

## Non-Profit Veterinary Services

Americans love our pets, with 64% of households having one or more, and we spend \$15.2 billion each year on veterinary care. But studies show that veterinary visits have been on the decline for more than a decade, even as pet ownership has been on the rise. Some mistakenly blame that decline on competition from reduced rate services by non-profit organizations. But experts agree that blaming non-profits is misguided, and that humane organizations serve an important community need and a clientele unlikely to otherwise obtain veterinary assistance. Rather than competing with established veterinarians, non-profit organizations and low-cost services are reaching a new audience of pet owners and families and introducing them to veterinary services for the first time, expanding the overall universe of veterinary customers and pet owners receiving services.

The HSUS urges the veterinary community to stop unproductive attacks on non-profit service providers and focus their efforts on adopting the recommendations experts in their field have made to improve their own practices and regain their customer base. Rather than seeking more government interference in one of the most highly regulated industries, the veterinary profession needs more tolerance for free-market principles.

### The Truth About the Decline in Veterinary Visits

The 2011 Bayer Veterinary Care Usage Study commissioned by Bayer HealthCare LLC, Animal Health Division and conducted by Brakke Consulting in collaboration with the National Commission on Veterinary Economic Issues, identified six primary factors causing the decline in visits to private veterinary practices<sup>1</sup>:

1. The economic impact of the recession: A direct correlation existxs between employment status and rates of veterinary visits, so it is not surprising that as unemployment rates increased during the recent recession, spending on veterinary care decreased.
2. Fragmentation of veterinary services: The numbers of veterinarians practicing companion animal medicine increased by 48% from 1996 through 2006, far outpacing the growth in cat and dog ownership, and more than 1,000 pet-store-based and specialty practices have opened nationwide in the past decade. Nevertheless, while people have more options than ever before at which to find veterinary care for their pets, the vast majority still choose independent veterinary offices.
3. Consumers substituting Internet research for office visits: In 2011, 39% of respondents stated that they look online first for veterinary information, and 15% agreed they rely less on a veterinarian because of the Internet.
4. Feline resistance: The majority of cat owners do not take their cats to the veterinarian in part because they do not understand the importance of feline wellness care and in part because of the challenges faced in taking cats to traditional veterinary offices.
5. Perception among pet owners that regular medical check-ups are unnecessary: Nearly half of respondents believed that regular visits were unnecessary or were neutral on the question.
6. Cost of care: 53% of respondents cited “sticker shock” as an obstacle to bringing their pet to a veterinarian, stating that the cost was usually much higher than expected.

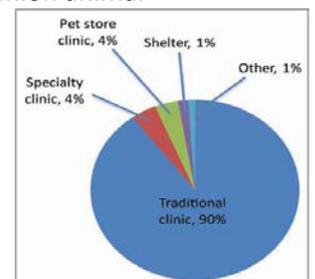


Figure 1— Type of veterinary practice used as the source of veterinary care among dog and cat owners who indicated they have a primary veterinary clinic.

<sup>1</sup> National Commission on Veterinary Economics Issues, and Bayer HealthCare LLC, Animal Health Division, Bayer Veterinary Care Usage Study [report](#)

The conclusion of the Bayer study:

*By far the most important finding, from a pet health perspective, is the misperception by many pet owners that regular medical check-ups for pets are unnecessary," said Ian Spinks, president and general manager of Bayer Animal Health North America. "This could be driven by the absence of professional patient care guidelines that recommend annual physicals. The unintended consequence is that many pets aren't getting the care they need for healthy, long lives.*

The Bayer Study did not conclude that non-profit clinics play a substantive, much less a significant, role in the decline in veterinary visits.

### Non-Profit Veterinary Services Meet a Critical Need

As established by the Bayer Study, non-profit clinics do not constitute a major threat to traditional veterinary practices. Non-profits providing veterinary services typically self-impose limitations on the services provided, which tend to be the least revenue-producing services in for-profit practices.

Nevertheless, for those who cannot afford veterinary care they play a vital and necessary role. More than half of American families earn \$60,000 or less per year, and nearly 50 million Americans live in poverty (defined as a family of four earning \$23,550 or less). The HSUS estimates that there are at least 23 million pets living in poverty in the US. 87% of them are unaltered (the complete inverse of the reproductive status of animals living in non-poverty communities, which is approximately 87%). For these pets, reduced or free veterinary services are the only way they will receive any type of veterinary care.

These pets are not a current client base for private veterinary practitioners. The HSUS' Pets for Life Program, for example, arranges for services (veterinary and otherwise) for tens of thousands of animals living in poverty-stricken communities nationwide and has found that 77% of their clients have never seen a veterinarian (significantly, 88% of them have also never been in contact with local animal control, so they are not receiving services from other non-profit service providers either). For these clients, veterinary services are not only out of reach financially, they are literally inaccessible – one of the criteria for selection as a PFL service community is an absence of traditional animal care services like veterinary providers. For a person without a vehicle who relies on public transportation, just a few miles' drive to a veterinary office is an insurmountable distance, and taking a dog or cat on a bus or subway might not be feasible. When services are made accessible, though, people take advantage of them in great numbers – in PFL communities, 74% of clients elect to have their pets spayed/neutered once given the opportunity.<sup>2</sup>

Access to services is not only essential for individual pets, it also serves a greater good for the community at large. Since the mid-1970s, shelter euthanasia rates have dropped from an upwards of 15 million dogs and cats per year to only 3 million today, a precipitous drop universally attributed to accessible, affordable spay/neuter efforts. In recent years, though, the decline in euthanasia rates has slowed – the reason? While the message about the importance of spay/neutering has reached the majority of middle and upper class pet owners, achieving nearly universal spay/neuter compliance in

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<sup>2</sup> The Humane Society of the United States, Pets for Life 2014 program [report](#), *An In-Depth Community Understanding*

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those socio-economic ranks, the working poor and impoverished have been left behind. As stated by the ASPCA:

*[C]ost is one of the primary barriers to spay/neuter surgery in many communities. In fact, low household income and poverty are statistically associated with having an intact cat, with relinquishment of pets to shelters, and shelter intake. As a result, the proportion of pets from poor communities who are being euthanized in shelters remain high; shelter euthanasia rates in the poorest counties in states, including California and New Jersey are several times higher than those in the most affluent counties.<sup>3</sup>*

Therefore, veterinary opposition to provision of reduced and free spay/neuter and other services is tantamount to condemning large numbers of healthy animals to euthanasia in shelters and a never ending cycle of pet homelessness and suffering – something we trust no practitioner would knowingly advocate. Moreover, when a low-income family sees a veterinarian for the first time and has their pet spayed or neutered, they have a positive experience with the veterinary profession and may continue to provide their pet with veterinary care in the future.

### Means Testing Is Not an Effective Compromise Solution

Given that there are millions of pets in poverty who are not receiving veterinary care from traditional veterinary practices; it may be tempting to suggest that means testing should be used to ensure that services are only provided to individuals truly in economic need. But while means testing may be valid in other contexts, it fails as a method of identifying those capable of paying for for-profit veterinary care.

Just because someone is not technically living below the poverty line does not mean they are able to afford for-profit veterinary care. Poverty is defined as a family of four earning up to \$23,550 annually. Median household income in America is only \$51,939, and fully 76% of our nation's families earn \$100,000 or less. The Hamilton Project, an economic policy initiative of the Brookings Institution, defines the "struggling middle class" as:

*[T]he 30% of working-age families with children who have incomes between 100 and 250 percent of the federal poverty level, or between roughly \$15,000 and \$60,000, depending on family composition. Though not officially "poor", these individuals and families experience limited economic security. One major setback could thrust them into economic chaos.*

Millions more people are struggling financially than just those living on government subsidies like Medicare or food stamps. When families are forced to make cuts in their household budgets, they may consider veterinary care to be a "luxury" expense that they can do without. To discount them from the population of citizens requiring low cost or free services is to deny the millions of pets living with them access to veterinary care basics. Means testing creates an unnecessary barrier to ensuring that all pets are receiving essential veterinary care.

### Service Limits Are Unnecessary and Ill-Advised

Veterinary practice laws are based on the principle that veterinarians must have the discretion to use their education, skills and experience to achieve the best outcomes for their patients. Arbitrary attempts by lay people, legislators, or any other forces to interfere with practitioners' discretion in the

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<sup>3</sup> American Society for the Prevention of Cruelty to Animals, [Position Statement on Mandatory Spay/Neuter Laws](#)

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practice of veterinary medicine have traditionally been swiftly and resoundingly rebuffed, and rightly so. It is surprising, then, that some veterinarians are advocating for arbitrary limits on services veterinarians operating in nonprofit settings are able to provide their clients. Animals deserve the highest standards of veterinary care regardless of the fees being charged for their exam, or to whom the profits are directed. Measures designed to prevent a veterinarian from performing a physical exam, providing a necessary vaccination, or advising a client about a course of treatment not only put pets at risk, they fly in the face of the very principles of veterinary ethics and practice.

### Subsidized Does Not Mean Substandard

Veterinarians working in non-profit clinics are still veterinarians – they are still subject to the same licensing, credentialing and oversight standards as any other practicing veterinarian. The suggestion that because they are willing to work for a non-profit in the public interest means they are performing substandard work is unquestionably unfounded. The opposite is true in many cases – veterinarians who perform high-volume spay/neuter are considered specialists in spay/neuter and are more well trained and efficient in these procedures than a regular, full-service veterinarian. The practice of high-volume spay/neuter is taken extremely seriously by the veterinarians who lead the field, and techniques are trained at a high level for maximum efficiency and best possible practices and outcomes. Any concerns about quality of work in non-profit practices can and should be addressed through the same oversight and disciplinary mechanisms in place to govern performance in all other veterinary practices. Human doctors who are working with the poor or providing vaccines in developing nations are celebrated, not scorned. Veterinarians who are using their skill and talent and expertise to perform a public service that benefits society should be valued in the same way.

### Interference with Non-profit Clinic Operations Violates Federal Law

The Federal Trade Commission has made its position clear: when veterinary associations attempt to interfere with the practice of veterinary medicine in an effort to eliminate competition (real or perceived), they violate federal law. The FTC is charged with preventing unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce. This includes the competitive effects of restrictions on the business practices of state-licensed professionals, including doctors and veterinarians (see *Oklahoma State Board of Veterinary Medical Examiners*, 113 F.T.C. 138 (Jan. 31, 1990)), where the FTC recently took action to block an Oklahoma State Board of Veterinary Medical Examiners rule that attempted to restrict veterinarians from being partners with, employed by, or otherwise associated with non-veterinarians or veterinarians licensed in other states). Veterinarians are wise to remember that any actions constructed as interference with competition in the marketplace may be considered actionable by the federal government.

### Conclusion

In summary: nonprofit clinics are not competition, they serve a vital purpose, and there's no need for means testing or service limitations. The HSUS strongly opposes any efforts to limit the work of non-profit spay/neuter and veterinary offices. Instead, we propose a mutually beneficial cooperative effort between non-profits and for-profit veterinarians, to provide whole communities with the services they need to end pet homelessness and suffering.