

Competition or coexistence? By Katie Burns

Relations strained between private practitioners, animal welfare organizations that provide veterinary services

By **Katie Burns**

At veterinary conferences, the topic arises again and again. In the world of companion animal medicine, many private practitioners are worrying about competition from animal welfare organizations that provide veterinary services—especially now that so many private practices have seen a drop in visits as a result of the weak economy and other factors.

Private practitioners say they fear losing business to full-service nonprofit clinics, which are somewhat rare but can charge less because of tax breaks and charitable contributions. They also worry about losing starter services that help establish a relationship with clients, such as spay-and-neuter operations, to limited-service nonprofit clinics and animal shelters.

Veterinarians and others at animal welfare organizations that offer veterinary services to the public generally say they focus on providing care for companion animals that otherwise would not receive any, such as pets belonging to low-income clients.

“It’s a pretty good issue to have, when you have all these people who care so much about taking care of animals,” said Dr. Nancy Turner, a private practitioner who is a member of the AVMA Council on Veterinary Service.

“We need to turn this on its head and take it from the approach that we can make this better for everyone involved. Obviously, the pets are the most important.”

AVMA involvement

As early as the 1920s, the AVMA addressed dissatisfaction among private practitioners with humane societies that maintained animal hospitals in large cities. Representatives of the AVMA and humane societies created a code of ethics urging humane societies “to avoid conflict with the development of the veterinary profession” and stating that it falls to humane societies to treat animals where private practitioners do not.

The Council on Veterinary Service wrote the current AVMA policy “Delivery of Veterinary Services by Not-for-Profit/Tax-Exempt Organizations.” The AVMA Executive Board approved the policy in April.

According to the policy, “Veterinary not-for-profit and tax-exempt clinics and hospitals provide access to important medical and surgical services for animals owned by the indigent and otherwise underserved populations.” The policy encourages means testing to determine eligibility for services.

Isham Jones, AVMA general counsel, wrote a background document concluding that federal tax law does appear to allow tax-exempt animal welfare organizations to provide veterinary services for a fee. The revenue is subject to taxation if the services are unrelated to the organization’s public purpose.

“You’re not going to get tax-exempt status if all you’re doing is offering a commercial service for a price—unless you’re serving a certain tax-exempt purpose, which might be

to reduce the population of unwanted pets by offering low-cost spay/neuter,” Jones said.

Another tax-exempt purpose might be to offer veterinary services at low prices to low-income pet owners.

Dr. Turner said the members of the Council on Veterinary Service have concerns about nonprofits that are expanding veterinary services to help pay for the organizations’ public purposes.

“We want them to hold true to their charter and what they advertise to the public during fundraising,” Dr. Turner said.

Two previous AVMA policies relevant to nonprofit clinics, dating to the 1980s, supported legislation to limit competition with private practices. Dr. Turner said the council did not include the idea in the current AVMA policy because of the difficulties of rewriting the tax code and out of support for nonprofit clinics.

Strained relations

The Association of Shelter Veterinarians supports high-quality, high-volume spay-and-neuter clinics, said Dr. Natalie Isaza, ASV president. She believes the tension with private practitioners is worse with full-service nonprofit clinics.

Dr. Isaza doesn’t believe private practitioners are losing business to full-service nonprofit clinics that target low-income pet owners, however. She said, “There are people who really love their animals, and they just don’t have the money to care for them.”

James Bias, chair of the board of directors of the Society of Animal Welfare Administrators, said the weak economy might be forcing more pet owners to seek out low-price veterinary services at animal welfare organizations.

Bias believes shelters specifically need to reach out more to private practitioners.

The CATalyst Council, a coalition that advocates for cats, recently helped facilitate an alliance between SAWA and the American Society of Veterinary Medical Association Executives to launch Top to Top, an initiative to enhance relations between shelters and private practitioners.

Dr. Jane Brunt, CATalyst executive director, said Top to Top includes an effort to promote the concept of the handoff, or the transition of veterinary care from shelters to private practitioners during an animal’s adoption.

“The pet gets adopted after having received its initial health care at the shelter, and then at some point it is handed off for an ongoing lifetime of care to a community veterinarian,” Dr. Brunt said.

Karlene Belyea, ASVMAE president and Michigan VMA chief executive officer, observed that relations are variable between private practitioners and animal welfare organizations that offer veterinary services.

“There are significant problems in some areas of Michigan, and people are very upset,” Belyea said. “But there are other areas where they have learned to cooperate. We want to help these groups to find ways to work together.”

See the accompanying articles for examples of relations in [Michigan](#), [Texas](#), [Florida](#), and [Colorado](#).

Alternative avenues

On June 28, the AVMA offered the webinar “A Discussion of Non-Profit Veterinary Services” on the perspectives of the executive directors of the Ontario VMA and New Jersey VMA.

The Ontario VMA is not challenging the legality of nonprofit clinics but is looking at ways to provide veterinary services to low-income clients through private practices, said chief executive officer Doug Raven.

“Not everyone can afford veterinary care,” Raven said. “Veterinary care is something that people with animals need, and if private practices don’t find a way to provide that care, somebody else is going to.”

The Ontario VMA is assisting practices in providing that care in various ways. The VMA has created a foundation that has disbursed more than \$1.4 million to subsidize veterinary services at private practices for clients who receive certain governmental benefits. In response to spay-and-neuter clinics, the VMA is working with local veterinary associations to establish community-based programs to subsidize spay-and-neuter operations at private practices.

Raven noted that one concern with the spay-and-neuter clinics is that they will impact pet owners’ perception of appropriate prices.

The state of New Jersey has so many spay-and-neuter clinics that private practitioners rarely perform the operations, said Rick Alampi, executive director of the New Jersey VMA.

Alampi said a number of animal welfare organizations in the state have opened full-service nonprofit clinics recently, despite resistance from private practitioners. The situation is of great concern to many members of the New Jersey VMA, he said.

Alampi cited several legal rulings in favor of nonprofit clinics, including in a case in which the New Jersey VMA filed a brief opposing a nonprofit clinic. Now, the New Jersey VMA is considering creating a template that would help private practices go nonprofit themselves to take advantage of tax breaks and charitable contributions.

“One of the things that we’re exploring is not to have a full conversion of a for-profit veterinary practice to a not-for-profit, but to establish a not-for-profit subsidiary to really go after the low end of the bell curve,” Alampi said.

Spay and neuter

While full-service nonprofit clinics are rare in most areas, spay-and-neuter clinics are becoming more common. The Humane Alliance in North Carolina has developed a model for high-quality, high-volume spay and neuter and has mentored many animal welfare organizations in opening spay-and-neuter clinics.

The Humane Alliance targets low-income pet owners and communities with high shelter intakes for its spay-and-neuter services, said executive director Quita Mazzina. She said the organization focuses solely on prevention of unintentional litters to reduce intake and, thus, euthanasia at shelters.

“I think that nonprofits have a responsibility to help,” Mazzina said. She has never met a veterinarian who does not care about animals, but she recognizes that private

practitioners are in business. “They have to make a living, and I don’t think it is their responsibility to lower their fees.”

Dr. Anne Bayer, the clinic’s medical director, was an associate at one of the private practices in the area before joining the Humane Alliance.

“The patients that come here, they are just not even on the radar of the practices,” Dr. Bayer said. She feels like she gets to help animals in a larger sense by decreasing the litter rate.

Dr. Bayer and Mazzina said the volume of spay-and-neuter operations does not diminish the quality. The Humane Alliance provides training in its techniques for veterinarians, veterinary technicians, and veterinary students.

Along with mentoring nonprofits that open spay-and-neuter clinics, the Humane Alliance works with nonprofits on programs to subsidize spay-and-neuter operations at private practices.

Coexistence

The recent Bayer Veterinary Care Usage Study found that 20 percent of owners of companion animal practices are very concerned about competition from low-cost or limited-service clinics and that 13 percent are very concerned about competition from shelter veterinarians.

With varying amounts of tension, however, private practitioners have coexisted for years with nonprofits that provide veterinary services. The 1920s code of ethics actually recognized the role of humane societies in the development of small animal medicine. The first principle of the code was to urge “the heartiest and most loyal cooperation between veterinarians and humane societies.”