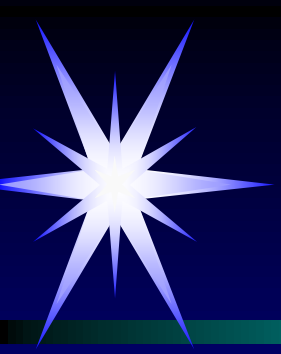






Fees for the 21st Century

Your Ticket to the 21st Century is
Fee Structure

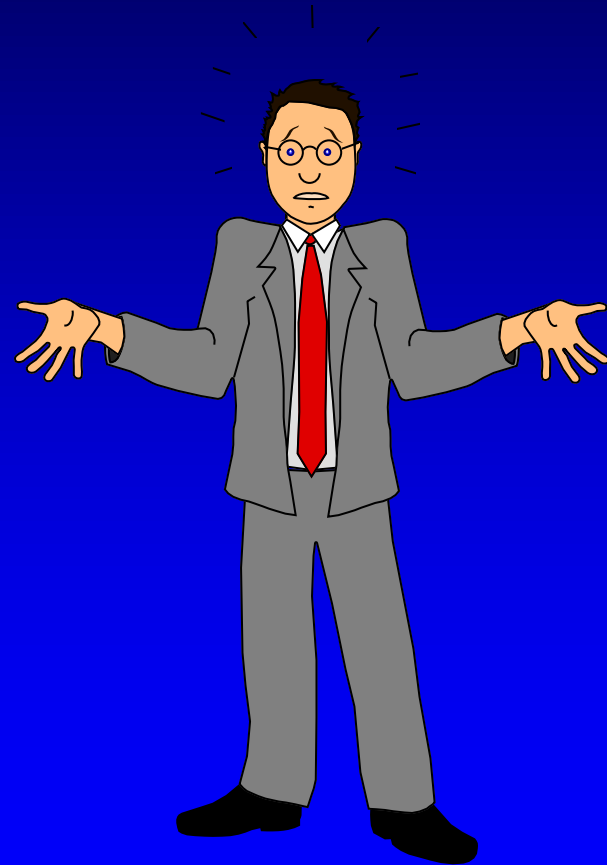


Part I --The behavioral history of fee setting in veterinary profession



Counterproductive Behavior inherited from your colleagues!!

- ❑ Discounting
- ❑ Reductionism
- ❑ Product Mentality
- ❑ Wellness
- ❑ Blaming games



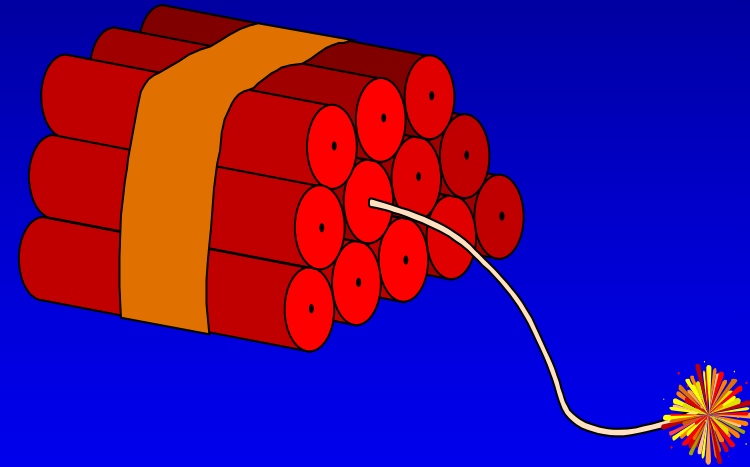


Reductionism

Since you are not being paid unless products or “canned procedures” are being sold there is little incentive to apply yourself or your staff fully

Symptoms of reductionism

- Treat first--diagnose later
- The busier you are the worse you are as a veterinarian
- Clients have to beg you to work case up
- Over reliance on drugs and procedures (products) and not people (labor fees)

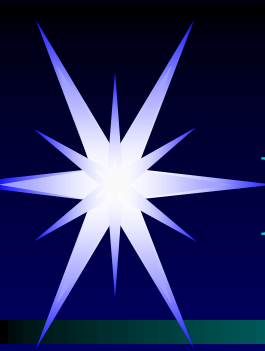




Fees are not as important as charges

- ❑ Are you a discounter?
- ❑ Are you an appeaser?
- ❑ Are you too lazy to give quotes?
- ❑ Do you have bill ceilings?





Do you have a drug problem?

- ❑ Do you blame drug companies for high prices?
- ❑ Do you complain about people buying drugs (products) from sources other than a veterinarian?
- ❑ Do you sometimes have a problem paying your drug bill?



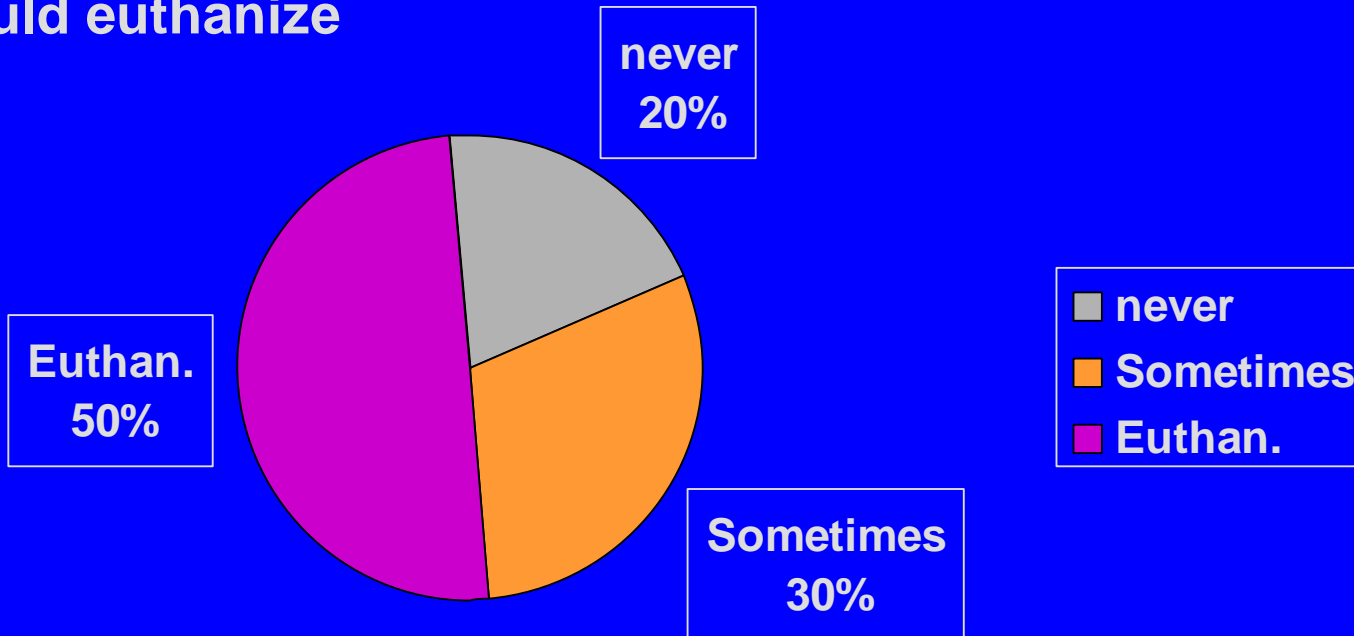
Is this (at least 50%) what you do for a living?

- ❑ Order a product
- ❑ Sell a product
- ❑ Pay all bills with sales from products and procedures
- ❑ Reorder product
- ❑ Pay staff, Uncle Sam and then you with what is left over

USA TODAY SURVEY

Attitudes toward treatment of treatable but incurable disease that could cost up to \$700 –This is an old study so adjust to \$1200

Would euthanize





Client Attitudes

- ❑ 20% never price shop
- ❑ 40% ask the prices of items only because they don't know what else to ask.
- ❑ 40% only “use” a veterinarian at their convenience for euthanasia and as a last resort
- ❑ You make a living based on the 60% never price shop or ask prices (how much \$ do I bring)



Shoppers and users

- ❑ Always be with you
- ❑ Never let them dictate fees - ever
- ❑ You need to Cater to the 60% the appreciate your services--never to the “users”
- ❑ Pick your own charities
- ❑ Refusal of services-- you may refuse services (principle of Vet Ethics#6)
- ❑ Shoppers contribute to reductionism



It is Genetics -- Your inherited your fees

- Outpatient mentality
- Vaccinations
- Reductionism
- Hog Cholera and the Federal
Government



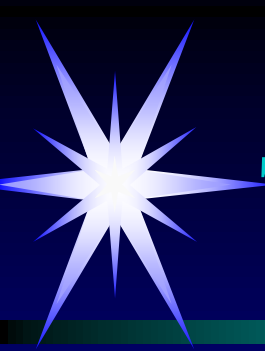
Fee Structure in Vet Medicine

Current Situation



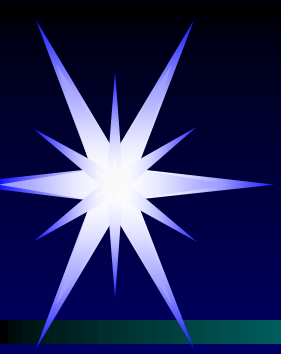
Vaccination Problems

- ❑ Vaccination and parasite preventive inflation is driving some consumer to other sources (Chewy)
- ❑ Cost finally diminishing demand
- ❑ No current big disease problems
- ❑ Dog and Cat Distemper? Last case



Traditional Vaccinations

- Temporary shot in the arm (parvo epidemic years ago)
- Alphabet Soup -- Vaccination Inflation
- Each new vaccination was a ready made addition to the fee schedule

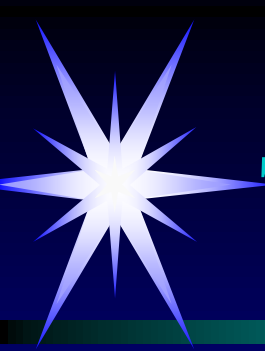


What would you do if
vaccinations, parasite preventives
and spays were outlawed
tomorrow?



What is a product?

Most everything on your fee schedule
is a product or a canned procedure



Typical products?

- Foods –
- Spays/neuters
/declaw
- Elective Surgeries
- Flea Products
- Vaccinations
- Annual Visits
- “office Calls”
- Tests/Laboratory
- Over the counter



Not products but dispensed or used based on diagnostic reasoning

- Antibiotics
- Therapeutic food
- Therapeutic neutraceuticals
(Probiotics, Dasequin etc)
- Heart medications
- Equipment purchases
- Surgical materials
- Medical materials.
- Anesthetics and therapeutics



Outcome of a product based and cost based fee structure

- Low Salaries
- Technician turnover
- Staff turnover
- Low self esteem
- Buyer regret: Poor career choice
- Profession is industry driven
- Practice value is greatly diminished
- Glass ceilings



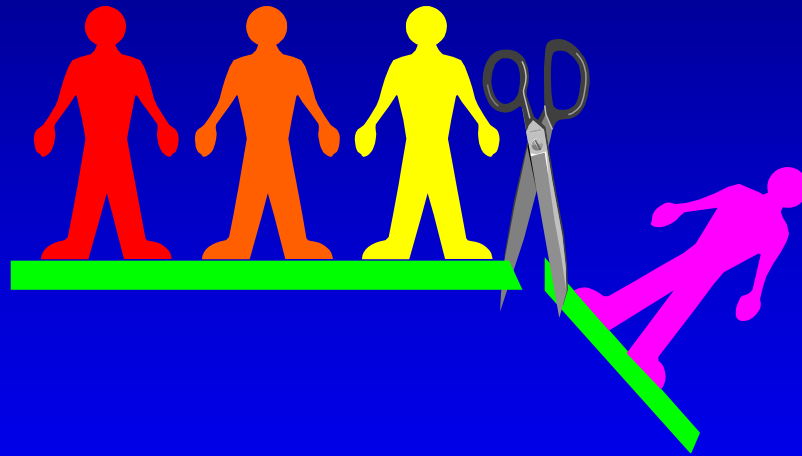
Outlook for Veterinary Practices: especially rural

- ❑ Poor marketability of practices
- ❑ Market share decline -especially for solos
- ❑ Practice will continue to be a mile wide and
and inch deep--achieving secondary and
tertiary structure is unlikely

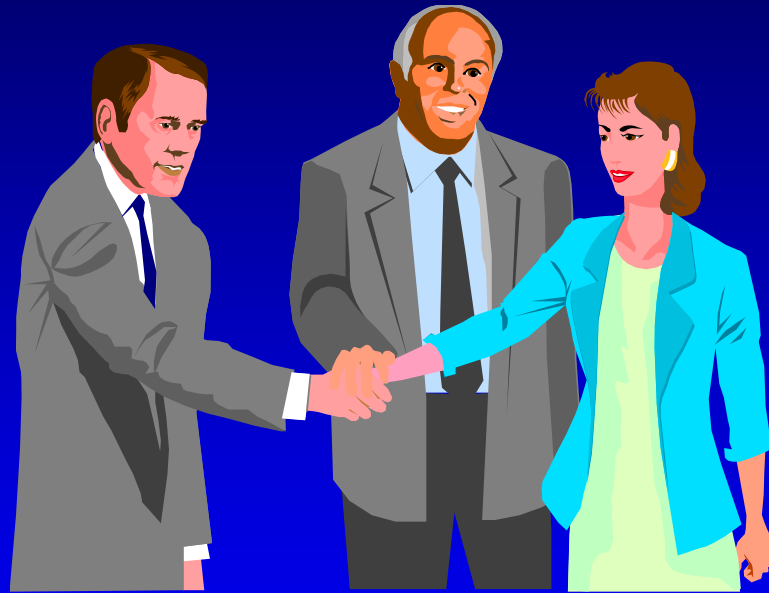


Who is going to fix this profession?

□ Universities

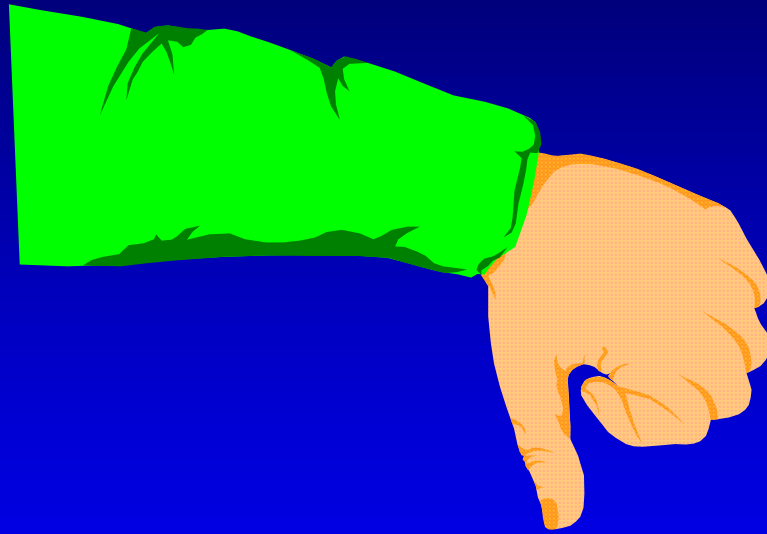


Other Professionals



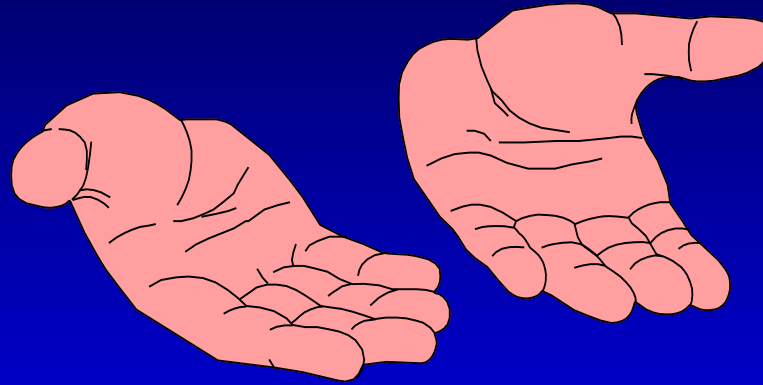


Products



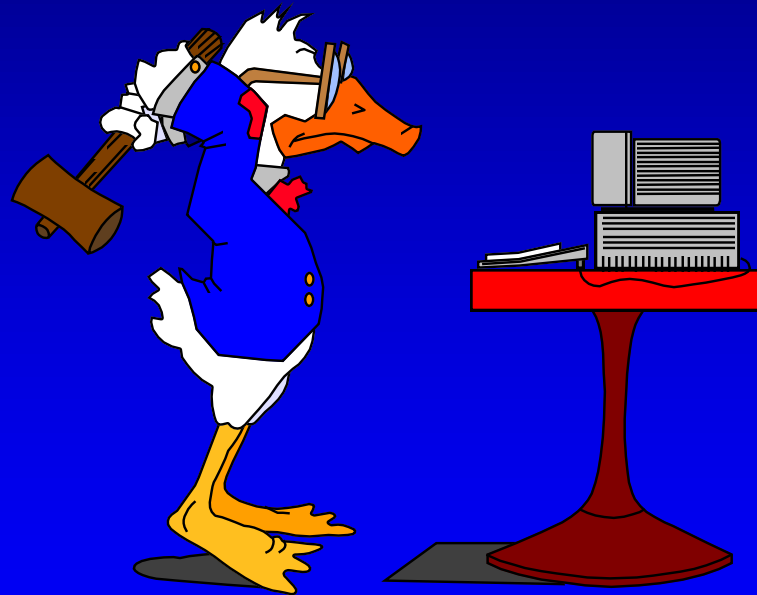


Government Programs



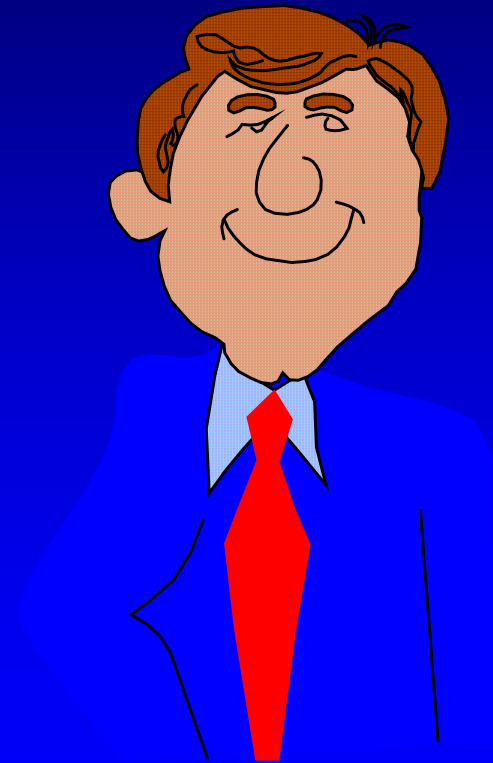


TECHNOLOGY





It is YOU!!!!!!





Will the system be fixed?

Yes--the 20% who will do anything for their pets will demand and get veterinary medicine on their terms



The Current Fix in Progress

Corporate veterinary medicine is creating a new framework from which “economies of scale” and vertical integration will eventually be realized



Until then what is our goal in
your own private practices?

Maintain control of our profession
and your future by capturing, for the
first time, **BILLABLE TIME**



What is a secondary goal?

Redirect most of what we do now to
another professional: Veterinary
technicians



End Part I

Fees for the 21st Century

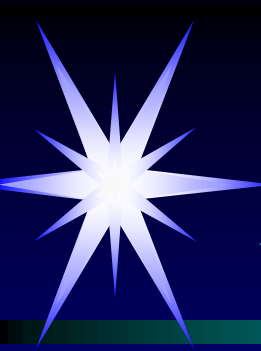
Stay tuned for Part II

“The Fix”



Part II - Fees for the 21st Century

“The Fix”



History of Practice Management

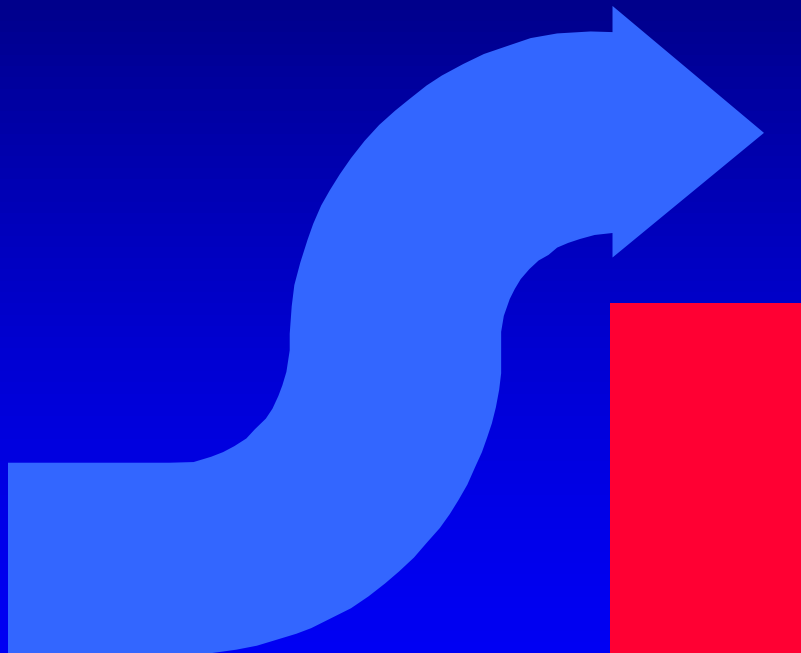
What you have been told should work

- ❑ Your fees are too low
- ❑ Improve your accounting
- ❑ Failure to computerize
- ❑ Poor self esteem
- ❑ Too many Vets
- ❑ Wellness programs
- ❑ Advertise and market aggressively
- ❑ Increase your services
- ❑ Watch for missed charges
- ❑ You lack a 3rd party payer



Fees for your practice--Yr. 2021

Getting over the wall



- Charge for people first
- Technicians and assistants
- Your time as a vet
- Add the right fees for your practice
- Set targets



What is our goal?

Maintain control of our profession
and your future by capturing, for the
first time, **BILLABLE TIME**

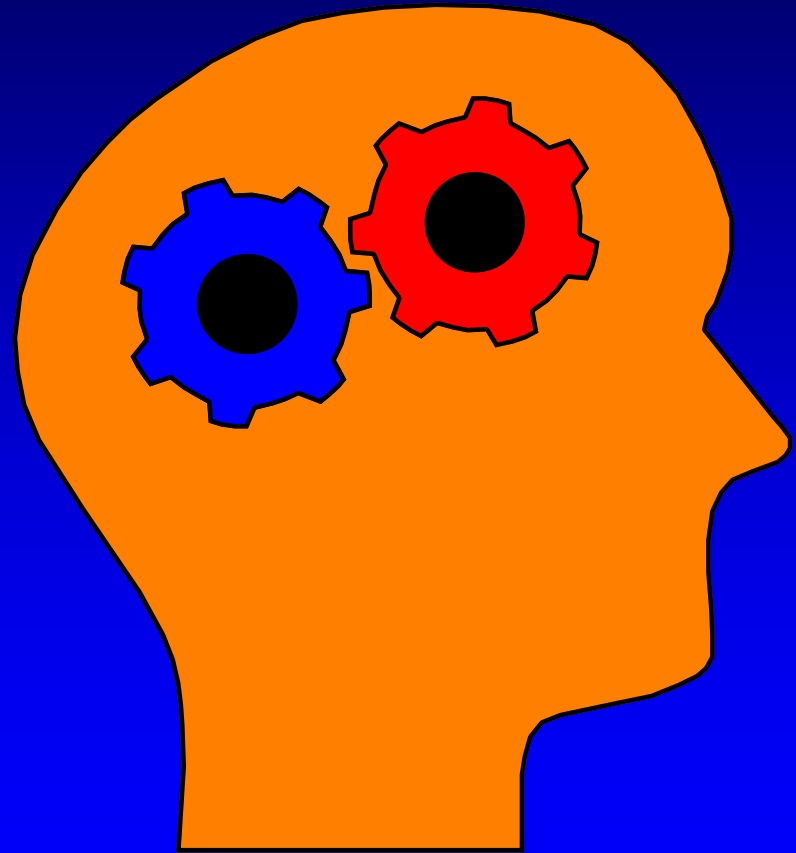


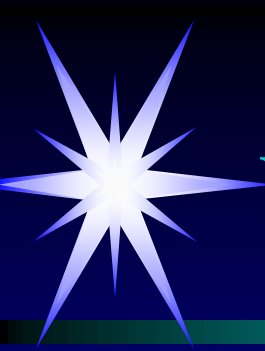
What is a secondary goal?

Redirect most of what we do now to
another professional: Veterinary
technicians

Products Vs People

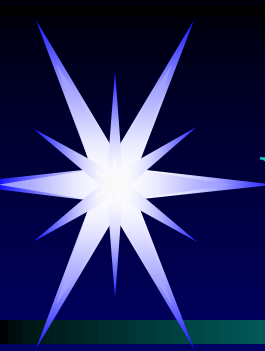
- People First
- Products must be re-ordered
- Clients want people not just products
- People must make up a large part of the fee structure





What people fees will do

- Help to retain good employees
- Help to pay competitive wages
- Help to close the gap with other professionals
- Help us to maintain a healthy practice economically

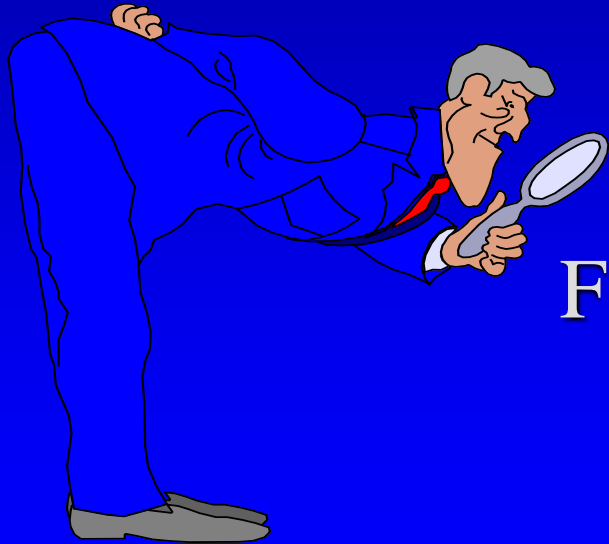


Why people first works!

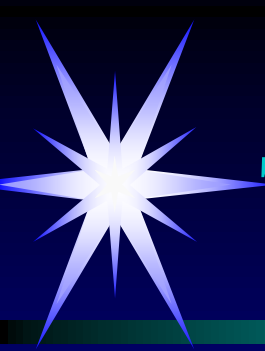
- People already used to people fees - Labor
- People identify with other workers and their need for adequate pay scales
- People need people and understand paying for people time



Our real need



Fees that make sense



Technician Fees: start small

- Veterinary Assistance \$15
- Technician
\$20



Note: Fee Illustrations

- Fees shown are for illustration only



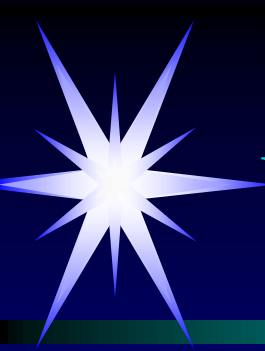
Disclaimer: Setting of fees

We are not here to set fees but to modify
the way we structure fees

Exact amounts shown are not intended as a
basis for the setting of fees

Clinicians are encouraged to use these
examples to help them modify fee STRUCTURE

Clinicians should make modifications on
their own without consultation with
colleagues

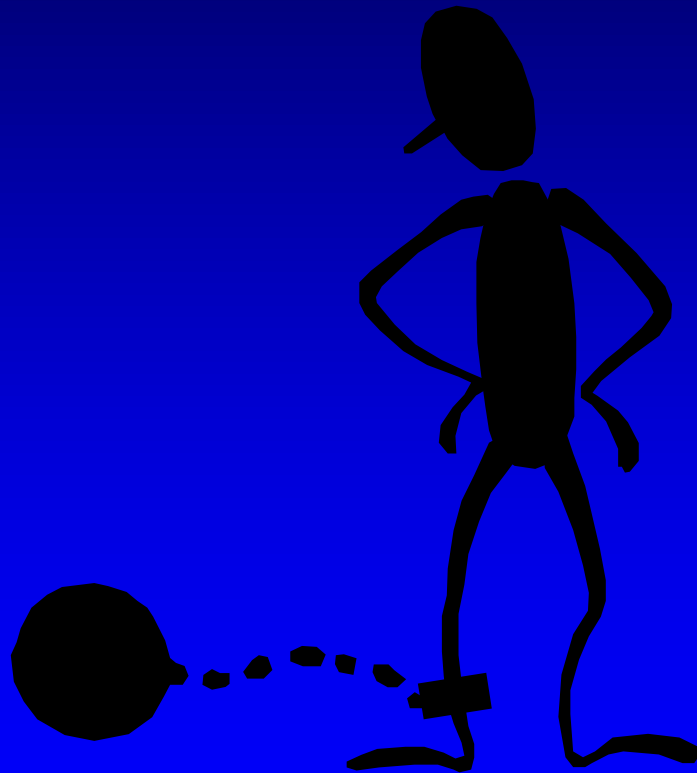



Vaccinations and Cat Neuter

- Vaccination cost ---\$70 (RV,L,Fvrcp)
- Surgery, anesthesia, drugs, staff time, hospital care,check out and clean up ---\$65
- Does this make sense????????????????????



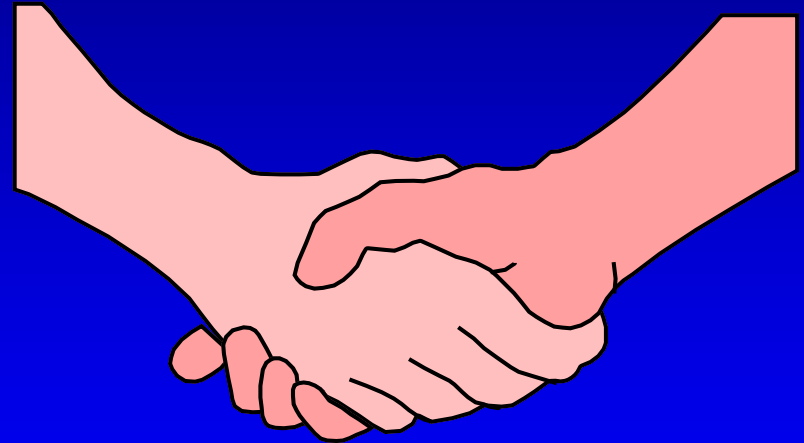
Consultations-- it ain't the 80's,
90's, 2000 and 2010 no more!





Consultations are people fees for three groups in your practice

- Front office staff
- Veterinarians
- Certified Techs





Consultations: Tiered Upward

□ Consultation	\$50
□ Urgent (Same Day)	\$60
□ Consultation Illness	\$60
□ Consultation Avian	\$70
□ Consultation Emergency	\$100



Medical and Professional Care

Care in the back during an office visit



Fees that make sense - Medical

- Medical Nursing
- Medical Treatment-Veterinary (15 min increments)
- Medical materials
- Quote people cost first



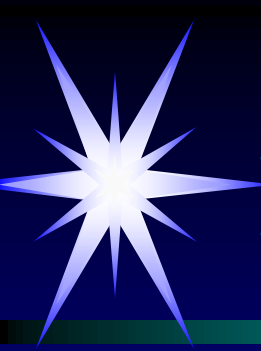
Doctor Care

Regular doctor care and oversight of
a hospitalized patient over a 24 hr
period.



Extended Doctor Services

Visits to treat an animal in the hospital not during regular hours



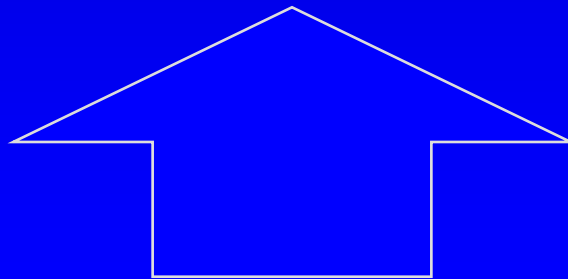
Fees that make sense - Radiology

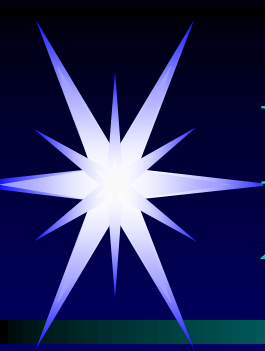
- Xray technician
- Professional evaluation
- People costs first



Radiology

- Professional Review start
small
- Xray Technician \$8





Professional Care -- remember that there will be less hospitalization in century 21

- Medical/Professional Care
Hrl/quar.hr
- Extended doctor services:
\$30/visit
- Doctor Care Tiered: 1,2,3



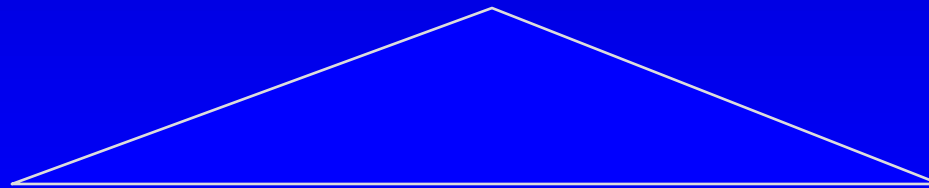
Fees that make sense - Surgery

- Anesthesia by the minute
- Surgical nursing
- Anesthesia nursing
- Surgery by the minute or 15 min
- Quote people costs first
- Set fair spay neuter prices



Surgery

- Surgical Nursing Quarter/hr
- Surgery Hour/Qhr
- Surgical materials Tiered
- Anesthetist Qhr





Annual visits

They can get out of hand and frustrate
all clinicians -- something must be in
place !!



Annual Exams

Goal: Get away from the idea of
“annual shots”



Annual Exams - Modification

- Reduce the cost of the distemper shot
- Introduce an annual exam fee or a vaccination visit exam fee

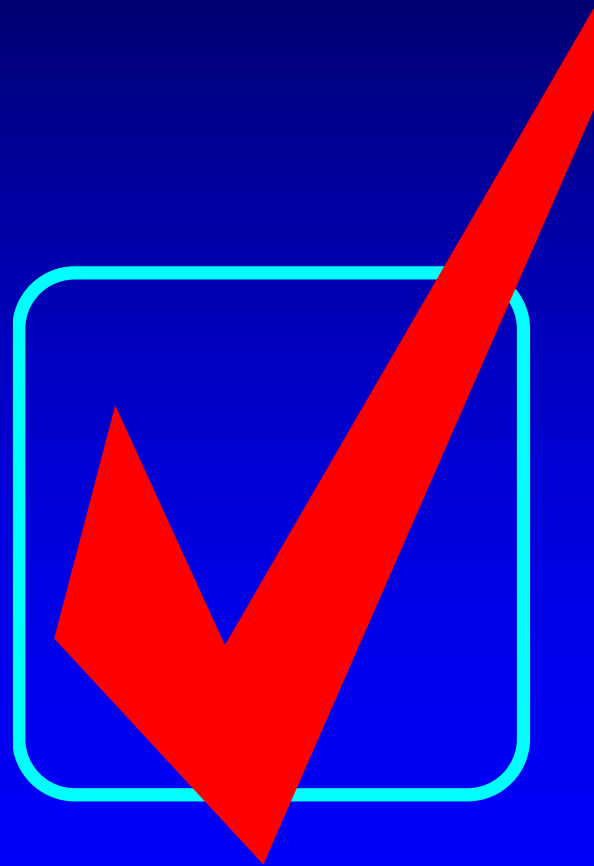


Do it



Annual Exams

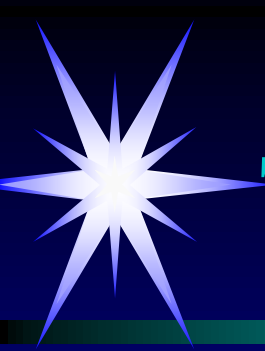
- Vaccination visit \$25
- DHLP,etc \$22
- Rabies \$15
- Tag \$ 6
- Fecal \$12
- Heartworm Ch. \$30
- Bundle it





Typical Cut Pad--In and out of room etc. for 30-40 min.

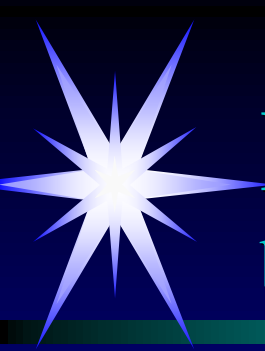
□ “Office Call”	\$25	□ Cons: Trauma	\$60
□ Bandage	\$10	□ Tech time	\$15
□ Injections	\$18	□ Med Tx Time	\$15
□ Sedation	\$10	□ Med Materials	\$15
□ Med Home	\$30	□ Assistance	\$12
□ Time in Back	\$ 0	□ Sedative +Inj	\$28
□ Total	\$83	□ Meds home	\$30
		□ Total	\$175
		□ \$82 difference	



Typical Ear Problem

- “Office Call” \$35
- Meds \$10
- Horsing Around 0
- Total **\$45**
- Time 30 min

- Consultation \$50
- Animal Assistance \$12
- Med Tx Time in back \$30
- Meds \$10
- Total **\$102**
- Time 30 min



Recheck Mouth Tumor--now is bleeding into pharynx--saw yesterday

- Recheck \$0
- Fool around trying to
get bleeding to stop \$0
- Injection \$10
- Meds Home \$20
- Total \$30
- Time 30 minutes and
2 assistants on and off

- Recheck ?? maybe
- Med Tx time \$30
- Animal Assist \$27
- Injection \$10
- Meds Home \$12
- Total \$79



Service Based Fees 21st Century

- Consultation Fees
- Sx based on time
- Hosp and tech fees
- Tech fees
- Radiology tech
- Prof.. fees based on time
- Doctor care fees
- Extended doctor services



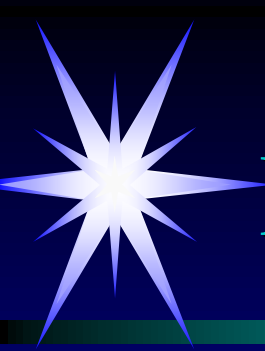
Technician Fees: start small

- Veterinary Assistance \$10
- Technician \$15



Large Animal Practice

Is there a future?



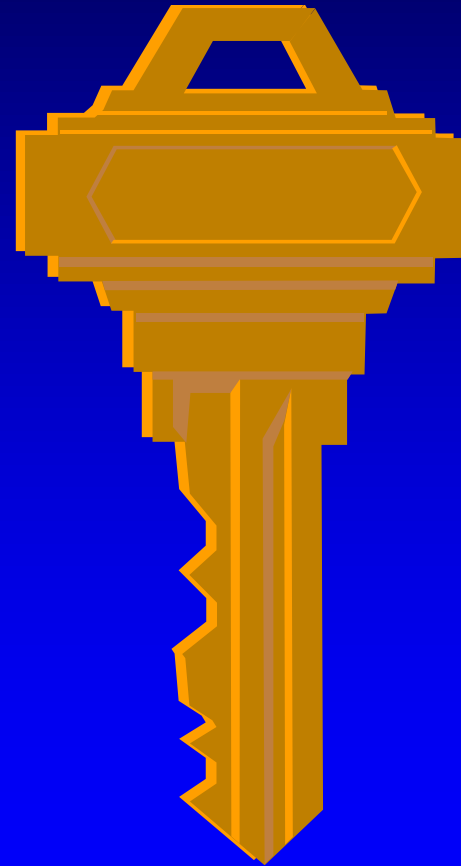
Livestock Partnership (Share)

- Pattern: Consulting forester
- Producer: fixed assets, feed, labor--87-90%
- Veterinarian: marketing, consultation, drugs, record keeping, production medicine--10-13% paid at sale



Key points to Remember

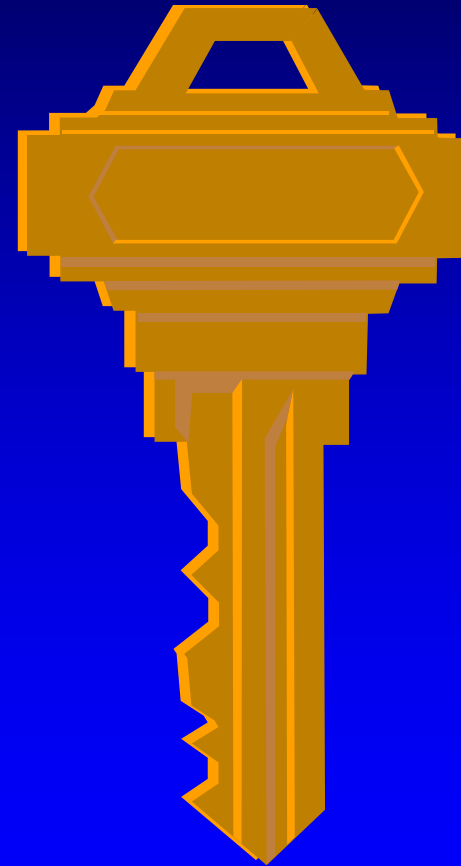
- Charge for people first
- Charge for your time in an organized manner
- Try to attain >40% of all fees as people fees (40% of expense)
- Avoid reductionism and discounting





More Key Points

- You can't change the competition
- Add fees that make sense--"non-shopped"
- Stabilize shopped fees to meet competition
- Don't compete with products
- You don't need to raise fees necessarily





Thanks!!!!!!

Go home and change your fees