



BEYOND THE CLINIC

The Future of Veterinary Oncology: What Is Financially Sustainable?

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The veterinary oncology market has changed dramatically over the last 20 years. Several factors have impacted the cost of delivering veterinary oncology care to dogs and cats: increasing costs, corporatization of veterinary specialty medicine, FDA-approved and USDA-licensed therapeutics that come with higher prices, inflation, and more. Meanwhile, veterinary medicine remains a largely self-pay industry for clients, with pet insurance slow to make headway in the U.S. market.

This article will provide background to the course of the veterinary oncology market over the past 2 decades, review key factors currently impacting the industry, and outline potential solutions to keep the veterinary oncology market sustainable for the future.

VETERINARY ONCOLOGY SPECIALTY TRENDS

The specialty of veterinary oncology has grown dramatically over the past 30 years. Veterinary oncology was first organized as a specialty in the late 1980s; the number of active American College of Veterinary Internal Medicine (ACVIM)–boarded oncologists has grown from 16 in 1990 (Chad Johannes, DVM, DACVIM [SAIM, Oncology], ACVIM office, email communication, March 2025) to 600 in 2024

(**FIGURE 1**).¹ This is a compound annual growth rate (CAGR) of approximately 11.25% and represents a positive trend in access to care for companion animals with cancer. Previously, oncologists practiced only in large metropolitan areas or at academic facilities, but now even smaller markets have oncologists. Even with this sustained, robust growth, there remains a significant unmet need within the market. The ACVIM job board yields greater than 100 current openings for oncologists in the United States and Canada. Each year, only 35 to 40 new oncology diplomates are added, which means the supply is not meeting demand.

The growth in the number of specialty practices in the United States and Canada has created intense competition to acquire the limited oncologists available. Combined with the corporatization of veterinary specialty medicine (approximately 75% of specialty veterinary practices are now corporately owned²), these factors have significantly propelled salaries for oncologists. This has in turn made it difficult for academic hospitals to retain and recruit oncology faculty members.

With the majority of ACVIM oncology residencies based in academic facilities, the challenge of training and growing the number of new oncology diplomates has become profound. According to the Veterinary

Internship and Residency Matching Program's oncology residency statistics in 2024, 22 residency slots (all at academic hospitals) were available and matched. The number of applicants (64) far exceeded the number of available positions. Of the 159 ACVIM oncology candidates in residencies or postresidency but not yet boarded (as of May 2024), 84% were trained at academic institutions while only 16% were trained in a private or corporate practice setting (Chad Johannes, DVM, DACVIM [SAIM, Oncology], ACVIM office, email communication, May 2024). It becomes difficult to envision a path where, if not corrected, the current system and structure will be able to reliably meet the growing demands of the market.

ECONOMICS OF THE VETERINARY ONCOLOGY MARKET

While accurate incidence data are currently very limited in veterinary oncology, it has been estimated that 1 in 4 dogs, 50% of dogs over the age of 10 years, and 1 in 5 cats will develop cancer.^{3,4} With an estimated 89.7 million dogs and 59.8 million cats in the United States as of 2024,⁵ we know that if these approximations are even remotely accurate, the veterinary oncology market will continue to expand. Key drivers for the veterinary oncology market include:

- Improved overall preventive care results in longer lifespans for dogs and cats, which increases the likelihood that they will develop cancer at some point.
- Seven out of 10 pet owners consider their pets as family and want the best treatment options for them.⁶ They are willing to invest in care that improves quality of life and increases time with their pets.
- Expectations are being heightened—pet owners expect care at levels similar to what they would receive.
- Certain popular dog breeds are more likely to develop various cancers, such as golden retrievers, Boxers, and Bernese mountain dogs.⁷

Valuation estimates of the size of the veterinary oncology market are equally limited and varied depending on the methodology utilized, ranging from \$260 million to \$1.18 billion.⁸⁻¹¹ Most of these market valuation estimations focus on therapeutics rather than practice revenue and are further complicated because a large volume of chemotherapeutics used are human generics. What these estimates all have in common are predictions for continued robust annual growth of approximately 11% through 2028 to 2033.⁸⁻¹¹ The U.S. market currently drives these valuations. Key markets in the European Union include the United Kingdom, Germany, and France. Large growth opportunity likely exists in the Asia Pacific region as well.

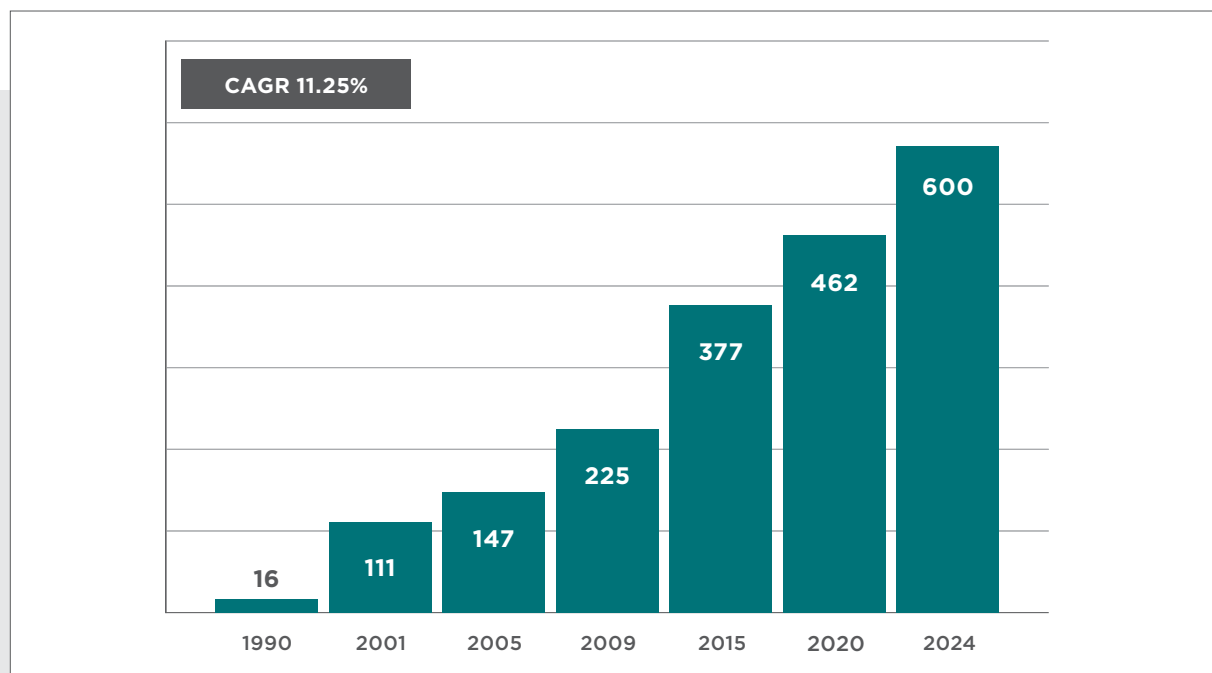


FIGURE 1. The growth trend of ACVIM-boarded oncologists, obtained via email communication from the ACVIM office by Chad Johannes, DVM, DACVIM (SAIM, Oncology), March 2024, and the AVMA.¹

ACVIM=American College of Veterinary Internal Medicine; CAGR=compound annual growth rate

ECONOMICS OF VETERINARY ONCOLOGY PRACTICE

With the many indicators pointing to continued growth of the veterinary oncology market, important challenges need to be addressed for this growth to be sustainable.

Increasing Cost of Care

The continued increase in the cost of veterinary oncology care can be attributed to many different factors, including cost of advanced diagnostics and treatments, availability and growing use of FDA-approved and USDA-licensed therapeutics versus often less expensive human generic drugs, corporatization of veterinary specialty medicine and resultant price increases,¹² and inflation. Veterinary nurse salaries have increased by 25% from 2016 to 2022, adding to rising cost of care.¹³ Veterinary care costs have more than doubled in the past 2 decades with the consumer price index increasing 149% between 2003 and 2023.¹²

Limited Number of Insured Pets

It is estimated that 3.69% of pets are insured in the United States, 78.6% of which are dogs and 21.4% are cats.¹⁴ While these numbers have increased over the past 10 years, veterinary medicine remains a vastly self-pay market, which limits expansion. In fact, 1 out of 4 pet owners say that an unexpected medical expense of \$250 or less is a financial stress for them.⁶

Fragmented Market

A 2015 study of the U.S. domestic market by HealthforAnimals found that on average it takes 6.5 years and \$22.5 million to bring a new companion animal pharmaceutical to market when developing a drug with a new active ingredient.¹⁵ Unless a therapeutic has likelihood of use across multiple types of cancer and/or has outstanding efficacy with manageable adverse effects, it will be challenging to be successful in the current self-pay market.

Market Dominated by Human Generics

Human generic drugs provide large profit margins, and many practices/systems struggle to effectively price and incorporate more expensive therapeutics. Adopting a margin pricing strategy for higher-cost therapeutics (versus traditional markup pricing) would likely benefit

profits for many practices, as well as control costs for patients and clients.

Pricing Out Pet Owners

Multimodality treatments, along with rising overall costs, rapidly increase cost of care for patients and price treatment out of what is possible for many pet owners. In a survey of ACVIM-boarded oncologists (136 respondents, equivalent to 25% of veterinary oncologists), the vast majority (83%) indicated that cost was the biggest barrier to clients pursuing oncology treatment for their pets (Chad Johannes, DVM, DACVIM [SAIM, Oncology], unpublished data, May 2024). When asked the maximum amount their clients are generally willing to spend on oncology treatment for their pets, 43% indicated that range was \$10 000 to \$15 000 while 35% indicated that range was \$5000 to \$10 000. For perspective, 36% of oncologists indicated that the cost for a 15-week course of CHOP (cyclophosphamide, hydroxydaunorubicin [doxorubicin], Oncovin [vincristine], and prednisone) chemotherapy for lymphoma at their practice ranged from \$7500 to \$10 000 and 28% indicated it ranged from \$10 000 to \$12 500. Over the prior 3-year period, oncology practices had experienced significant price increases—10% to 19% increase for 37% of practices and 20% to 29% increase for 32% of practices (Chad Johannes, DVM, DACVIM [SAIM, Oncology], unpublished data, May 2024).

PATH FOR A SUSTAINABLE FUTURE

How do we navigate the future so that veterinary oncology is set up for sustainability? While the answer is multifaceted and will need to adjust as the market and industry evolve, here are some factors to consider.

Spectrum of Care

While *spectrum of care* has become a buzz term recently, it is an important aspect of what veterinary oncologists have provided and will continue to provide on a daily basis. Offering a wide variety of options that meet client wishes and financial budget is core to what oncologists, and all veterinary professionals, do.

Expanding Access to Care

Access to care should be expanded both logistically and financially. This entails both increasing the number of boarded oncologists to fill in the market as well as

increasing clients' ability to pursue the available treatment options. This factor is probably the most challenging. It will likely include a combination of increased education and adoption of pet insurance along with innovative pricing considerations by both practices and the industry. A significant component of this also involves making primary care veterinarians comfortable providing more cancer treatment in-house and providing them with affordable therapeutics that have a manageable adverse effect profile.

Number of New Diplomates

The pipeline needs to be more robust. We need a collaborative mechanism to support academic institutions in this mission and remove challenges that prevent private/corporate specialty practices from being more engaged in training residents.

SUMMARY

Working together proactively, we can begin to address some of these challenges, which are already impacting and will continue to impact our profession and the oncology specialty in particular. The purpose of this article is not to provide all the answers but primarily to begin these difficult yet important conversations. The reality is that most pets diagnosed with cancer will not see a specialist. Enabling more treatment options to be available with primary care veterinarians and providing them with the knowledge and confidence to provide treatment will be critical in the coming years. **TVP**

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