Economic Veterinary Care

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Rutgers University
Equine Science Center
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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
<table>
<thead>
<tr>
<th></th>
<th>Private Barn</th>
<th>Outside CC</th>
<th>Inside CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$3.56</td>
<td>$1.05</td>
<td>$6.50</td>
</tr>
<tr>
<td>Shavings</td>
<td>$2.25 (1bag 3x wk)</td>
<td>$3.75 (1bag/day)</td>
<td>$4.75</td>
</tr>
<tr>
<td>Hay</td>
<td>$3.75 ($5/bale ¾ day)</td>
<td>$1.73</td>
<td>$7.00 ($7/bale)</td>
</tr>
<tr>
<td>Grain</td>
<td>$3.28 (Premium)</td>
<td>$1.73</td>
<td>$1.73</td>
</tr>
<tr>
<td>Total/day</td>
<td>$12.48</td>
<td>$6.53</td>
<td>$19.98</td>
</tr>
<tr>
<td>Total/month</td>
<td>$390.55</td>
<td>$198</td>
<td>$607</td>
</tr>
<tr>
<td>Total/year</td>
<td>$4,686</td>
<td>$2,383</td>
<td>$7,292</td>
</tr>
</tbody>
</table>
### 2007 U.S. Pet Ownership and Demographics Sourcebook

| **Horses** |  
| 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  

© 2007
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)
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 1st 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

<table>
<thead>
<tr>
<th>Major Medical</th>
<th>Mortality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage</td>
<td>Premium</td>
</tr>
<tr>
<td>$10,000</td>
<td>$375/yr</td>
</tr>
<tr>
<td>$15,000</td>
<td>$475/yr</td>
</tr>
</tbody>
</table>

- **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 commitment 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