



# Economic Veterinary Care

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# Overview

- Current economic climate
- Application to horse industry
- Business of veterinary medicine
- Suggestions financial responsibility
- My personal veterinary practice

# Horse Industry

- 42,500 horses NJ ('07 Economic Impact)
  - 30,000 non-racing
  - 12,500 racing

	Private Barn	Outside CC	Inside CC
Labor	\$3.56	\$1.05	\$6.50
Shavings	\$2.25 (1bag 3x wk)	\$3.75	\$4.75 (1bag/day)
Hay	\$3.75 (\$5/bale $\frac{3}{4}$ day)	\$1.73	\$7.00 (\$7/bale)
Grain	\$3.28 (Premium)	\$1.73	\$1.73
Total/day	\$12.48	\$6.53	\$19.98
Total/month	\$390.55	\$198	\$607
Total/year	\$4,686	\$2,383	\$7,292

# 2007 *U.S. Pet Ownership and Demographics Sourcebook*

	<b>Horses</b>
Percent of households owning	1.8%
Number of households owning	2,087,000
Average number owned per household	3.5
Total number in United States	7,295,000
Veterinary visits per household per year (mean)	2.2
Veterinary expenditure per household per year (mean)	\$360
Veterinary expenditure per animal (mean)	\$92

# Current Economic Climate

- Unemployment Rate
  - US – 8.5% (Dec '11)
  - NJ – 9.1% (Nov '11)
- Average Household Income (Real Median)
  - \$49,445 (US '10)
    - 2.3% decline '09
  - \$67,719 (NJ '10)

US Census Bureau

# Current Economic Climate

- Average Household Credit Card Debt
  - \$15,799
- College Graduate
  - \$20,000 in debt ('08)
- Undergraduate Student
  - \$3,173 credit card debt ('09)
  - 21% undergraduates \$3,000-7,000 credit card debt

# Cost Cutting

- Priority
  - Horse owner
  - Businesses
    - Farms
    - Trainers
    - Retailers
    - Veterinarians
    - Dentists
    - Farriers/Blacksmiths
  - Horse – unaffected (cost the same)



# Selective Veterinary Medicine?

- What I won't do
  - Treat, vaccinate?
  - Dictate how a veterinarian should practice medicine
- My intention
  - Highlight the business aspect of veterinary medicine
  - Biased perspective
  - Provide some \$ ranges

# Horse Industry

- Ownership
  - Occupation – income
  - Transportation – commodity
  - Pleasure
  - Performance
  - Aesthetics/status
  - Privilege not a right!

# Veterinary Medicine

- Passion for horses
- Desire to help
  - Horse
  - Client
- Business
  - Income
  - Expenses
    - Supplies
    - Salaries
    - Overhead
    - Licenses

# Equine Industry

- Poor businessmen
  - Veterinarians at the top
    - Most do not pursue the career for economic gain
    - Reality of newer generation
  - Equine professional
    - Requirements for success
      - Lengthy list
      - Not a guarantee
  - Scruples are not pre-requisite

# Mountain Pointe

- Performance sport horse practice
  - No racing or breeding (by choice)
- 70% my clientele
  - Do not rely upon horse to generate income
- Current economic climate
  - Curtail some client spending
    - Vaccination
    - Extreme financial commitments (colic sx.)
  - Improved my business perspective

# Mountain Pointe

- Decreased overhead/expenses
- Provide same customer service
- Emphasis on accounts receivable

# Personal Viewpoint

- Financially responsible
  - Not be reliant upon others for credit
  - Spend within your means
- Appropriate priorities
- Realistic budgeting
- Plan ahead

# Prophylactic Care

- Vaccinations
  - Spring
    - EWT
    - Flu/Rhino
    - Rabies
    - PHF
    - Botulism
    - WNV
    - \$130 - \$200
  - Fall
    - Flu/Rhino
    - Previously
      - EWT
      - WNV
      - PHF
      - \$80 - \$130
- Skip?
- Owner vaccinate?



# Prophylactic Care

- Coggins Test (EIA)
  - NJ Law
    - Annual for transportation on State road
  - \$30 - \$60
  - Skip
    - Legal documentation of identification (federal)
    - Every 2 years?
    - USDA proposal frequency of testing predicated on zone of US where horse resides

# Prophylactic Care

- Parasite control (worms)
  - Pasture management
    - Rotational
    - Manure removal
    - Minimize occupancy load
  - Rotational deworming
    - “blindly” treat all horses
  - Selective deworming
    - Fecal egg counts
    - Treating “shedders” with appropriate dewormer

# Performance Maintenance

- Osteoarthritis
  - Joint therapies
    - Hock injections
      - \$300-800
      - Dependent on what is injected
  - Owners more selective on show attendance
  - Curtail some of these treatments if not essential

# Emergencies

- Unavoidable
  - Colic (\$250 - \$800)
  - Lacerations (\$300 - \$800)
  - Eyes (\$200 - \$400)
  - Orthopedic (\$400 - \$1,500)
- Should still call the veterinarian
- Budget accordingly

# Equine Insurance

- Increased in current economic climate
- 60-70% performance/sport horses
- Why?
  - Veterinary costs more affordable
  - Recoup some loses
  - Make money

# Equine Insurance

- Value
  - Based on purchase price for 1<sup>st</sup> year
  - Show, breeding, racing records can increase price
  - Appraisal – not valued very highly
- Insure for full value (purchase price) or under-insure

# Equine Insurance

- Colic surgery averages
  - \$6,000 - \$8,000
  - \$10,000 - \$12,000 CA
  - \$2,500 - \$3,500 central US

# Equine Insurance

Major Medical		Mortality	
Coverage	Premium	Coverage	Premium
\$10,000	\$375/yr	\$5,000	\$200/yr
\$15,000	\$475/yr		

- Mortality
  - Predicated on use, age, breed, occupation
- Great American
  - Major medical/mortality – 20 yr old
- Surgical coverage only (\$10,000/\$150 per yr)
  - Streamlined major medical (surgery, expenses, anesthesia, limited pre- and post-op care)



# Veterinary Economic Suggestions

- Develop stronger business report with veterinarian
  - Credit cards
  - Online bill pay
  - Care Credit
  - Individual approved payment plans
- Veterinarian
  - Focus on customer service
  - Community outreach
  - Discounts

# Veterinary Economic Suggestions

- Budget accordingly
  - Insure vs. uninsure
- Realistic value of horse
  - Business decision or family member
  - Realistic cap (financial or heroics)
  - Formulate decision prior to event

# Many Horses Available

- Good Samaritans
  - Adoption, rescue, “free” lease
  - “What’s one more” philosophy
  - High maintenance horses
  - Truly afford this horse
  - Overextended situations

# Centenary College

- 90+ horses owned by College
- All are donated
  - Come with preexisting medical issues
  - \$ to maintain
  - Thorough evaluation process before accepting
    - Functional in our program at least 3 years
    - Find a suitable adoption home

# Centenary College

- More cost effective treatment plan over the state-of-the-art option
- Consideration for \$ medical procedure
  - Functional value to our program
    - Determined by entire faculty
- Hard decision of quality of life and adoptability

# What Can Horse Owner Do?

- Build professional relationship with Vet
  - Assessment of patients
  - Strong communication with practice
  - Proactive with the financial obligations
- Critically evaluate your farm and its resources
  - Establish financial and treatment caps
  - Emotional decisions may not be the best business decision

# What Can the Horse Owner Do?

- Educate the next generation of equine professionals
  - Financial responsibility
  - Priorities
  - Work ethic and entitlement
  - Lead by example

# What Will I do?

- Remain committed to my patients and clients
  - Professional family
- Sympathetic of financial constraints
  - Plan B and C are always available
- Provide my opinion when appropriate
- Administer optimal of veterinary care
  - If not me, than I will refer



Thank You

Questions

