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Staff Paper

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Animal and Equine Veterinary Services:
A Study of Teaching Hospitals and
Michigan Private Practices During 2000**

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Michigan Private Practices During 2000**

by

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INTRODUCTION

Prices are a key determinant of financial performance for virtually any business in either the public or private sector, and the Veterinary Teaching Hospital at Michigan State University (MSU-VTH) offers no exception. To achieve consistent success, it is critical that a business understands the prevailing conditions in the marketplace when setting prices for its goods and services. Important issues to address include:

1. What are the prices of similar goods and services produced by other firms?
2. How important is price as a choice factor when customers select a source of these goods and services?
3. How do staff members view prices at the point-of-sale?
4. How are prices determined?

These questions are especially crucial in small businesses such as those typical of the veterinary profession, where the decision-makers tend to be technical experts rather than trained business managers. Without this information, these decision-makers often have very little basis on which to develop a pricing policy.

Unfortunately, very little has been published on pricing veterinary services. The American Animal Hospital Association (AAHA) has published *The Veterinary Fee Reference*,¹ which provides a national and regional analysis of benchmark fees for small animal services. Although this publication offers invaluable background for general small animal practices, it has limited information for specialty practices, and large animal services are excluded.

Four studies have investigated the importance of price to consumers of veterinary services. The KPMG study² conducted for AAHA, the American Veterinary Medical Association (AVMA), and the Association of American Veterinary Medical Colleges (AAVMC), also known as the "Megastudy," has been the most comprehensive. Conducted in

1999, the study concluded that current prices for veterinary services may not appropriately reflect the true value of the services as perceived by animal owners. In addition, current prices may not fully reflect the real cost of delivering the services. In that regard, the KPMG study points out that prices for veterinary services have been declining since 1972 relative to prices of other goods and services in the general economy. This decline has occurred in spite of the fact that price was found to be a relatively unimportant factor in a client's choice of veterinarian. Pet owners rated price the 9th of 12 most important considerations in choosing a veterinarian. Also in this study, owners of both small animals and horses indicated that they were relatively insensitive to changes in veterinary fees by stating that most would not change veterinarians if prices were increased by as much as twenty percent (20%). Furthermore, ninety percent (90%) of horse owners responded that they do not price shop for veterinary services when facing life-threatening or emergency situations.

A study conducted by House & Associates³ for the Ontario Veterinary Medical Association (Canada) focused on the relationship between the price of veterinary services and the amount of service purchased by animal owners. This relationship, known as the price elasticity of demand, was investigated along with its impact on total revenues. The study concluded that a ten percent (10%) increase in fees would lead to less than a 5.5 % decrease in clientele, which would ultimately result in an increase in total revenues. As a result, the authors predicted that increased fees for veterinarians who are currently charging near average or below average rates, would increase profits. The study also observed that "access costs," or the prices of services that get clients in the door (i.e. vaccinations), were often too low. To sustain a successful business with these low prices frequently required other services to be priced considerably higher, and sometimes out of the range of the client.

In a 1995 follow-up study,⁴ it was found that an average fee increase of 24% resulted in 12% fewer procedures being performed and a 9% increase in gross revenues over five years, in spite of a noteworthy recession. Again, profitability was improved.

Daneshvary & Schwer⁵ conducted a survey of veterinarians and concluded that a denser population leads to more price sensitivity (i.e. more veterinarians to choose from). In urban areas, a price increase of 1% resulted in 0.18% decrease in canine visits and a 0.28% decrease in feline visits. With the lower density of population and veterinary practices in rural areas, a price increase of 1% resulted in 0.08% decrease in canine visits and a 0.13% decrease in feline visits.

Wise & Kushman⁶ estimated the price elasticity of demand for different types of animal-owning households. Family-formation-and-growth and empty-nest households were the least price sensitive with an elasticity of demand of 0.20 (price increase of 10% leads to 2% reduction in business). Among the most sensitive were the older singles showing 0.45 elasticity of demand, with younger single clients having a 1.00 elasticity.

In short, existing studies conclude that the demand for veterinary services is fairly inelastic with respect to price. In that regard, price increases for veterinary services can generally be expected to be accompanied by decreases in demand that are proportionately smaller than the price increase itself. However, none of the studies showed results specific for Michigan or for the clientele of veterinary teaching hospitals.

Because prices play a key role in determining financial performance, and because limited information is available in the literature, the current study was designed to provide a factual foundation for MSU-VTH management to use as a basis for developing pricing policies.

Specific objectives were to:

1. compare MSU-VTH prices to those of other teaching hospitals and private practices;

2. define the attitudes toward price held by MSU-VTH faculty, clientele, and referring practitioners; and
3. describe the methods of setting prices employed by veterinary hospitals, both public and private.

METHODS

To obtain the desired information, several surveys were designed and conducted. First, individual interviews were completed with MSU-VTH Section Chiefs and leading clinicians (as identified by Section Chiefs) to characterize their attitudes toward price, and to develop a list of benchmark services (five or six per section) that was representative of the range of clinical activities conducted by the MSU-VTH. Interview questions can be found in Appendix A. Based on these interviews, a list of 96 services was compiled to use as a basis for price comparisons across the hospital (see Appendix B).

Subsequently, a questionnaire was designed and mailed to all veterinary teaching hospitals in the United States. Emphasis was placed on benchmark prices and pricing policies (see Appendix C). In addition to the Colleges/Schools of Veterinary Medicine, this survey also included the Animal Medical Center (New York City) and Angell Memorial Animal Hospital (Boston). Prices from services in other teaching hospitals were adjusted to an East Lansing basis using local cost of living indices.

A similar questionnaire was developed and distributed to a number of private practices in Michigan. In total, 30 private practices were selected, of which 23 were chosen because they refer the largest number of cases as well as the largest amount of revenue to the MSU-VTH and seven were selected because they offer one or more specialized services. All 30 of these practices received the benchmark price questionnaire and 12 were interviewed regarding pricing

policies (six small animal practices, two equine practices, and four specialty practices -- see Appendix D for a list of interview questions).

In addition to prices supplied by individual practitioners, two other sources of information were included for comparison purposes. In 2000, AAHA published "The Veterinary Fee Reference," a survey of small animal services and fees with national and regional analysis.¹ These prices are included in the data, where applicable. Also included, where relevant, are prices published in the Veterinary Economics 1999 Well-Managed Practice Study for Companion Animals.⁷

To supplement the interview data, several price-related questions were included in broader surveys of small animal and equine private practitioners in Michigan. Although these specific questions focused on price, the surveys were conducted as part of a separate study designed to describe the overall satisfaction of referring veterinarians with MSU-VTH services.^{8,9} A total of 1395 small-animal practitioners and 174 equine practitioners were mailed questionnaires. These groups comprised the entire populations of small animal and equine practitioners in Michigan, respectively, as represented by the mailing list maintained by the Michigan Veterinary Medical Association (MVMA). In some cases, practitioners who provided service to both small animals and horses responded to both questionnaires, separately.

Finally, to obtain information directly from MSU-VTH customers, additional questionnaires were designed for small animal and equine clients. As with the broader surveys of veterinary practitioners, specific questions were included in these surveys that focused on price, while the overall purpose of these particular surveys was to describe the satisfaction of animal owners with MSU-VTH services as a whole.^{10,11} Of all the clients obtaining service at the MSU-VTH during the July 1, 1999 – June 30, 2000 fiscal year, 983 small animal clients and 493 equine clients were selected at random to receive questionnaires through the mail. These

totals represent samples of approximately 12% and 26% of the clients who used the small animal and equine services during that time period, respectively.

RESULTS

Benchmark Prices

Besides MSU-VTH, eleven other teaching hospitals completed the benchmark pricing questionnaire. In addition, sixteen private practices responded: five equine, nine small animal, and two specialty practices. Summary data from these surveys, along with data from AAHA and Veterinary Economics, are presented in Appendix E.

Attitudes Toward Price and Pricing Policies

MSU-VTH Section Chiefs and Clinicians. Maintaining an adequate caseload for teaching was the primary concern related to prices among the MSU-VTH Section Chiefs and leading clinicians. These individuals have the primary responsibility for pricing decisions within their respective services. Although the specific types of cases might ideally be fine-tuned a bit in some services, the overall feeling across the hospital was that caseload was adequate for teaching in every service except Food Animal. In some cases, the caseload was viewed as borderline excessive, with the volume of clinical work decreasing the time available for teaching. Without exception, all clinicians interviewed felt that the price increases implemented in recent years had not resulted in any perceptible negative impact on caseload; in fact, caseload has steadily increased despite substantial price increases. Most clinicians expressed a belief that VTH clients are effectively pre-screened by referring veterinarians, and that clients who come to MSU are generally prepared for (and willing to pay) VTH prices.

Even so, many clinicians still expressed reservations about the level of MSU-VTH prices relative to other practices in Michigan. Although no specific services were perceived to be

overpriced, several noteworthy reservations were expressed. For example, Radiology and Anesthesia reported feeling pressure from other sections to keep prices low, and to resist price increases. Soft-tissue surgeons felt confident that their prices were at the highest possible level, and that any increase would lead to a drop in caseload. Clinical pathology expressed the belief that their prices were the highest in the state. Many clinicians expressed concern that prices for similar services in private and/or specialty practices are often excessive.

Most clinicians reported charging fees as established in the computer, but some actually vary their professional fees to make the total bill "come out" to what they perceive (in the clinician's judgement) as a more reasonable amount, or to more closely match an estimate provided to the client. In addition, some clinicians expressed what they perceived was a need for a payment plan to accommodate clients whose services included large-ticket items.

Virtually all of the MSU-VTH clinicians interviewed expressed frustration with their inability to determine how much it costs to provide services. It was implied that having such information available would make pricing decisions much easier.

Other Veterinary Teaching Hospitals. Four of the non-MSU veterinary teaching hospitals reported impressions that their prices were higher or much higher than private practices. Three hospitals thought they had comparable prices and two hospitals reported lower prices. Compared to specialty practices, five hospitals said their prices were comparable. Three hospitals thought their prices were lower than specialty practices, with none reporting higher prices.

Other veterinary teaching hospitals reported that their clients seldom comment on fees. When clients comment, they say that fees are too high, but this usually happens when there is a bad outcome to treatment or when the final invoice varies significantly from the original estimate.

Similarly, it was reported that referring veterinarians seldom comment on fees at other veterinary teaching hospitals. When they do, they say that fees are set at an appropriate level (four hospitals) or too low (two hospitals). Only one hospital (university-affiliated) reported that referring veterinarians perceive their fees as too high.

In most cases, business managers at other teaching hospitals establish prices with participation by clinicians. The level of clinician involvement in this process appears to vary. In one hospital, selected clinicians sit on a price-setting committee. Another hospital reported that business managers set prices, to which clinicians can react. Only one university hospital reported that clinicians set prices, and one non-university teaching hospital stated that prices are set by business managers alone. The responding university teaching hospitals reported raising prices once a year, while the two hospitals not affiliated with a university raise their prices twice a year.

For medicine and surgery services in companion animals, most teaching hospitals simply increase the previous year's prices and/or compare their prices to those charged by other practices. Only three hospitals reported charging for medical and surgical procedures based on cost. In these cases, the fee for a service was cost plus a mark-up of 40% to 50%.

One hospital reported charging for surgery by the hour of surgeon's time. The hourly rate did not vary according to whether the procedure was performed by a senior clinician, resident, or intern. Most hospitals charged a set fee for a given procedure, with different price levels available to accommodate the variation in complexity from case to case.

All hospitals charged for anesthesia based on time, most on an hourly basis. Services and supplies included in this hourly anesthesia fee differed for each hospital. The only items included in the fee for all hospitals were gas anesthesia and monitoring. Other items commonly included were induction and catheters. Only one hospital included additional drugs that might

be needed during anesthesia and a ventilator in the hourly fee. Two hospitals included post-operative analgesics.

Prices for food animal medicine and surgery were based primarily on comparisons to prices charged by other practices and increases over the previous year's prices. Three hospitals reported that their food animal caseload was insufficient for teaching and research purposes. Three hospitals reported that their pricing was based on keeping services affordable (in their opinions) to maintain caseloads.

Pharmaceuticals were generally priced on a cost plus mark-up basis. Mark-up varied from 10% to 100%, with most hospitals adding 100%. Two hospitals reported charging an additional dispensing fee. The one dispensing fee mentioned was \$3.00.

Only one hospital (university-affiliated) charged outside veterinarians for phone consults, and this only in the dermatology service. The fee was waived when the case was referred to the VTH. One other university-affiliated hospital reported that they are planning to begin charging for phone consults in the near future.

All but one hospital (university-affiliated) allowed clinicians to give discounts for teaching purposes. Mostly discounts were allocated by department (e.g., \$50,000 per year for all large animal, \$50,00 for all small animal), or by section. One university hospital allowed \$1,000 to \$3,000 per year per clinician. At the non-university teaching hospitals, teaching discounts were not budgeted but had to be approved by the department chairperson. Discounts for faculty and staff varied widely. Discounts ranged from none (three hospitals) to 75% off. Two hospitals cited yearly maximums of \$500 or \$2,500. Two hospitals offered 20% off, and one offered 40% off. Student discounts also varied. Two hospitals offered 40% off, two hospitals 20%. Two others discounted procedures by 50% or 40% and drugs by 20% or 25%, respectively. Two university-affiliated hospitals did not offer discounts to students.

Only one institution reported charging clients lower fees when students perform procedures. All hospitals reported that clients seldom refuse services recommended by a veterinarian on the basis of price. The refusal rate was reported to be higher on the night/emergency service. One hospital reported that clients were refusing services with increasing frequency.

Referring Veterinarians. Twelve referring veterinarians were interviewed regarding prices and pricing policies. All practitioners interviewed agreed that prices for veterinary services are generally too low throughout the profession. All practitioners said that they rarely receive comments from their clients about their prices. Seven practitioners said that when they receive comments, clients say their prices are too high, or that they are "expensive, but worth it."

The private practitioners interviewed were divided on whether they look at prices of nearby practices. The more specialized the practice, the less likely it was to compare prices.

Owners of these practices usually set prices. In practices that employ a practice manager, setting prices is usually a collaboration between the manager and the practice owner(s). One specialty clinic reported that the practice manager sets all prices; clinicians are not involved.

Few of the private practitioners interviewed have a well-defined formula for setting prices. Although most practices examine costs, profitability, and competition, the end result is often simply a raising of all prices from the previous year by a set percentage. Many practitioners rely on standards published by Veterinary Economics magazine, by AAHA, or by the American Association of Equine Practitioners, especially for services that are price-shopped by clients. Mark-ups for inventory items, including pharmaceuticals, range from 100% to 150%. Prices are generally revised annually.

Surgery is most often priced based on time (by the minute or by the hour). One practice prices most procedures and services based on charging \$125 per hour of each veterinarian's

time. One practice reported a clear formula that included overhead costs, staff time, veterinarian’s time, average length of each procedure, and an overall efficiency factor.

Finally, economic euthanasia was reported to be very rare among the practices interviewed. One small animal practitioner could not remember the last one performed. When asked to estimate, practitioners reported that, in general, economic euthanasia was chosen by fewer than 2% of clients. One small animal practitioner reported the number to be as high as 10% of clients, and one emergency clinic reported that economic euthanasia occurs approximately five times per week.

MSU Customer Satisfaction Studies

Response Rates. A summary of the response rates of VTH clients and referring veterinarians is presented in Table 1.

Table 1. MSU customer satisfaction study response rates.

Population	Contacted	Responded	Response Rate
Small Animal Clients	983	362	37 %
Equine Clients	493	183	37 %
Small Animal Practitioners	1395	521	37 %
Equine Practitioners	171	95	56 %

The relatively high response rates in the MSU-VTH customer satisfaction studies bring confidence that the results obtained are representative of the respective populations.

Referring Veterinarians. Practitioners who refer small animal or equine cases to MSU-VTH were asked a number of questions related to prices and pricing policies. First, veterinarians were asked to compare their impressions of MSU-VTH fees with the fees charged in their practice as well as fees charged in other practices. Results are displayed in Table 2.

Table 2. How do MSU-VTH prices compare to those charged by private practices in Michigan?

	MSU prices are higher	MSU prices are the same	MSU prices are lower
Compared to <i>my</i> small animal practice (n = 468)	64 %	26 %	10 %
Compared to <i>other</i> small animal practices (n = 382)	43 %	33 %	25 %
Compared to <i>my</i> equine practice (n = 66)	71 %	14 %	15 %
Compared to <i>other</i> equine practices (n = 56)	64 %	23 %	13 %

Following the question about the relative price level of MSU-VTH, practitioners were asked how MSU-VTH prices *should* compare to those in private practices. Results are presented in Table 3.

Table 3. How should MSU-VTH prices compare to those charged by private practices in Michigan?

	MSU should be higher	MSU should be the same	MSU should be lower
Small animal practitioners (n = 471)	57 %	31 %	12 %
Equine practitioners (n = 77)	60 %	33 %	8 %

Once practitioners had answered the question of where MSU-VTH prices *should* be relative to private practices, they were asked the open ended question, "Why?" These results are summarized and presented in Tables 4 through 6. It should be noted that there was a high degree of non-response in all categories.

Table 4. Why should MSU prices be higher than prices charged by private practices in Michigan?

<i>Reason</i>	Small Animal Practitioners (n = 270)	Equine Practitioners (n = 46)
Expertise of specialists as the MSU-VTH	34 %	33 %
Clients should expect to pay more for special services	20 %	n.a.
MSU uses the latest technology	10 %	7 %
MSU-VTH should play a price leadership role	9 %	9 %
MSU is a referral center	7 %	9 %
MSU-VTH has higher overhead costs	6 %	11 %
High quality services and care provided at the MSU-VTH	5 %	4 %
No reason given	27 %	22 %

Table 5. Why should MSU prices be the same as prices charged by private practices in Michigan?

<i>Reason</i>	Small Animal Practitioners (n = 145)	Equine Practitioners (n = 25)
Equal services should have equal fees	21 %	16 %
To provide an incentive for clients to drive to the MSU-VTH	11 %	n.a.
Because the MSU-VTH is a teaching hospital	7 %	n.a.
MSU has experts	n.a.	12 %
No reason given	46 %	72 %

Table 6. Why should MSU prices be lower than prices charged by private practices in Michigan?

<i>Reason</i>	Small Animal Practitioners (n = 56)	Equine Practitioners (n = 6)
MSU-VTH is a teaching hospital	43 %	33 %
Vet students are slower than private practitioners	25 %	n.a.
MSU-VTH is subsidized	18 %	n.a.
Long wait to get an appointment	14 %	n.a.
Clients travel long distances to reach the MSU-VTH	13 %	n.a.
Appointments at the MSU-VTH take too long	11 %	n.a.
Cost influences referrals	n.a.	33 %
No reason given	23 %	50 %

Finally, prices showed up in responses to three other open-ended questions in these studies. Two percent of the responding small animal practitioners suggested that MSU-VTH should raise fees, and two percent of the same group suggested lower fees when asked, "If you could change one thing about the MSU-VTH, what would it be?" The most common responses were related to ease of making an appointment (24% in SA) and improving communications (17% EQ and 12% SA).

Sentiments were found to be similarly split when evaluating responses to the question, "Why do you or don't you refer cases to the MSU-VTH?" Approximately 5% of small animal practitioners indicated that they refer cases to MSU-VTH because prices are reasonable, which ranked well behind the reputation of MSU-VTH (11% SA), quality of care (15% EQ and 8% SA), and cases too complex for the referring veterinarian to handle (10% EQ and 10% SA). About 15% of equine practitioners and 7% of small animal practitioners said that they don't refer cases because prices are too high. In small animals, the cost factor ranked considerably behind location (28%) and the amount of time it takes to get an appointment (23%). In equine, however, cost was the main reason cited for not referring cases, followed by location (12%).

Finally, small animal practitioners reported that the primary factors they considered when choosing where to refer cases were quality of services (74%), timeliness of appointment (49%), location (37%), communication (27%), and cost (15%). Equine practitioners reported location (16%), quality of service (15%), cost (15%), and client preference (11%).

Clients. Among other aspects of their most recent visit to MSU-VTH, animal owners were asked whether or not they felt that the price of the service they received was fair. Results are presented in Table 7. The mean amount spent by small animal clients was reported to be \$536, and equine clients reported \$1,144.

Table 7. I paid a fair price for services provided to my pet/horse.

	Small Animal Clients (n = 349)	Equine Clients (n = 177)
<i>Agree and Strongly Agree</i>	92 %	86 %
<i>Disagree and Strongly Disagree</i>	8 %	14 %

Clients of the MSU-VTH were also asked to rank 10 factors on how important these were as criteria for selecting a veterinarian. The ten factors were: convenient hours of operation, how long the appointment will take, how soon an appointment can be scheduled, location of clinic, price of services, range of services, recommendation from a friend or relative, reputation of veterinarian for high quality care, veterinarian is kind and gentle, and veterinarian is respectful and informative. A summary of the responses is presented in Table 8.

Table 8. Most important factors when choosing a primary care veterinarian. [SA = Small Animal (n = 334); EQ = Equine (n = 170)]

Factor	Ranked as #1		Ranked in Top 5	
	SA	EQ	SA	EQ
Reputation of veterinarian for high-quality care	53%	55%	76%	81%
Veterinarian is respectful and informative	16%	18%	76%	81%
Veterinarian is kind and gentle	10%	10%	78%	59%
How soon an appointment can be scheduled	7%	12%	49%	62%
Location of clinic	6%	4%	41%	33%
Range of services offered by veterinarian	5%	10%	49%	67%
Price of services	4%	3%	45%	52%
Recommendation from a friend or relative	4%	1%	19%	19%
Convenient hours of operation	3%	4%	33%	33%
How long the appointment will take	1%	1%	14%	11%

Clients were asked if they had ever declined a treatment recommended by a veterinarian because the cost of the treatment was too high. Responses were analyzed both as an overall summary, and with consideration of reported household income. Results are presented in Table 9.

Table 9. Have you ever declined a treatment recommended by a veterinarian because the cost of the treatment was too high?

	Yes	No
<i>Small Animal Clients</i>		
All (n = 354)	21 %	79 %
Income < \$10,000 per year	15 %	85 %
Income > \$100,000 per year	20 %	80 %
<i>Equine Clients</i>		
All (n = 182)	31 %	69 %
Income < \$10,000 per year	2 %	98 %
Income > \$100,000 per year	13 %	87 %

Similarly, clients were asked if they had ever had an animal euthanized because the cost of the treatment was too high. Again, responses were analyzed both as an overall summary, and with consideration of reported household income. Results are presented in Table 10.

Table 10. Have you ever had an animal euthanized because the cost of the treatment was too high?

	Yes	No
<i>Small Animal Clients</i>		
All (n = 353)	9 %	92 %
Income < \$10,000 per year	4 %	96 %
Income > \$100,000 per year	10 %	90 %
<i>Equine Clients</i>		
All (n = 181)	16 %	85 %
Income < \$10,000 per year	4 %	96 %
Income > \$100,000 per year	8 %	92 %

Finally, prices showed up in some of the responses to an open-ended question that asked, "If you could change two things about the MSU-VTH, what would they be?" Approximately 11% of small animal clients and about 14% of equine clients indicated that they would prefer lower prices.

DISCUSSION

Benchmark Prices

Before considering the benchmark pricing data from MSU-VTH and other sources, it is worthwhile to briefly consider the issues of sample size and data quality. Eleven of the 28 teaching hospitals that were contacted provided data as requested. As such, the 39% response rate provides reasonable assurance that a representative sample was obtained from this group. However, the private practices sampled were not selected in any sort of random fashion, and the sample size is rather small. In this regard, inferences must be made with great caution to avoid bias. At most, these data should be viewed as qualitative indicators of general price levels among a very select group of Michigan practices.

Beyond the sampling issues, it was often apparent that the prices provided by some respondents were for similar, but non-identical services. Difficulty here arises from the fact that veterinary services are *not* a commodity item with a widely accepted, standardized definition. Even though conscious attempts were made to be clear about the benchmark service definitions, confusion was not uncommon. In this regard, it was not always clear exactly what the quoted prices included. For example, it became apparent that some surgery prices were quoted to include initial diagnostics, anesthesia, surgery fee, and post-operative care, while others were quoted to include only the fee for the surgery itself. In this case of uncertain data consistency, again the situation points toward the need for limiting evaluations to qualitative analysis.

In light of these sampling and data quality issues, the overall relationship of MSU-VTH prices to those benchmarks from other sources was found to be inconsistent, at best. General Medicine services were found to be consistently lower than those from all other sources. Clinical Pathology and Soft Tissue Surgery were generally lower, but not without exception. Similarly, Radiology and Internal Medicine were often lower. Besides these broad trends, the privately owned small animal specialty clinics included in the study were generally priced higher than MSU-VTH, but not always.

Other than that, numerous individual MSU-VTH service prices were found to be higher or lower than those of other sources, but no consistent patterns emerged. However, in light of the general findings presented, those particular sections in the MSU-VTH that perceived their prices either as the "highest in the state," or at the "highest possible level" to avoid a drop in caseload, seem to have little foundation for their concerns.

When performing pair-wise comparisons of the benchmark price data from other sources, it can be seen that the average prices for services among the group of veterinary teaching hospitals were not found to be consistently higher or lower than those of either AAHA or

Veterinary Economics. However, the average benchmark prices obtained from our sample of general small animal practices in Michigan were consistently higher than those for similar services in both the AAHA and Veterinary Economics studies.

Attitudes Toward Price

Overall, it seems like there exists a paradoxical reluctance to raise prices and/or charge standardized fees in the MSU-VTH. This situation occurs in spite of at least four key factors: 1) Section Chiefs and leading clinicians recognize that their clients are effectively pre-screened by referring veterinarians; 2) MSU-VTH has experienced continuous increases in caseload over recent years even though several substantial price increases have been implemented during that time period; 3) many previous studies have clearly indicated that price is not a primary factor that people consider when choosing veterinary services; and 4) MSU-VTH is not consistently priced higher than other sources of veterinary services. Perhaps a portion of the reluctance to raise prices can be related to the noteworthy frustration associated with not knowing the true costs of delivering service, or to the lack of a payment plan.

Another possible explanation could be that pricing concerns at MSU-VTH are a local reflection of the situation recognized by the "Megastudy" whereby veterinarians do not fully appreciate the true value that consumers place on veterinary medical services. This could also be the basis for the feeling among MSU-VTH clinicians that prices for veterinary services in private and/or specialty practices are often excessive. Certainly, animal owners do not wholeheartedly agree or none would be seeking such services. In fact, many of these very private and/or specialty practices have reportedly experienced continuous and substantial growth in recent years.

The fact that price is not a key choice variable when people seek veterinary services has now been substantiated specifically for MSU-VTH through studies involving both their clients

and referring veterinarians. Price ranked low on the list behind the reputation of the veterinarian and the quality of services when considering factors clients view as important for choosing a veterinarian. Further, an overwhelming proportion of both small animal and equine clients indicated that they had paid a fair price for services received at MSU-VTH, and only a relative few (less than 15% in both cases) suggested that decreased prices would be desirable. A widely accepted business principle in the service industries, commonly attributed to Peter Drucker, indicates that if at least 20% of your customers are not complaining about their costs, then your prices may actually be too low. And the financial concerns of clients, when they did exist, did not appear to be related to their ability to pay, as there was clearly no association between household income and the choice of economic euthanasia or declined treatment based on cost.

A similar picture emerges from the analysis of referring veterinarian attitudes. Based on their responses, it is clear that most practitioners think that MSU-VTH prices are higher than those in private practices, even though the benchmark price data do not consistently support this perception. On the other hand, the majority of private practitioners in Michigan feel that MSU-VTH prices *should* be higher than those in private practice, based on the expertise available, the special services offered, and the need to provide leadership for the veterinary profession. Equine practitioners seem to be a bit more cost-conscious when referring their clients, but only a relatively small percentage (15%) indicated that they don't refer cases to MSU-VTH because they think the prices are too high. In this case, it may be useful to share the benchmark price data with the referring practitioners so they can see that MSU-VTH is *not* consistently priced higher than other potential sources of equine veterinary service. In addition, clear information on prices at MSU-VTH would help referring practitioners adequately prepare their clients for a referral visit.

The sense of uneasiness regarding prices among the MSU-VTH faculty is not atypical of the veterinary profession as a whole. However, clinicians certainly need to be comfortable with service prices at the point-of-sale if financial success is to be expected and sustained over time. In that regard, it would be useful to provide full information on operating costs to MSU-VTH clinicians, so that they can relate the price of services accordingly. In addition, it may be useful to design staff development programs for faculty, staff, and students at MSU-VTH that focus on the pricing of veterinary services. Emphasis could include previous studies on the elasticity of demand, clients' perception of value, and the relative importance of price as a choice variable. Attendees could also be reminded that price often carries an important quality signal for consumers, in that lower-priced goods (including veterinary services) are often expected to be of lower quality, and vice versa. Finally, specific information relative to MSU-VTH clients and referring veterinarians could be included to lend local credibility.

Methods of Setting Price

The current study has documented a variety of approaches to setting prices in the veterinary profession. Some increase prices regularly (once or twice per year), while others seem to follow more of an occasional approach. Some set prices using a strict formula, while others are more cognizant of market conditions. And in teaching hospitals, it appears that a continuum exists ranging from one extreme where faculty/clinicians have virtually the entire responsibility for prices to the other extreme where prices are almost entirely determined by management. Discount policies for faculty and staff in these hospitals are distributed over a similar continuum, from one extreme to the other.

Within these assorted approaches, varying degrees of a cost-based approach to pricing have appeared, where the cost of delivering the service is used as a basis for setting price. Similarly, certain aspects of a value-based approach to pricing have been found, where prices are

set at a level appropriate for the inherent value of the services as perceived by the consumer. However, the most common approach seems to be one that bases prices on historical levels, with periodic adjustments that may or may not be somewhat arbitrary in magnitude.

For the most part, economic principles would recommend a combined cost-based and value-based approach for service industries such as veterinary medicine where the "product" is certainly differentiated. In this method, cost information would be used as a floor to identify the minimum acceptable price. From that point, both qualitative and quantitative information on how highly consumers value the service would be used to determine the actual price level. These types of information are obtained directly from the market through studies such as this one: qualitative data to reveal both customer satisfaction with price and the relative importance of price in the choice of veterinary service provider, and quantitative data to reveal consumers' willingness to pay specific prices to other veterinary service providers.

SUMMARY

In summary, this study has established that prices at the MSU-VTH are not currently too high based on analysis of benchmark prices and feedback from both clients and referring veterinarians. In fact, several areas of the hospital may well be underpriced based on the value of services as perceived by clientele. From this point of view, it appears that the VTH should be able to continue to implement reasonable annual price increases (as deemed necessary and responsible) without great concern for negative impacts on caseload. Equine clients and referring veterinarians seem to be a bit more sensitive to prices than is the case with small animals, but results of this study do not indicate the existence of impending problems at this point in time.

In the future, it will be useful for MSU-VTH to periodically conduct similar studies as a basis for a consistent value-based approach to setting prices for services, and as a means to continually reinforce faculty confidence in pricing policies. In this manner, indications of how highly consumers value MSU-VTH services can be obtained by observing how much they are willing to pay for similar services from other providers (benchmark prices). In addition, direct feedback from both clients and referring veterinarians will provide guidance in decisions regarding pricing policy. Resulting information can then be used in a team approach to setting prices, where management and clinicians work together. Improved cost information for the provision of MSU-VTH services would also be useful to provide a reasonable starting point for the process.

At a minimum, specific MSU-VTH prices should be evaluated annually for potential adjustments. Comprehensive studies such as this one should be repeated at approximately five-year intervals to adequately monitor for substantial changes in market conditions. More frequent analysis may be necessary in the event of obvious changes in the general economy.

In the meantime, it would be useful to initiate a staff development program that emphasizes the issue of pricing in veterinary services. Enhancing the awareness of MSU-VTH faculty, staff, and students with regard to this critical topic can only help to enhance the success of MSU-VTH in the future.

Adopting a combined cost-based and value-based approach to pricing as described, based on market-specific information, will place MSU-VTH among the progressive leadership in the veterinary profession with regard to hospital management. As such, we will be helping to maintain fiscal responsibility for the MSU-VTH, whereby it will be feasible to sustain industry-leading standards for excellent care and service through appropriate staffing, facilities, and

equipment. At the same time, we will be providing an outstanding role model for our students, who are ultimately responsible for the economic health of the veterinary profession in the future.

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Appendix A

Section Chief Interview Questions

1. What are the key procedures provided by your section?
2. What changes do you anticipate in the demand for these services over the next two to three years? (e.g., is your section doing procedures today that were not done last year? Do you think that demand for these will grow? Are there any procedures and services that you anticipate will no longer be offered in the near future?)
3. Is the case load in your section appropriate for teaching and research purposes, both in terms of demand and in the range of cases you see? Ideally, how would you like to see your case load change?
4. How does the price of services influence your relationship with clients? Can you give us a sense of how often and in what manner price affects the care that your section can offer to patients?
5. Any comments, ideas and information that you feel would be helpful to the VTH price review.

Appendix B

Benchmark Services

NOTE: Prices for all surgeries include surgical fees only. Anesthesia, OR, surgery pack and disposables, hospitalization and office calls are excluded, except where otherwise noted.

Anesthesia

S/A General*, 1st hour
S/A sedation, unit charge
F/A General*, 1st hour (>250#)
EQ General*, 1st hour (adult)
EQ General*, 1st hour (foal)
Blood gas w/ electrolytes; arterial or venous (any animal)
Epidural (S/A and EQ)

** Note: general anesthesia includes any gas, induction, catheter, fluids, monitoring, additional drugs during SX, post-op analgesia*

Cardiology

Cardiology exam
ECG (standard)
Cardiac ultrasound (echo, standard)
Ligate ductus arteriosus (small dog)
Heartworm treatment in a dog (IM)
Holter monitoring

Clin Path

CBC
U/A
Chem profile (20 test)
Coag (PT, PTT, Fibrinogen, FDP)
d-Xylose intest. abs. (L/A & S/A)
Cytochemical stains (CAE, aNBE, SBB, ALP)

Dentistry

Dental exam
Prophylaxis canine*
Prophylaxis feline*
Root canal 4th premolar (dog)*
Extract abscessed 4th premolar, 10-yr-old corgi (1 hr. oral SX)*
** Dentistry charges do not include office call, anesthesia, analgesia, hospitalization, OR room fee or packs.*

Dermatology

Dermatology exam
Intradermal allergy test
Derm - anesthesia
Express anal sacs
Skin biopsy
Skin scraping
Skin cytology

Emergency

Emergency exam
CPR, closed (includes drugs)
Blood glucose chem strip
Blood transfusion, whole, canine, 1 unit
24 hr ICU stay, highest care level*
24 hr. ICU stay, observation only*
PCV/TS
** Excludes \$20 per day ward charge*

Equine

Physical exam (incl. Flexion test)
Arthroscopic SX for OCD*
** For 1 joint, 1.5 hours of anesthesia, 4 radiographs, office call, pre-A blood work, OR room fee, sterile pack, original bandages plus 1 change, 1 blood gas, antibiotics & post-op analgesia, 2 days hospitalization.*
Epiglottic entrapment
EPM workup**
*** Includes only spinal tap and S. neurona titer in CSF & serum*
Treadmill/endoscopy
Colic - adult

Food Animal

Physical exam
 Anesthesia, bovine (paravertebral)
 General anesthesia, bovine (1st hour)
 C-section, cow*
 DA repair*
 Hospitalization, 1 night (milking cow)
** Surgeon's fee only, excludes anesthesia, office call, packs, OR room fee.*

General Medicine (Small Animal)

Office call/exam
 Microchip implant (office call excluded)
 FIV/FeLV combo test
 Rabies vaccine (killed, 3 yr. Booster)
 Bordetella vaccine (adult canine booster)
 FVRCP (adult feline, booster)
 Fecal flotation
 Heartworm test, occult (adult canine)
 Clean wound (15 minutes)
 Fine needle aspirate

Internal Medicine (Small Animal)

Internal medicine exam
 Semen collection
 Colonoscopy (flexible)
 Feline thyroid profile (TT4, TT3, FT4, FT3)
 Low-dose Dex suppression (1 pre, 2 post)

Neurology

Neurological exam
 CSF tap
 Spinal decompression
 Myelogram*
 EMG
 Cat scan - brain
**Includes only professional fee, base fee, 4 films and 1 vial of contrast material*

Ophthalmology

Ophtho exam, small animal
 Ophtho exam, large animal
 ERG I*
 Gonioscopy*
** Includes local anesthetic*
 CERF Exam**
*** All inclusive, first dog*
 Enucleate eyeball***
**** Surgical fee only*

Orthopedics

Orthopedic exam
 Total hip replacement*, large dog, per side (Biometrix)
 Cranial cruciate repair*, one leg, large dog
 Simple fracture*, closed, internal fixation
**Note: prices for orthopedic surgeries are all-inclusive, from initial office call to discharge*

Radiology

Base fee
 1 Film, VD thorax, small dog
 Ultrasound, small animal (any part)
 Radiation therapy
 Nuclear med: small animal base fee
 Nuclear med: small animal thorax, 1 view

Soft Tissue Surgery

Surgery exam
 Exam for elective SX
 Feline front declaw + cast, <1 year*
 Feline front declaw + OVH, <1 year*
 Canine cast > 50 lbs.*
 Canine OVH 40 - 80 lbs.*
** Prices for elective surgeries are all-inclusive, barring major complications*
 Pyometra OVH, 50 # dog**
 Forequarter amputation > 60 # dog**
 Feline colectomy for megacolon**
 Feline kidney transplant**
*** Surgery fee only. Does not include OR fee, packs, anesthesia, drugs, radiology, office call, hospitalization, etc.*

Appendix C

Veterinary Teaching Hospital Questionnaire

PRICING METHODS & POLICIES

1. What method(s) is(are) used to set the prices for the Teaching Hospital? (Please check one per section.)

SMALL ANIMAL

Medicine

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Follow AAHA guidelines
- Other (please explain):

EQUINE

Medicine

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Other (please explain):

FOOD ANIMAL

Medicine

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Other (please explain):

Surgery

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Follow AAHA guidelines
- Other (please explain):

Surgery

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Other (please explain):

Surgery

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Other (please explain):

Pharmaceuticals

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Follow AAHA guidelines
- Other (please explain):

Pharmaceuticals

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Other (please explain):

Pharmaceuticals

- Cost plus mark-up of _____ %
- Compare prices to other practices
- Simply increase previous prices
- Other (please explain):

2. How often are Teaching Hospital prices re-evaluated? (Please check one.)

- Once a year
- Twice a year
- Other: _____

3. Who sets the prices at the Teaching Hospital? (Please check one.)

- Business manager(s)
- Clinicians
- Business managers and clinicians together
- Other: _____

4. How do Teaching Hospital prices compare to those of private practices (excluding specialty/referral practices) in the area? (Please check one.)

- Much higher
- Higher
- Comparable
- Lower
- Much lower
- Unknown

5. How do Teaching Hospital prices compare to those of specialty/referral practices in the area? (Please check one.)

- Much higher
- Higher
- Comparable
- Lower
- Much lower
- Unknown

6. What is the Teaching Hospital's payment policy for out-patients? (Please check one.)
- Full balance paid at the time of service
 - Clients are billed for the full balance sometime after their visit
 - Other: _____
-
7. What is the Teaching Hospital's payment policy for hospitalized patients? (Please check one.)
- Full balance paid at the time of hospital admission, based on an estimate
 - One-half of estimate is paid at the time of admission, with the balance paid on discharge
 - Full balance paid at discharge
 - Client is billed for the full balance after discharge
 - Other: _____
-
8. How would you describe the overall financial health of the Teaching Hospital? (Please check one.)
- Highly profitable
 - Moderately profitable
 - Breaking even, with significant investment for growth
 - Breaking even, with little or no investment for growth
 - Losing money
9. Are procedures at the Teaching Hospital priced lower if performed by a student, resident or intern vs. a staff clinician? Yes No

DISCOUNTS

10. What discounts are offered by the Teaching Hospital to students at the vet school? (Check if not applicable)
- _____
- _____
11. What discounts does the Teaching Hospital offer to faculty, clinicians and staff? (Check if not applicable)
- _____
- _____
12. Are clinicians permitted to offer discounts to clients for teaching purposes? Yes No N/A
13. What is the maximum total revenue an individual clinician can discount per year? (Check if not applicable)
- \$ _____

CLIENTS' PRICE PERCEPTION

14. How do you think *most* clients of the Teaching Hospital view spending for veterinary services? (Please check one.)
- Necessity
 - Luxury/discretionary
 - Varies by type of service (Please explain.) _____
-
15. Do you find that the Teaching Hospital caseload changes when the general economic health of your state changes?
- Yes. Caseload decreases in a poor economy and increases in a strong economy.
 - No. Caseload does not appear to depend on the economy.
16. How often do Teaching Hospital clients refuse services because of price? (Please check one.)
- Frequently
 - Seldom
 - Never
 - Unknown

17. What do clients (animal owners) say about Teaching Hospital prices? (Please check one.)

- Prices are too high
- Prices are surprisingly low
- Services at a teaching hospital should be free
- Clients rarely comment
- Other: _____

REFERRING VETERINARIANS

18. What do referring veterinarians generally say about Teaching Hospital prices? (Please check one.)

- Prices are too high
- Prices are too low
- Prices are in the right range
- Veterinarians rarely comment
- Other: _____

19. Does the Teaching Hospital charge referring veterinarians for telephone consultations? Yes No

20. If so, how are veterinarians charged for a telephone consultation? _____

COMPETITION

21. How many specialty/referral veterinary practices are there within 100 miles of the Teaching Hospital? _____

22. What impact have the specialty/referral practices had on Teaching Hospital caseload? (Please check one.)

- No impact
- Caseload has decreased since specialty/referral practices opened.
- Caseload has increased since specialty/referral practices opened.
- Unknown
- Other: _____

EXOTICS

23. Does the Teaching Hospital treat exotic pets? Yes No

24. If so, what percentage of revenues comes from exotics? _____%

PRICING FOR SPECIFIC SERVICES

25. How does the Teaching Hospital charge for anesthesia? (Please check one.)

- By the hour
- By the ¼ hour
- Based on amounts and types of drug(s) used
- There is a set fee for each particular procedure
- There is one flat fee for all uses of anesthesia
- Other: _____

26. Which of the following are included in the anesthesia fee? (Please check all that apply.)

- | | |
|--|---|
| <input type="checkbox"/> Induction drug(s) | <input type="checkbox"/> Ventilator |
| <input type="checkbox"/> Catheter(s) | <input type="checkbox"/> Monitoring |
| <input type="checkbox"/> Gas anesthesia | <input type="checkbox"/> Post-operative analgesic drugs |
| <input type="checkbox"/> Additional drugs during surgery | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Fluids | _____ |

27. How does the Teaching Hospital charge for a surgeon's time? (Please check one.)
- By the hour of surgeon's time (Skip to Question 29)
 - By the minute of surgeon's time (Skip to Question 29)
 - There is a set fee for each particular procedure (Continue to Question 28)
 - Other: _____
28. If there is a set surgeon's fee for a particular surgical procedure, are there different prices for varying levels of difficulty of the same procedure? Yes No
29. If the surgeon's charge is based on unit time, how does the hospital adjust for the additional time that might be needed by a less-experienced surgeon, such as an intern or resident?
- _____
- _____
- _____
30. Is the Teaching Hospital's caseload adequate for teaching and research purposes? (Please check all that apply.)
- | <u>Adequate</u> | <u>Insufficient</u> |
|---------------------------------------|---------------------------------------|
| <input type="checkbox"/> Small Animal | <input type="checkbox"/> Small animal |
| <input type="checkbox"/> Equine | <input type="checkbox"/> Equine |
| <input type="checkbox"/> Food animal | <input type="checkbox"/> Food animal |
31. Are there outside constraints that determine or limit how much the hospital can charge for services (e.g., state mandate, non-profit status, university policy, etc.). Please explain: _____
- _____
- _____
- _____
32. What is the Teaching Hospital's average revenue per invoice? \$ _____ (Check if unknown)
33. Please provide prices charged by the Teaching Hospital for services listed on the next page (front and back).

*Thank you for your assistance with this research project. Please return this survey in the envelope provided by **September 16, 2000**. Once the data are compiled, we will share our analysis with all participating hospitals.*

If you have questions or comments, please contact Dr. Jim Lloyd at (517) 353-9559 or lloydj@cvm.msu.edu.

Appendix D

Interview Questions for Private Practitioners

INTERVIEW DISCUSSION POINTS

Pricing for Veterinary Services

- Do you feel that, in general, veterinary services are priced fairly, too high or too low?
- Do you feel the profession has a social obligation to provide services to all clients?

Your Own Pricing Practices

- What method do you use to set the prices for your practice?
- How often do you reevaluate prices?
- How do your prices compare to those of other practices in the area?
- What is your payment policy?
- Do you offer discounts to indigent clients? How much, and under what circumstances?
- Do you set aside a portion of revenues, or accept donations, to create a fund for indigent clients?
- Do you ever accept services or goods in lieu of payment? What kind, and how often?
- Do you provide a payment plan for your clients? If so, how does it work?
- How would you describe the overall economic condition of your practice?

VTH Pricing Practices

- Do you feel that VTH services are priced appropriately? Please explain.
- What feedback have you received about VTH prices from clients that you have referred?
- Do you feel that VTH prices should be different (higher or lower) than other practices? Why? (Compared to both general practices and specialty practices.)
- How often do you feel that the VTH should reevaluate prices?
- Are there VTH prices for specific services that you feel should be different? Which ones, and why?
- Do you feel that procedures at the VTH should be priced differently if performed by a student, resident or intern vs. a staff clinician?
- Do you feel that the VTH has an obligation to provide services that does not exist for private practitioners? Please explain.
- Do you feel that the VTH should provide a payment plan for clients?

Clients' Perception of Price

- Do you think that most clients view veterinary services as a necessity or as a luxury/discretionary item? Have you seen this change over your career?
- Do you find that your caseload changes when the general economic health of Michigan changes?
- How often do your clients factor price into their decision to let you proceed with diagnostics and/or treatment?
- How often do your clients refuse services because of price? Which services?
- How often do your clients select euthanasia for principally economic reasons?
- What feedback do you get from your clients about your prices – do they tell you that your prices are too high, or lower than expected?
- Do any of your clients use pet/horse health insurance? If so, do you feel that having insurance affects their spending patterns?

REFERRING VETERINARIAN SURVEY
(Pricing)

What method do you use to set prices for your practice (please check all that apply)?

- Calculate cost, then add a mark-up
- Compare to prices at other practices in the area
- Increase prices that existed when I bought the practice
- Follow AHAA guidelines
- No set method. I just charge what seems right
- Don't really know
- Other: _____

If you use the cost + mark-up method, how much is the mark-up for the following services:

Medical services: _____ %
Surgery: _____ %
Pharmaceuticals: _____ %
Hospitalization: _____ %

How are the prices in your practice compared to those of other practices in your area?

- Highest in the area
- In the high range
- In the middle range
- In the low range
- Lowest in the area

How often do you raise prices? Every _____ months.

Do you price some services below cost? Yes No

If so, which ones?

1. _____
2. _____
3. _____
4. _____
5. _____

How do you price surgeries?

- By the hour of surgeon's time
- By the minute of surgeon's time
- Set fee for each particular procedure
- Other: _____

If you set surgery fees based on a particular procedure, do you have different prices for different levels of difficulty? Yes No

Which of the following items are included in your surgery fee (please check all that apply):

- Surgeon's time
- Anesthesia
- Induction
- Ventilator
- Operating room time
- Sterile packs
- Disposables (e.g., suture, syringes, etc.)
- Fluids
- Radiographs
- Office call
- Hospitalization
- Post-operative antibiotics
- Post-operative analgesia

How do you price anesthesia?

- By the hour
- By the ¼ hour
- Based on amounts of drug(s) used
- Set fee for each particular procedure
- One flat fee for all uses of anesthesia
- Other: _____

What type of anesthesia do you use?

For castrations: _____

For other elective/simple surgeries: _____

For complex surgeries: _____

For sedation of fractious patients: _____

What is the overall economic health of your practice?

- Highly profitable
- Moderately profitable
- Breaking even
- Losing money

How many staff does your practice employ? (Please note how many full-time equivalents for each position)

Owners/partners: _____

Associate veterinarians: _____

Non-veterinarian practice managers: _____

In-house accountants: _____

Technicians: _____

Assistants/kennel help: _____

Receptionists: _____

Janitors: _____

Other: _____

How long have you owned your practice? _____ years, _____ months

What is the average customer bill at your practice? \$_____

How long has your average client been with you? _____ years, _____ months

How often do your clients factor price into their decision to proceed with non-routine diagnostics and treatment?

- Always
- Usually
- Seldom
- Never

How often do your clients refuse services you recommend because of price?

- Never
- Seldom
- Frequently

Which services do your clients refuse because of price (check all that apply)?

Diagnostic

- Lab tests
- Radiographs
- Ultrasound
- Other imaging
- In-hospital observation
- Endoscopy
- Necropsy
- Other (please list): _____

Preventative

- Vaccines
- Ectoparasite preventatives
- Heartworm or other internal anthelmintics
- Dentistry
- Geriatric profile
- Pre-anesthesia blood & urine screenings
- Spay/neuter
- Other (please list): _____

Therapeutic

- Drugs
- Soft tissue surgery
- Orthopedic surgery
- Chemotherapy
- Fluid therapy
- Hospitalization
- Other (please list): _____

Please estimate the number of treatable animals euthanized for *strictly economic reasons* at your practice:

- None. My practice has a policy against euthanizing treatable animals for economic reasons.
- None. My clients always choose to treat their animals.
- Less than 5 per year
- 5 - 11 per year
- 1 - 4 per month
- 1 - 7 per week
- More than 7 per week

Appendix E

Benchmark Prices - Data

Veterinary Teaching Hospitals -- Adjusted to East Lansing Basis

	MIN	MAX	MEDIAN	MEAN	MSU
Anesthesia					
SA General ^a , 1st hour	31.00	119.00	70.00	72.59	65.00
FA General ^a , 1st hour (>250#)	33.00	247.34	100.00	108.83	100.00
EQ General ^a , 1st hour (adult)	65.00	247.34	156.00	153.98	185.00
EQ General ^a , 1st hour (foal)	33.00	205.43	127.60	119.52	130.00
Blood gas w/lytes, (any species)	10.50	29.00	20.00	19.88	24.00
Epidural (SA or EQ)	10.00	82.50	26.00	35.88	25.00
Cardiology					
Cardiology exam	44.00	82.50	55.00	57.15	60.00
ECG (standard)	8.25	148.50	36.00	43.00	35.00
Cardiac ultrasound	49.50	169.00	120.00	114.81	120.00
Ligate ductus arteriosus (small dog)	200.00	634.00	352.25	370.00	200.00
Heartworm treatment, dog (IM)	60.00	385.00	334.00	264.00	60.00
Holter monitoring	96.80	257.00	168.00	174.22	200.00
Clinical Pathology					
CBC w/differential	18.00	26.40	21.60	21.38	22.00
Urinalysis	12.00	22.00	14.50	15.03	12.00
Chem profile (20 test)	15.50	37.40	31.40	30.36	30.00
Coag (PT, PTT, Fibrinogen, FDP)	14.40	66.00	33.00	34.98	66.00
d-Xylose intestinal absorption	23.65	37.00	30.33	30.33	37.00
Cytochem stains	5.50	52.00	25.50	27.13	52.00
Dermatology					
Dermatology exam	35.75	87.50	55.00	57.41	58.00
Intradermal allergy test	80.00	165.00	140.00	134.40	125.00
Express anal sacs	4.80	16.50	10.78	10.42	8.00
Skin biopsy	14.00	90.00	37.50	42.40	15.00
Skin scraping	4.80	18.00	11.00	11.03	13.00
Skin cytology	4.80	22.00	15.40	15.17	22.00
Dentistry					
Dental exam	30.00	63.00	37.15	41.35	38.00
Prophylaxis canine ^b	20.70	158.00	64.95	77.93	65.00
Prophylaxis feline ^b	20.70	158.00	63.70	73.43	50.00
Root canal 4th premolar (dog) ^b	58.58	402.00	225.00	244.70	325.00
Extract abscessed 4th premolar ^b	40.75	210.00	98.50	112.21	210.00
Ophthalmology					
Ophtho exam, SA	45.00	72.60	58.75	58.88	65.00
Ophtho exam, LA	30.50	135.00	83.00	83.06	125.00
ERG (includes local anesthetic)	45.00	138.00	101.50	100.37	110.00
Gonioscopy (includes local anesth.)	10.00	37.00	14.25	18.92	37.00
CERF exam (all inclusive, 1st dog)	19.00	38.50	27.00	27.31	25.00
Enucleate eyeball (surgery fee only)	82.50	450.00	220.00	241.20	265.00

ER/ICU

	<u>MIN</u>	<u>MAX</u>	<u>MEDIAN</u>	<u>MEAN</u>	<u>MSU</u>
Emergency exam	50.00	112.50	79.00	83.50	80.00
CPR, closed (includes drugs)	13.50	137.50	75.00	78.17	64.00
Blood glucose chem strip	2.75	10.80	6.50	6.33	4.00
Whole blood transf., dog 1 unit	50.00	220.00	124.50	136.62	200.00
Hospital ward charge, one day	16.00	44.00	25.00	28.34	20.00
24 hr ICU stay, highest care level ^c	66.00	303.00	109.75	134.72	115.00
24 hr. ICU stay, observation only ^c	14.00	129.60	56.75	63.92	20.00
PCV/TS	3.00	9.90	5.78	5.73	7.00

Radiology

Base fee	35.00	109.45	78.75	74.40	35.00
1 Film, VD thorax, small dog	45.00	78.75	55.00	56.06	45.00
Ultrasound, SA (any body part)	65.00	160.00	104.50	105.25	115.00
Radiation therapy	38.50	900.00	80.00	176.22	75.00
Nuclear med: SA thorax, 1 view	110.00	140.00	121.50	124.30	110.00

General Medicine

Physical exam	23.50	44.00	35.20	33.98	24.00
Microchip implant	15.00	37.00	25.00	26.95	15.00
FIV/FeLV combo test	14.16	37.80	23.00	23.31	22.00
Rabies vx (killed, 3 yr. booster)	7.00	17.00	13.55	12.41	7.00
Bordetella vaccine (booster)	7.00	17.00	12.05	12.11	7.00
FVRCP (booster)	7.00	17.33	13.60	13.10	7.00
Fecal flotation	9.00	18.90	11.00	12.63	10.00
Heartworm test, occult (canine)	9.00	24.30	17.00	17.80	17.00
Clean wound (15 minutes)	7.00	72.00	18.00	25.45	11.00
Fine needle aspirate	5.00	33.00	19.80	18.64	5.00

Internal Medicine

Internal medicine exam	35.20	82.50	53.50	54.05	60.00
Semen collection	26.00	106.00	33.00	44.67	30.00
Colonoscopy flexible	54.25	274.00	104.00	126.97	100.00
Feline thyroid profile	18.00	75.50	32.50	38.09	18.00
Low-dose Dex suppression	7.00	68.50	30.13	35.13	22.00

Neurology

Neurological exam	45.00	121.00	58.75	65.76	65.00
CSF tap	27.50	112.00	45.00	59.47	90.00
Spinal decompression	269.50	1,200.00	625.00	604.38	400.00
Myelogram ^d	58.58	451.25	205.00	222.09	205.00
EMG	40.50	220.00	87.50	98.97	80.00
CT scan - brain	189.00	414.70	305.00	316.38	300.00

Food Animal

FA Physical exam	17.50	58.75	22.00	29.39	20.00
Anesthesia, bovine (paravertebral)	4.50	75.00	17.10	25.50	10.00
General anesthesia, bovine 1st hour	21.00	100.00	78.93	71.35	100.00
C-section, cow, standing ^e	42.30	275.00	169.25	167.89	150.00
Left displaced abomasum ^e	81.00	190.30	147.95	141.11	110.00
Hospitalization, 1 night (milking cow)	13.20	22.00	18.30	17.89	15.00

Soft Tissue Surgery

	<u>MIN</u>	<u>MAX</u>	<u>MEDIAN</u>	<u>MEAN</u>	<u>MSU</u>
Surgeon's exam	44.00	82.50	53.50	56.54	60.00
Pyometra OVH, 50 #dog ^f	50.00	850.00	309.38	324.38	50.00
Forequarter amputate, > 60# dog ^f	261.00	750.00	336.50	391.33	400.00
Feline colectomy for megacolon ^f	200.00	464.50	325.50	326.79	200.00
Feline kidney transplant ^f	1,651.50	1,651.50	1,651.50	1,651.50	
Exam for elective surgery	19.00	53.90	39.60	38.95	19.00
Feline fr. declaw + castrate, <1 year ^g	55.00	166.50	103.68	101.95	85.00
Feline front declaw + OVH, <1 year ^g	45.00	172.70	118.60	122.47	100.00
Canine castrate > 50 lbs. ^g	64.35	138.60	76.50	86.18	75.00
Canine OVH 40 - 80 lbs. ^g	76.50	190.30	105.60	114.40	90.00
Orthopedics					
Orthopedic exam	45.00	82.50	55.00	56.82	55.00
Total hip replacement ^h , 1 side, lg. dog	2,420.00	3,150.00	2,600.00	2,713.57	2,550.00
Simple fracture ^h , closed, dog	700.00	1,300.00	900.00	940.00	950.00
Cranial cruciate ^h , 1 leg, lg. dog	280.00	1,100.00	865.00	851.08	850.00
Equine					
Physical exam (w/ flexion test)	40.00	105.50	55.00	61.00	55.00
Arthroscopic surgery for OCD ⁱ	880.00	1,650.00	1,205.00	1,229.28	1,200.00
Epiglottic entrapment (surg. fee only)	107.00	1,600.00	271.05	418.26	350.00
EPM workup ^j	172.50	440.00	245.00	270.42	190.00
Treadmill/endoscopy	78.00	409.00	175.00	246.86	330.00
Colic surgery- adult (surgery fee only)	334.00	1,125.00	968.00	836.14	1,100.00

^a General anesthesia includes any gas, induction, catheter, fluids, monitoring, additional drugs during surgery, and post-op analgesia.

^b Dentistry charges do not include office call, anesthesia, analgesia, hospitalization, OR room fee, or packs.

^c Excludes \$20 per day ward charge.

^d Includes only professional fee, base fee, 4 films, and 1 vial of contrast material.

^e Surgeon's fee only—excludes anesthesia, office call, packs, and OR fee.

^f Surgery fee only—does not include OR fee, packs, anesthesia, drugs, radiology, office call, hospitalization, etc.

^g Prices for elective surgeries are all-inclusive, barring major complications.

^h Prices for orthopedic surgeries are all-inclusive, from initial office call to discharge.

ⁱ Includes 1 joint, 1.5 hours of anesthesia, 4 radiographs, office call, pre-anesthetic blood work, OR fee, sterile pack, original bandages plus 1 change, 1 blood gas, antibiotics & post-op analgesia, and 2 days hospitalization.

^j Includes only spinal tap and *S. neurona* titer in CSF and serum.

Small Animal Private Practices

	MIN	MAX	MEDIAN	MEAN	MSU	AAHA	Veterinary Economics
Anesthesia							
SA General ^a , 1st hour	50.00	133.74	106.00	95.69	65.00	97.00	65.00
Cardiology							(half hour)
Cardiology exam	25.00	60.00	33.00	36.00	60.00		
ECG (standard)	50.00	91.25	66.75	67.79	35.00	50.00	57.00
Cardiac ultrasound	121.00	245.00	145.00	164.00	120.00		
Heartworm treatment, dog (IM)	50.00	500.00	294.50	264.83	60.00		
Holter monitoring	145.00	145.00	145.00	145.00	200.00		
Clinical Pathology							
CBC w/differential	16.00	65.00	30.00	36.01	22.00	24.00	30.00
Urinalysis	16.00	35.25	24.75	24.50	12.00	20.00	
Chem profile (20 test)	38.00	164.20	65.00	70.79	30.00	55.00	
Coag (PT, PTT, Fibrinogen,FDP)	15.00	132.00	76.00	71.00	66.00		
Cytochem stains	30.00	30.00	30.00	30.00	52.00		
Dermatology							
Dermatology exam	25.00	75.00	37.00	40.60	58.00		
Intradermal allergy test	197.25	200.00	198.63	198.63	125.00	115.00	
Express anal sacs	10.00	37.00	15.00	17.58	8.00	10.00	
Skin biopsy	17.50	170.00	51.50	72.16	15.00		
Skin scraping	15.00	65.00	24.50	29.89	13.00	15.00	
Skin cytology	15.00	56.00	23.00	29.42	22.00		
Dentistry							
Dental exam	25.00	37.00	30.50	31.33	38.00		
Prophylaxis canine ^b	30.00	124.00	80.00	79.92	65.00	72.00	
Prophylaxis feline ^b	25.00	120.00	80.00	75.36	50.00		
Root canal 4th premolar (dog) ^b	150.00	150.00	150.00	150.00	325.00		
Extract abscessed 4th premolar ^b	65.00	320.00	110.00	149.72	210.00		
Ophthalmology							
Ophtho exam, SA	25.00	60.00	37.00	36.57	65.00		
Eucleate eyeball (surg. fee only)	120.00	383.00	222.50	239.13	265.00	186.00	208.00
ER/ICU							
Emergency exam	29.00	87.50	60.00	58.79	80.00	50.00	
CPR, closed (includes drugs)	62.50	120.00	97.50	94.38	64.00		
Blood glucose chem strip	8.00	32.50	15.00	14.75	4.00	13.00	15.00
Whole blood transf., dog 1 unit	80.00	150.00	150.00	124.00	200.00		
Hospital ward charge, one day	15.00	32.00	22.00	23.32	20.00	18.00	28.00
24 hr ICU stay, highest care	18.00	69.00	45.00	46.10	115.00		
24 hr. ICU stay, observation only ^c	30.00	35.00	30.00	31.40	20.00		
PCV/TS	8.00	23.50	16.00	16.31	7.00		
Radiology							
Base fee	5.00	151.00	31.00	47.14	35.00		
1 Film, VD thorax, small dog	24.50	67.50	45.00	45.25	45.00	40.00	
Ultrasound, SA (any body part)	125.00	165.00	137.50	141.25	115.00	80.00	

General Medicine

Physical exam
 Microchip implant
 FIV/FelV combo test
 Rabies vx (killed, 3 yr. booster)
 Bordetella vaccine (booster)
 FVRCP (booster)
 Fecal flotation
 Heartworm test, occult (canine)
 Clean wound (15 minutes)
 Fine needle aspirate

Internal Medicine

Internal medicine exam
 Semen collection
 Colonoscopy flexible
 Feline thyroid profile
 Low-dose Dex suppression

Neurology

Neurological exam

Soft Tissue Surgery

Surgeon's exam
 Pyometra OVH, 50 #dog^f
 Forequarter amputate, > 60# dog^f
 Exam for elective surgery
 Fel. fr. declaw+castrate, <1 year^g
 Feline fr. declaw + OVH, <1 year^g
 Canine castrate > 50 lbs.^g
 Canine OVH 40 - 80 lbs.^g

Orthopedics

Orthopedic exam
 Simple fracture^h, closed, dog
 Cranial cruciate^h, 1 leg, lg. dog

	MIN	MAX	MEDIAN	MEAN	MSU	AAHA	Veterinary Economics
Physical exam	25.00	39.00	34.00	32.89	24.00	27.00	29.00
Microchip implant	25.00	58.00	42.00	40.29	15.00		
FIV/FelV combo test	33.00	83.25	35.00	43.86	22.00		
Rabies vx (killed, 3 yr. booster)	10.00	29.25	20.00	20.69	7.00	12.00	16.00
Bordetella vaccine (booster)	10.00	29.25	15.00	18.25	7.00	14.00	13.00
FVRCP (booster)	12.00	47.75	19.00	23.89	7.00	15.00	19.00
Fecal flotation	11.00	27.50	16.00	16.94	10.00	11.00	14.00
Heartworm test, occult (canine)	24.00	45.00	26.00	29.00	17.00	20.00	24.00
Clean wound (15 minutes)	20.00	58.00	31.00	33.75	11.00		
Fine needle aspirate	12.25	46.75	25.00	24.88	5.00		
Internal medicine exam	25.00	60.00	33.00	36.00	60.00		
Semen collection	20.00	20.00	20.00	20.00	30.00		
Colonoscopy flexible	75.00	150.00	137.50	125.00	100.00		
Feline thyroid profile	30.00	66.00	55.00	50.44	18.00		
Low-dose Dex suppression	60.00	148.00	85.00	91.63	22.00	65.00	
Neurological exam	25.00	60.00	29.00	35.80	65.00		
Surgeon's exam	25.00	60.00	37.00	38.00	60.00		
Pyometra OVH, 50 #dog ^f	203.00	560.00	300.00	335.89	50.00		
Forequarter amputate, > 60# dog ^f	110.00	975.00	475.00	488.13	400.00		
Exam for elective surgery	25.00	37.00	34.50	32.75	19.00		
Fel. fr. declaw+castrate, <1 year ^g	90.00	225.00	112.50	141.00	85.00		
Feline fr. declaw + OVH, <1 year ^g	111.00	258.00	176.00	176.44	100.00		
Canine castrate > 50 lbs. ^g	84.00	166.00	102.50	113.11	75.00	102.00	100.00
Canine OVH 40 - 80 lbs. ^g	94.00	198.00	147.50	137.28	90.00	129.00	121.00
Orthopedic exam	25.00	60.00	37.00	37.60	55.00		
Simple fracture ^h , closed, dog	110.00	650.00	475.00	432.50	750.00-1150.00		
Cranial cruciate ^h , 1 leg, lg. dog	450.00	800.00	680.75	645.19	750.00-950.00		

^a General anesthesia includes any gas, induction, catheter, fluids, monitoring, additional drugs during surgery, and post-op analgesia.

^b Dentistry charges do not include office call, anesthesia, analgesia, hospitalization, OR room fee, or packs.

^c Excludes \$20 per day ward charge.

^f Surgery fee only—does not include OR fee, packs, anesthesia, drugs, radiology, office call, hospitalization, etc.

^g Prices for elective surgeries are all-inclusive, barring major complications.

^h Prices for orthopedic surgeries are all-inclusive, from initial office call to discharge.

Equine (primarily) Private Practices

Anesthesia

SA General^a, 1st hour
 FA General^a, 1st hour (>250#)
 EQ General^a, 1st hour (adult)
 EQ General^a, 1st hour (foal)
 Epidural (SA or EQ)

Cardiology

Cardiology exam
 ECG (standard)
 Cardiac ultrasound
 Heartworm treatment, dog (IM)

Clinical Pathology

CBC w/differential
 Urinalysis
 Chem profile (20 test)

Dermatology

Dermatology exam
 Express anal sacs
 Skin biopsy
 Skin scraping
 Skin cytology

Dentistry

Dental exam
 Prophylaxis canine^b
 Prophylaxis feline^b
 Extract abscessed 4th premolar^b

Ophthalmology

Ophtho exam, SA
 Ophtho exam, LA
 Enucleate eyeball (surgery fee only)

ER/ICU

Emergency exam
 Whole blood transf., dog 1 unit
 Hospital ward charge, one day
 24 hr ICU stay, highest care level^c
 24 hr. ICU stay, observation only^c
 PCV/TS

Radiology

Base fee
 Ultrasound, SA (any body part)

	MIN	MAX	MEDIAN	MEAN	MSU
SA General ^a , 1st hour	60.00	60.00	60.00	60.00	65.00
FA General ^a , 1st hour (>250#)	25.00	25.00	25.00	25.00	100.00
EQ General ^a , 1st hour (adult)	50.00	300.00	125.00	150.00	185.00
EQ General ^a , 1st hour (foal)	50.00	200.00	112.50	118.75	130.00
Epidural (SA or EQ)	15.00	75.00	52.50	48.75	25.00
Cardiology					
Cardiology exam	22.00	75.00	45.00	47.33	60.00
ECG (standard)	50.00	50.00	50.00	50.00	35.00
Cardiac ultrasound	65.00	65.00	65.00	65.00	120.00
Heartworm treatment, dog (IM)	170.00	170.00	170.00	170.00	60.00
Clinical Pathology					
CBC w/differential	18.00	30.00	25.00	25.00	22.00
Urinalysis	11.00	35.00	20.00	21.20	12.00
Chem profile (20 test)	30.00	50.00	45.00	43.40	30.00
Dermatology					
Dermatology exam	22.00	45.00	25.00	30.67	58.00
Express anal sacs	12.00	12.00	12.00	12.00	8.00
Skin biopsy	25.00	40.00	40.00	35.00	15.00
Skin scraping	18.00	25.00	20.00	21.00	13.00
Skin cytology	18.00	50.00	20.00	29.33	22.00
Dentistry					
Dental exam	20.00	80.00	25.00	36.40	38.00
Prophylaxis canine ^b	50.00	90.00	70.00	70.00	65.00
Prophylaxis feline ^b	80.00	80.00	80.00	80.00	50.00
Extract abscessed 4th premolar ^b	45.00	50.00	47.50	47.50	210.00
Ophthalmology					
Ophtho exam, SA	22.00	22.00	22.00	22.00	65.00
Ophtho exam, LA	20.00	40.00	27.50	28.75	125.00
Enucleate eyeball (surgery fee only)	60.00	300.00	180.00	180.00	265.00
ER/ICU					
Emergency exam	37.00	75.00	56.00	56.00	80.00
Whole blood transf., dog 1 unit	200.00	200.00	200.00	200.00	200.00
Hospital ward charge, one day	15.00	15.00	15.00	15.00	0.00
24 hr ICU stay, highest care level ^c	40.00	150.00	95.00	95.00	115.00
24 hr. ICU stay, observation only ^c	100.00	100.00	100.00	100.00	20.00
PCV/TS	15.00	15.00	15.00	15.00	7.00
Radiology					
Base fee	12.00	60.00	25.00	32.33	35.00
Ultrasound, SA (any body part)	40.00	65.00	52.50	52.50	115.00

General Medicine

	<u>MIN</u>	<u>MAX</u>	<u>MEDIAN</u>	<u>MEAN</u>	<u>MSU</u>
Physical exam	22.00	45.00	33.50	33.50	24.00
Microchip implant	50.00	50.00	50.00	50.00	15.00
FIV/FeLV combo test	26.00	26.00	26.00	26.00	22.00
Rabies vx (killed, 3 yr. booster)	10.00	15.00	12.50	12.50	7.00
Bordetella vaccine (booster)	15.00	15.00	15.00	15.00	7.00
FVRCP (booster)	15.00	15.00	15.00	15.00	7.00
Fecal flotation	7.00	15.00	11.00	11.00	10.00
Heartworm test, occult (canine)	18.00	18.00	18.00	18.00	17.00
Clean wound (15 minutes)	15.00	15.00	15.00	15.00	11.00
Fine needle aspirate	20.00	20.00	20.00	20.00	5.00

Internal Medicine

Internal medicine exam	45.00	45.00	45.00	45.00	60.00
Semen collection	75.00	75.00	75.00	75.00	30.00
Feline thyroid profile	50.00	50.00	50.00	50.00	18.00
Low-dose Dex suppression	89.00	89.00	89.00	89.00	22.00

Neurology

Neurological exam	20.00	45.00	32.50	32.50	65.00
CSF tap	160.00	225.00	200.00	195.00	90.00

Food Animal

FA Physical exam	10.00	45.00	27.50	27.50	20.00
Anesthesia, bovine (paravertebral)	20.00	20.00	20.00	20.00	10.00
General anesthesia, bovine 1st hour	50.00	50.00	50.00	50.00	100.00
C-section, cow, standing ^e	150.00	150.00	150.00	150.00	150.00
Left displaced abomasum ^e	100.00	100.00	100.00	100.00	110.00
Hospitalization, 1 night (milking cow)	15.00	15.00	15.00	15.00	15.00

Soft Tissue Surgery

Surgeon's exam	20.00	45.00	32.50	32.50	60.00
Feline fr. declaw + castrate, <1 year ^g	90.00	90.00	90.00	90.00	85.00
Feline front declaw + OVH, <1 year ^g	120.00	120.00	120.00	120.00	100.00
Canine castrate > 50 lbs. ^g	90.00	90.00	90.00	90.00	75.00
Canine OVH 40 - 80 lbs. ^g	110.00	110.00	110.00	110.00	90.00

Orthopedics

Orthopedic exam	45.00	70.00	57.50	57.50	55.00
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Equine

Physical exam (w/ flexion test)	20.00	100.00	45.00	47.00	55.00
Arthroscopic surgery for OCD ⁱ	266.00	266.00	266.00	266.00	1,200.00
Epiglottic entrapment (surg. fee only)	150.00	300.00	225.00	225.00	350.00
EPM workup ^j	250.00	290.00	250.00	263.33	190.00
Treadmill/endoscopy	40.00	75.00	57.50	57.50	330.00
Colic surgery- adult (surgery fee only)	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00

^a General anesthesia includes any gas, induction, catheter, fluids, monitoring, additional drugs during surgery, and post-op analgesia.

^b Dentistry charges do not include office call, anesthesia, analgesia, hospitalization, OR room fee, or packs.

^c Excludes \$20 per day ward charge.

^e Surgeon's fee only—excludes anesthesia, office call, packs, and OR fee.

^g Prices for elective surgeries are all-inclusive, barring major complications.

^h Prices for orthopedic surgeries are all-inclusive, from initial office call to discharge.

ⁱ For MSU, this price includes 1 joint, 1.5 hours of anesthesia, 4 radiographs, office call, pre-anesthetic blood work, OR fee, sterile pack, original bandages plus 1 change, 1 blood gas, antibiotics & post-op analgesia, and 2 days hospitalization. Private practice numbers were obtained from a single respondent, and most likely refer to surgery fee only.

^j Includes only spinal tap and *S. neurona* titer in CSF and serum..

Small Animal Specialty Practices

Anesthesia

SA General^a, 1st hour
 Blood gas w/lytes, (any species)
 Epidural (SA or EQ)

Cardiology

Cardiology exam
 ECG (standard)
 Cardiac ultrasound
 Holter monitoring

Clinical Pathology

CBC w/differential
 Urinalysis
 Chem profile (20 test)
 Coag (PT, PTT, Fibrinogen, FDP)

Dermatology

Dermatology exam
 Intradermal allergy test
 Express anal sacs
 Skin biopsy
 Skin scraping
 Skin cytology

ER/ICU

Emergency exam
 CPR, closed (includes drugs)
 Blood glucose chem strip
 Whole blood transf., dog 1 unit
 Hospital ward charge, one day
 24 hr ICU stay, highest care level^c
 24 hr. ICU stay, observation only^c
 PCV/TS

Radiology

1 Film, VD thorax, small dog
 Ultrasound, SA (any body part)
 Radiation therapy

General Medicine

Physical exam
 FIV/FelV combo test
 Fecal flotation
 Heartworm test, occult (canine)
 Clean wound (15 minutes)
 Fine needle aspirate

	<u>MIN</u>	<u>MAX</u>	<u>MEDIAN</u>	<u>MEAN</u>	<u>MSU</u>
SA General ^a , 1st hour	80.00	80.00	80.00	80.00	65.00
Blood gas w/lytes, (any species)	85.00	85.00	85.00	85.00	24.00
Epidural (SA or EQ)	60.00	60.00	60.00	60.00	25.00
Cardiology exam	75.00	75.00	75.00	75.00	60.00
ECG (standard)	35.00	52.00	43.50	43.50	35.00
Cardiac ultrasound	160.00	160.00	160.00	160.00	120.00
Holter monitoring	300.00	300.00	300.00	300.00	200.00
CBC w/differential	29.00	38.00	33.50	33.50	22.00
Urinalysis	20.00	24.00	22.00	22.00	12.00
Chem profile (20 test)	53.00	72.50	62.75	62.75	30.00
Coag (PT, PTT, Fibrinogen, FDP)	52.00	72.00	62.00	62.00	66.00
Dermatology exam	75.00	75.00	75.00	75.00	58.00
Intradermal allergy test	130.00	130.00	130.00	130.00	125.00
Express anal sacs	15.00	15.00	15.00	15.00	8.00
Skin biopsy	35.00	72.00	53.50	53.50	15.00
Skin scraping	15.00	35.00	25.00	25.00	13.00
Skin cytology	15.00	35.00	25.00	25.00	22.00
Emergency exam	75.00	85.00	80.00	80.00	80.00
CPR, closed (includes drugs)	352.94	352.94	352.94	352.94	64.00
Blood glucose chem strip	15.00	15.00	15.00	15.00	4.00
Whole blood transf., dog 1 unit	160.00	225.00	192.50	192.50	200.00
Hospital ward charge, one day	35.00	35.00	35.00	35.00	20.00
24 hr ICU stay, highest care level ^c	77.00	100.00	88.50	88.50	115.00
24 hr. ICU stay, observation only ^c	40.00	50.00	45.00	45.00	20.00
PCV/TS	19.00	20.00	19.50	19.50	7.00
1 Film, VD thorax, small dog	69.00	75.00	72.00	72.00	45.00
Ultrasound, SA (any body part)	160.00	200.00	180.00	180.00	115.00
Radiation therapy	264.71	264.71	264.71	264.71	75.00
Physical exam	75.00	75.00	75.00	75.00	24.00
FIV/FelV combo test	45.00	45.00	45.00	45.00	22.00
Fecal flotation	20.00	20.00	20.00	20.00	10.00
Heartworm test, occult (canine)	36.00	38.00	37.00	37.00	17.00
Clean wound (15 minutes)	25.00	27.00	26.00	26.00	11.00
Fine needle aspirate	30.00	32.00	31.00	31.00	5.00

Internal Medicine

Internal medicine exam
 Colonoscopy flexible
 Feline thyroid profile
 Low-dose Dex suppression

Neurology

Neurological exam
 CSF tap
 Spinal decompression
 Myelogram^d
 EMG
 Cat scan - brain

Soft Tissue Surgery

Surgeon's exam
 Pyometra OVH, 50 #dog^f
 Forequarter amputate, > 60# dog^f
 Feline colectomy for megacolon^f

Orthopedics

Orthopedic exam
 Total hip replacement^h, large dog
 Simple fracture^h, closed, dog
 Cranial cruciate^h, 1 leg, large dog

	MIN	MAX	MEDIAN	MEAN	MSU
Internal medicine exam	75.00	75.00	75.00	75.00	60.00
Colonoscopy flexible	600.00	600.00	600.00	600.00	100.00
Feline thyroid profile	85.00	90.00	87.50	87.50	18.00
Low-dose Dex suppression	60.00	113.00	86.50	86.50	22.00
Neurology					
Neurological exam	75.00	75.00	75.00	75.00	65.00
CSF tap	220.00	220.00	220.00	220.00	90.00
Spinal decompression	1,000.00	1,000.00	1,000.00	1,000.00	400.00
Myelogram ^d	385.00	385.00	385.00	385.00	205.00
EMG	220.00	220.00	220.00	220.00	80.00
Cat scan - brain	650.00	850.00	750.00	750.00	300.00
Soft Tissue Surgery					
Surgeon's exam	75.00	75.00	75.00	75.00	60.00
Pyometra OVH, 50 #dog ^f	1,150.00	1,150.00	1,150.00	1,150.00	50.00
Forequarter amputate, > 60# dog ^f	1,300.00	1,300.00	1,300.00	1,300.00	400.00
Feline colectomy for megacolon ^f	1,550.00	1,550.00	1,550.00	1,550.00	200.00
Orthopedics					
Orthopedic exam	75.00	75.00	75.00	75.00	55.00
Total hip replacement ^h , large dog	3,000.00	3,000.00	3,000.00	3,000.00	2500.00-2600.00
Simple fracture ^h , closed, dog	1,500.00	1,500.00	1,500.00	1,500.00	750.00-1150.00
Cranial cruciate ^h , 1 leg, large dog	1,100.00	1,100.00	1,100.00	1,100.00	750-950

^a General anesthesia includes any gas, induction, catheter, fluids, monitoring, additional drugs during surgery, and post-op analgesia.

^c Excludes \$20 per day ward charge.

^d Includes only professional fee, base fee, 4 films, and 1 vial of contrast material.

^f Surgery fee only—does not include OR fee, packs, anesthesia, drugs, radiology, office call, hospitalization, etc.

^h Prices for orthopedic surgeries are all-inclusive, from initial office call to discharge.