POLITICS & POLICY

Corporate Ownership Is Not the Problem

Despite legislative efforts, critics of corporate practice ownership have yet to produce evidence of the harm they warn against.

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This article involves an excursion into economics and mass politics, so be warned. But it reaches a conclusion, so be relieved. Critics say that corporate veterinary practice ownership is the ruin of pet healthcare. But is it? Before joining the debate, it helps to understand the basics of the issue. We can start with one question: How does corporate investment in veterinary practices work? First, an outside firm invests capital in a practice. In exchange, the firm takes on clinic management, but not clinical decision-making, which remains the veterinarian's domain. The investment typically flows back into the practice: staffing, facilities, equipment, technology, and marketing. Finally, the selling veterinarian monetizes years of practice-building.

Four positive outcomes are outlined in the transaction above, each aligned with America's free market system. Everyone wins, right? Many don't see it that way. In certain state legislatures — and increasingly in trade media — the verdict is considerably darker.

The Legislative Landscape

Approximately 18 states still prohibit corporate ownership of practices, 15 allow it in some measure, and the remainder enforce no laws either way.

Recent legislative efforts in Colorado, Texas, Arizona, and New York have targeted corporate or private equity ownership in some form, and each has failed or stalled. All of these efforts shared a common thread: None cited documented evidence of harm to animals, pet owners, or veterinary professionals.

Trade associations have largely stayed quiet. The Texas VMA ultimately opposed anti-corporate legislation in 2025. The Colorado VMA registered opposition as well. The AVMA has declined to take a position.

What the Bills Proposed

Texas already prohibits corporate ownership of veterinary clinics and bars interference between a veterinarian and client under Texas Practice Act Section 801.352. A 2025 bill — SB 613 — would have further restricted 18 specific aspects of veterinary practice management, without citing evidence that any of those areas had caused harm to a Texas animal or owner.

Colorado's 2025 and 2026 proposals took a different approach, requiring parties to mergers or acquisitions to submit detailed written notice to the attorney general at least 60 days before closing, with more rigorous requirements for entities with annual revenues of $80 million or more. The AG would then have the authority to block, condition, or unwind transactions deemed contrary to the public interest. The legislation's roots were in human healthcare; veterinary medicine was added largely because a veterinarian-legislator opposed corporate ownership on principle. Does that sound like how we do business in the United States?

Arizona's 2026 bill — HB 4019 — went further still. It would require licensed veterinarians to hold majority ownership of practices, restrict management service organization relationships, mandate detailed annual ownership reporting to the board, and require advance notice to the attorney general before material transactions. The AG would be empowered to impose conditions, conduct hearings, and pursue civil or criminal penalties. No data supported the need for those extraordinary measures.

In 2025, 44 bills addressing corporate and private equity activity in human healthcare were introduced nationally. Three of these bills — in Oregon, Maine, and New Mexico — became law. These three states are considered "blue," and with 13 additional blue states, this may spell trouble for veterinary medicine. Human healthcare has historically served as a legislative template for veterinary medicine, which makes that trend worth watching.

The Political Argument and Its Limits

The rhetorical engine driving most of this legislation is not data; it's the phrase "private equity." The imagery is familiar: financial interests whispering instructions to veterinarians who've traded their oaths for profit. It's a powerful narrative, even without evidentiary support.

Senator Elizabeth Warren of Massachusetts has been the most prominent national advocate for restricting corporate and private equity activity across a range of sectors, including veterinary medicine, nursing homes, group homes, and human healthcare. Her argument relies less on sector-specific outcomes and more on a broad skepticism of the corporate form itself. Anti-corporate bills in Texas and elsewhere align with this framework.

The counterargument is simpler: Corporations are the dominant legal structure for American business. The question worth asking is not whether private equity is involved, but whether any specific harm has occurred. So far in veterinary medicine, that case has not been made. The issue of corporate or private equity deserves a burial without a requiem.

How Other Countries Are Approaching It

The contrast with European regulatory models is instructive.

- **United Kingdom:** The British Veterinary Medical Association and the Competition and Markets Authority have focused on pricing and price transparency, including prescription fee caps, price comparison tools, and clearer consumer disclosures. These are consumer-driven interventions that don't target ownership structure and don't demonize corporate investors.
- **Germany:** The Bundeskartellamt — Germany's competition authority — reviews veterinary practice acquisitions above a roughly $24 million threshold. Its standard is strictly competitive: Does the transaction reduce market competition? It recently approved IVC Evidensia's acquisition of fewer than 100 German hospitals, concluding the affected regional markets would remain highly competitive. This is closer to how the U.S. Federal Trade Commission and Department of Justice approach antitrust review — apolitical and evidence-based.
- **Ireland:** In Ireland, ownership is restricted to licensed veterinarians, similar to roughly 18 U.S. states.
- **The Netherlands:** Mirroring the U.K.'s focus on price transparency, the Netherlands has raised concerns about incentive-based veterinarian compensation. This is a development worth monitoring, as it begins to approach the more interventionist U.S. framework.
- **Sweden:** Grappling with veterinarian shortages and rising prices, Sweden is facing a pattern familiar to American markets.

The Standard That Should Apply

British and European models, particularly in price transparency and competitive market analysis, represent a more data-grounded approach than most American proposals have taken. At least they elevate the conversation from political rhetoric to measurable outcomes.

Corporate ownership is not inherently harmful, and in state after state, legislators who've argued otherwise have been unable to produce evidence to the contrary. Solutions in search of problems are rarely helpful, especially at a time when veterinary medicine has real problems to tackle. TVB

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