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Veterinarian Recruitment (and Retention) Bonuses: What to Consider

Veterinary practices today struggle to add veterinarians to their practice or to replace ones who leave, both for the same reason: because of the national veterinarian shortage. As people have welcomed increasing numbers of new pets into their homes during the COVID era, the number of veterinarians caring for them is shrinking. In fact, a new study by Mars Veterinary Health estimates that, while the industry can expect about 2,500 new veterinarians to enter the workforce each year, about 2,000 are retiring annually—and with the increased demand, it's reasonable to predict a shortage of 15,000 veterinarians in 2030, leaving seventy-five million pets without care.

In large part because of these alarming types of statistics, more practices are offering signing bonuses—and hefty ones, at that. Although this strategy will help some practices to attract the veterinarians they need, it creates a new problem because tenured veterinarians who aren't getting a bonus may feel underappreciated—and professionals who don't feel appreciated in their current practices often look for greener pastures elsewhere, including at a practice that will offer them one of today's lucrative signing bonuses. How can this Catch-22 be solved?

Restricted Covenants and the Changing Laws

When creating an employment contract for a new associate, you want to make sure you protect your investment in the event things do not work out and your employee decides to stay and practice in "your" neighborhood. One of the many ways in which you can do this is by having an attorney include within the employment contract several "restrictive covenants", provisions that contractually prohibit an employee from engaging in certain forms of unfair competitive conduct that are harmful to your business.

Courts will enforce these restrictions if they are deemed to be fair and reasonable and generally look at three factors to assess "fairness": the employer's need for protection, the hardship experienced by the employee, and the effect restraints will have upon the public. In doing so, the court evaluates the employers' and employee's relationship and whether each of the restraints is reasonable, in terms of the scope of the restricted activity, geographic and time limitations. Laws vary from state to state regarding enforceability of these restrictive clauses and some states, like California, do not enforce *non-compete agreements* in employment agreements. This session will talk about the shifting landscape of non-compete agreements and what you can do

CBD Compliance: Smoke and Mirrors

It is not difficult to appreciate the therapeutic promise of endocannabinoids and their related phytocannabinoids, most prominent of which is cannabidiol (CBD). There exists a large, complex,

untapped pharmacological target with many effects. However, it would be prudent to not outpace our understanding of the endocannabinoid system. Few *in vivo* studies have been performed in humans and even fewer in our core veterinary species. From what we do know of our veterinary species, cannabidiols may be metabolized differently and into different metabolites and CBD has low bioavailability with oral administration in dogs likely due to poor absorption and a large hepatic first pass effect. The argument should not be if CBD has therapeutic effects but if CBD products can and should be recommended or sold.

FOOD AND DRUG ADMINISTRATION

The only FDA (Food and Drug Administration) approved CBD product is the seizure medication EPIDIOLEX®. Although found to be effective and safe enough for approval, the FDA noted many unknowns in the summary review of the approved new drug application. Animal models used for toxicology studies may have been inappropriate as their metabolism of CBD produces different byproducts than those of humans. Peak drug concentrations could be up to five times higher if the product is taken with a high-fat meal. Product usage increased liver enzymes in a dose-dependent manner. There was limited review of concomitant drug interactions.

The pharmaceutic industry seeks to assure the identity, strength, quality, purity, and potency of drug products. The FDA is tasked with assessing investigational new drug applications (INDs) and new drug applications (NDAs) for safety and efficacy. Pharmaceutical companies submit an IND after completing research, development, and pre-clinical toxicology testing. After approval of an IND, the company can begin testing on humans: Phase 1 clinical testing for safety, Phase 2 for efficacy, and large-scale Phase 3 for population and dosage variation with consultation from FDA. Should the drug continue to appear promising, the company will submit an NDA for FDA review. The FDA will assess the data, labelling, and production facility prior to granting approving for the new drug. The new drug will be approved only at specific dose(s) for specific condition(s) under certain manufacturing conditions.

While the FDA thoroughly reviews drug products, oversight of supplements is more limited. In fact, supplements, in most cases, do not need approval prior to being sold. There is no review process to ensure quality and efficacy, determine appropriate dosages, and ascertain interactions and side effects. FDA resources are not leveraged against supplement manufacturers unless they are investigating adverse effects, reported issues, adulterated products, or false claims. A supplement may not “claim that it will diagnose, cure, mitigate, treat, or prevent a disease” – by making those claims a supplement becomes a drug in the eyes of the FDA. Additionally, the FDA does not recognize animal supplements – only animal drugs and foods.

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PRUDENT ACTIONS

It is entirely reasonable that a veterinarian seems confused about what prudent actions can or should be taken. It is obvious to the FDA, clients, and veterinarians that there is therapeutic potential in CBD. Veterinarians want to find new ways to care for their patients and assure their position as an authority source. However, they are not legally shielded, and the legality of available products is questionable.

Thankfully, the FDA has committed to clearing the air. The FDA is on the record saying they want to make regulatory approval more efficient for CBD products and are actively considering ways to allow marketing of non-drug CBD supplements and foods. Agency representatives regularly give very transparent speeches which are posted on the FDA webpage. They reaffirm the FDA's goal of providing a layer of safety and reliability for both the prescriber and the patient in all products and look to obtain the same assurances for CBD products. It would be wise to pay attention to the FDA updates that will surely be coming – the FDA is active on social media.

The FDA is more than willing to partner with research institutions to learn more about the pharmacokinetics and pharmacodynamics of CBD. Veterinary schools are leading the charge to find out how and how well CBD products work for dogs. For example, UPenn's (University of Pennsylvania) School of Veterinary Medicine is currently performing a double-blinded study on the effects of a CBD product on dog mobility. This study, along with most other similar studies, is sponsored by the product manufacturer. Veterinarians should be skeptical of sponsored studies and thoroughly evaluate study methodology, results, and conclusions, but can look forward to learning more about the efficacy and side effects of specific products.

Despite all the uncertainty, many clinicians are interested in making specific product recommendations or stocking CBD items. Veterinarians need to make themselves aware of the most current information regarding safety of CBD and the efficacy, purity, and stability of the product they promote. It is important the product does no harm to the patient and is not an unwise expense for the client. Consider things such as:

- *How pure is the product?*
- *What pesticide residues are present?*
- *Are there heavy metals or solvents in the product?*
- *What additives are in the product?*
- *How does the product need to be stored? Will it go rancid?*

The product selected should be reviewed for unapproved claims – on the product, on product

packaging and literature, on the webpage, and on social media –to limit risk of product shortage due to FDA enforcement actions or liability.

Many other unknowns plague veterinarians carrying CBD products. State laws and medical boards offer very little protection, but we do not know how this will change in the future. Laws, both local and federal, influence insurance coverage and banking services. It remains unclear if veterinarians assume risks that are not covered under the insurance policies or if other policies, leases, and banking agreements would be violated by carrying and selling CBD products.

Although the prospect of CBD products is great, there remains much that is unknown and unclear. The legal landscape is ever evolving. A prudent veterinarian will watch FDA, legislative, and medical board actions, review current literature, and will consider all risks associated with discussing, recommending, stocking, and/or selling products. They will not be tricked by the smokes and mirrors of opinions but make decisions based upon facts and consideration of risk.