

# Talking About Money Matters

Article by Roxanne Hawn



## Educating pet owners about affording veterinary care before an emergency strikes.

In addition to educating clients about the science behind veterinary care and your evidence-based recommendations, it's important to set expectations about costs and payment options.

That doesn't make you their financial advisor, but do look for ways to lay the groundwork—before an emergency strikes—so that clients gain a passing understanding of how these things work.

The process of educating clients on money matters could include:

- 1-page handout that recaps the options you recommend
- Overview list on the bottom of receipts
- Posters in the lobby or exam rooms
- High-profile page on your website that provides links and additional information
- Regular social media posts
- Exam conversations
- Annual letter from the practice owner on the state of veterinary care and your efforts to make it affordable

Which of these pet care affordability aids make the most sense for your clients?

### Wellness plans

Wellness plans continue to gain popularity, and can be helpful for entry-level pet owners who are just learning about routine care. In many ways, wellness plans teach clients what you think is important. Plans can pay off financially for them as well, but it's also a way to reinforce your standards of care.

Typically, these plans work one of two ways:

1. Clients pre-pay (at a discount) for the year's preventive care services and products.
2. Clients pay a set amount each month toward those yearly costs so that it's easier on their budget and provides a steady income stream for the practice.

**Talking points.** Since each practice is different and each client base has its own quirks, it's best to use examples from your own experience—if you offer wellness plans. Talk about cost savings. Talk about the kinds of clients and pets that benefit most. When possible, compare the client's

CONTINUED ON NEXT PAGE

"...clients with pet health insurance bring their animals in more often, and are more likely to follow a veterinarian's advice on procedures. They spend more for wellness care, as well,"

actual spending in recent years to how your wellness plan stacks up for those specific pets.

### Pet Insurance

Pet insurance began more like car insurance than human medical insurance. Clients often cover routine care on their own and keep pet insurance only for accidents or illnesses. Just as your car insurance doesn't pay for oil changes, the traditional kind of pet insurance wouldn't pay for vaccines.

It takes research to understand how various pet insurance plans may differ, including some newer ones that do cover wellness care. Rob Jackson, CEO of Health Paws, says, "With pet insurance, [clients can] save up to 90 percent on vet bills."

Available for free download, Healthy Paw's "Cost of Pet Health Care Report 2017" includes the 10 most common reasons for veterinary visits and other stats like these:

- 1 in 3 pets will need urgent care this year
- Every 6 seconds an owner is given a veterinary bill of more than \$1,000

Knowing financial help is available can be comforting to both pet owners and veterinary teams when big expenses crop up. Essentially, it makes it easier and less stressful for clients to agree to your recommendations. It also makes them more likely to come in at the first sign of medical trouble.

"Long-standing studies by reputable organizations such as Brakke Consulting have made it clear that clients with pet health insurance bring their animals in more often, and are more likely to follow a veterinarian's advice on procedures. They spend more for wellness care, as well," says Carol McConnell, DVM, MBA, vice president and chief veterinary officer for Nationwide (formerly Veterinary Pet Insurance). "... NAPHA (North American Pet Health Insurance Association) research demonstrated a significant uptick in

veterinary spending if clients had insurance for their pets: 29 percent increase for dog owners and 81 percent increase for cat owners."

The one thing that most pet insurance did keep from the human medical insurance model is exclusions for pre-existing conditions. That means clients need to buy insurance for young, healthy pets.

That's no guarantee, however, of preventing exclusions. For example, I literally bought pet insurance policies for my two current dogs on the very day we adopted each of them—at 15 weeks and 12 weeks respectively. Both came out of rescue with minor puppy issues. Both got slapped with pre-existing condition exclusions—some for one year, some for life.

**Talking points.** McConnell explains, "Time is precious, no doubt about it. That's why actively recommending pet insurance while pets are young is important. Veterinary staff members are very capable of introducing clients to the attributes and basics of pet insurance. Recommending pet insurance should be part of your practice culture where staff actively recommends one or two pet insurance companies to every client, so they can do further research on their own. Getting the entire practice on board and educating is key. There's more to recommending pet health insurance than having competing brochures in the lobby and passively inserting them in puppy and kitten kits."

### CareCredit

CareCredit is a healthcare credit card that can be recommended by veterinarians, particularly for things like expensive surgeries or major emergencies. That's often where clients first hear about this payment option, but it can be used for routine veterinary care as well.

On average, CareCredit cardholders who opened their account at a veterinary office used their card 5.25 times per year for veterinary services in 2016. According to an AAHA

survey, the average number of annual transactions per active client was 3.2 in 2015.<sup>1</sup>

“Providing payment options like CareCredit makes it easier for pet owners to move forward with care and without delay,” says Paul Findly, vice president of marketing, CareCredit. “By accepting the CareCredit credit card, practices are able to have a payment solution which can help make the financial conversation easier. It removes the stress of cost for the pet owners and veterinarians, so they can both focus on what’s best for the pet.”

The company doesn’t release data on how many applicants get approved. Those stats likely vary based on community. Ask your local veterinary colleagues about the level of approvals they see. I asked my own readers and fans online, and the vast majority report being approved (even if they had been declined in the past). However, that may be unique to the readers who follow my work.

**Talking points.** Typically, clients can apply for CareCredit on the spot. You may be able to offer deferred interest or a reduced APR for a limited time on large charges. Having a veterinary-specific credit card keeps those costs from getting jumbled up with other spending. However, depending on the credit cards the client already has, CareCredit’s interest rate may not compare favorably.

### Billing options and pet savings accounts

If you’d rather not have to manage payment plans yourself, there are options for having a third-party handle the invoicing for you. For example, [VetBilling.com](http://VetBilling.com) is a division of Electronic Billing & Customer Service (EBCS). Since 1986, EBCS has been doing electronic payment processing for the health and fitness industry.

EBCS has now branched out into the veterinary world, offering practices a way to allow clients to pay over time. And, if a client does not make payments on schedule, the company provides collections support, which can preserve a practice’s relationship with the client since your team is not the one making the payment reminder calls.

The company also oversees Pet Savings Accounts for people who want to sock away money each month so that they have funds available to pay for care. Certainly, people could set up their own savings account, but some may need the extra motivation provided by a structured plan.

**Talking points.** Practices that choose to offer third-party payment plans would need to set thresholds where it applies, including amounts and length of time allowed for a balance to be paid down to zero. In addition, if you decide to offer it on a trial basis, you could say that as well, also making the point that if people don’t make payments as planned, then the option won’t be offered after the trial period.

### Increase information retention

The more clients know about their options for handling pet care costs, the less stress they may feel in an already stressful situation such as an emergency. Plant financial information in their heads during calmer times, and you automatically increase comprehension and retention.

<sup>1</sup> AAHA. 2017 Financial and Productivity Pulsepoints, Ninth Edition.



Roxanne Hawn is a professional writer and award-winning blogger based in the Rocky Mountains of Colorado. A former writer/editor for the American Animal Hospital Association and the American Humane Association, she has written about veterinary medicine and pet topics for nearly 20 years. Her work has also appeared in The New York Times, Reader’s Digest, Natural Home, Bankrate.com, WebMD, The Bark, Modern Dog, and many high-profile outlets. Her first book is called *Heart Dog: Surviving the Loss of Your Canine Soul Mate*.

## Pet Insurance Stats

North American Pet Health Insurance Association (NAPHIA) researcher found:

- 50% more pet owners would purchase pet health insurance if their veterinary practice actively recommended it
- Pet owners with pet health insurance spend more per year on veterinary care—29% more on dogs, 81% more on cats.

Download NAPHIA’s “Pet Insurance Best Practices Guide for Veterinary Teams” from the organization’s website, [NAPHIA.org](http://NAPHIA.org).