally, the European Commission has addressed competition issues related to vertical integration in the veterinary sector, calling for closer scrutiny of mergers and acquisitions that may harm market competition.<sup>14</sup>

<sup>13</sup> In 2022/2023 around 16% of veterinarians worked in corporate practices across 37 European countries, with the highest numbers of veterinarians working in corporate practices seen in the United Kingdom (44%), Sweden (34%), and Norway (27%) (VetSurvey, 2023).

<sup>14</sup> The European Commission cleared Mars, Inc. acquisition of AniCura subject to an in-depth review

While much of the debate focuses on market dynamics and affordability, animal welfare remains a central concern. Although there are currently no dedicated studies assessing the impact of corporatization on animal welfare, it is suggested that the effects may be twofold. On one hand, corporate ownership may enable greater investment in advanced treatments and technologies; on the other hand, rising costs could deter pet owners from seeking necessary care. Some academics argue that the current market structure, particularly where cost pressures meet aggressive consolidation, puts animal welfare at risk (Diana et al., 2025; Reader and Summers, 2024).

#### **d) Proposed Bill for Tax Reliefs in the United States of America**

The trend of rising veterinary care costs is also evident outside of Europe. In the United States of America (USA), the cost of urban veterinary services has increased by nearly 60% over the past decade and rose by 7.9% between February 2023 and February 2024.<sup>15</sup> This significant increase has led many pet owners to delay or forgo necessary veterinary care for their animals.

In response, a bipartisan bill titled The People and Animals Well-being Act of 2024 (PAW Act, H.R. 9508) has been introduced in the United States House of Representatives. The bill seeks to improve the affordability of veterinary care

and pet health insurance by amending the Internal Revenue Code of 1986, the federal tax law, to classify certain veterinary expenses for pets and service animals as qualified medical care expenses under tax-advantaged accounts.

The PAW Act proposes to allow pet owners to use Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs) to cover up to \$1,000 annually for veterinary care or pet health insurance premiums. For individuals who rely on service animals, particularly those assisting with physical or mental disabilities, the bill would permit unlimited veterinary care expenses to be covered through these accounts. This would effectively exempt such expenses from income tax, thereby reducing taxable income and alleviating the financial burden of veterinary costs.

The bill has received public endorsement from key stakeholders, including the American Veterinary Medical Association (AVMA) and the Human Animal Bond Research Institute (HABRI). Both organizations emphasize its potential to improve access to veterinary care and strengthen the human-animal bond. As of May 2025, the PAW Act remains in the early stages of the legislative process and has been referred to the House Committee on Ways and Means. It is still awaiting a formal cost estimate and additional input from relevant stakeholders.

#### **IV. CONCLUSION & RECOMMENDATIONS**

Based on the presentation above, several initial conclusions can be drawn. The issue of rising veterinary costs is observable across multiple countries, yet the legislative responses to this problem differ significantly, particularly regarding which actors are expected to bear the financial responsibility of the solution. In Germany, the Fee Schedule and the proposed market regulations in the United Kingdom primarily place obligations on veterinary businesses and corporate entities. In contrast, the establishment of municipal veterinary clinics in Greece and proposed tax relief measures in the USA shift the responsibility toward the state, aiming to reduce the financial burden on pet owners. In jurisdictions where no regulatory

of competition concerns arising from vertical integration, particularly the risk of input and customer foreclosure in the pet healthcare and pet food markets (Case M.9019 – Mars/BVA, Commission Decision of 9 November 2018).

<sup>15</sup> Bureau of Labor Statistics. Available at: <https://www.bls.gov/news.release/cpi.t02.htm>

interventions have been implemented to control pricing or ensure access to affordable veterinary care, market forces are left to determine costs, resulting in pet owners shouldering the full economic burden.

While access to affordable veterinary care is an issue of growing concern from an animal welfare perspective, the political discourse is largely driven by considerations of market dynamics and the financial capacity of pet owners, often placing animal welfare as a secondary concern. This raises the question of whether legislation in other areas, such as competition law and tax law, could have a positive indirect effect on animal welfare, even if this was not the primary intention of the legislators. Although the proposed measures do not stem directly from an animal welfare perspective, they may nonetheless contribute to improved welfare for pet animals by making veterinary care more financially accessible.

The central issue addressed in this report is the conflict between animal welfare and the free market dynamics of veterinary services. Economic considerations are consistently present in discussions on animal welfare, requiring a careful balance between cost factors and ethical responsibilities. The following part presents recommendations that may prove valuable in developing future regulations aimed at ensuring fair pricing and accessible veterinary care services.

1. Current legislative measures tend to place the financial burden exclusively on a single actor within the market, whether it be the veterinary sector, the state, or the pet owner. A more multi-faceted approach would involve distributing this responsibility across all three parties through a combination of targeted legislative solutions. By doing so, the overall financial burden would be shared more equitably, reducing the pressure on any one actor and fostering a more sustainable and fair system for funding veterinary care.

2. Introducing the possibility of government-mandated exceptions to free-market regulations for basic veterinary care could help ensure compliance with animal welfare laws. One potential approach is the implementation of a standardized fee schedule that guarantees fair compensation for veterinarians while preventing

excessive profit margins. Government intervention should be carefully balanced and proportionate to avoid anti-competitive effects, while still allowing the veterinary sector to profit and invest in advanced treatments and technologies, ultimately benefiting animal welfare.

3. By promoting national legislative measures that enhance price transparency and ensure fair competition, pet owners would gain greater oversight of veterinary pricing and market concentration. This would make it more difficult for large corporations, particularly those backed by private equity, to undermine the veterinary sector, thereby helping to preserve veterinarians' independence and prevent profit-driven practices from compromising animal care. Enhancing market competition regulation could subsequently contribute to making veterinary care more affordable.

4. To support socio-economically vulnerable groups, municipal clinics and tax reductions represent potential solutions. However, these measures often face practical implementation challenges and may lack cost-effectiveness when executed on a greater scale. It can be argued that such approaches primarily address the symptoms of a dysfunctional system rather than its root causes. Consequently, legislative efforts would likely be more effective if directed toward addressing the underlying factors driving the issue.

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