

Dairy/Cow-Calf/Feedlot Split Session III

Working for Dollars and Collecting for It

Dr. Eugene Janzen, *Presiding*

Paid by the Procedure: A Professional Approach to Veterinary Fees

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What is one of the most difficult tasks we have to perform as large animal practitioners? Is it correcting a uterine prolapse? How about treating a client's best cow for acute watery mastitis? Or having to recommend euthanasia for a cow with a fractured pelvis? Although all of these are equally difficult, I believe one of the most arduous tasks we face as professionals is charging a fair fee for our services. Gone are the days of an annual billing. The one line ticket of "Visit Cow - \$35.00" is also a thing of the past. To determine a professional fee that is fair and equitable to both parties, I have found being "Paid by the Procedure" most satisfactory.

With the series of slides that follows I will illustrate how to effectively itemize the farm visit into different procedural categories and then monitor progress with the aid of a computer. This type of charging scheme can identify the relative importance of each area of revenue, paying particular attention to actual examination and surgical fees. We then have a basis for a fee schedule for each procedure that meets our original goal of being fair to the client and at the same time receiving an equitable fee for services rendered.

The actual fees charged in this presentation are irrelevant and will vary from region to region. It is the concept and subsequent tracking of fees that is important.

We have developed a series of charge codes which enables us to breakdown our fees into different categories which include Examination, Surgery, Treatment, Vaccination, Herd Health, Dispensary Items, Vaccinations and Mobile Fees. A detailed description of the procedure lends itself to the charging of a consistent and appropriate fee. There must, however, be built in flexibility to accommodate the one and one-half hour calvings or the repeated visits made to the terminal cow. As you will see in the slides that follow, the coding of the procedures provides an excellent analysis tool.

I thought I would begin with one of the most common calls made by a bovine practitioner - "Examine and treat a cow down with milk fever." As you can see (Bill 1), we have

treated the cow with calcium, dextrose, vitamins and oxytocin. These are reflected in the charge codes such as EME1-E for the category Examination, ME for Metabolic Disorders, and 1 as it is one of the most common metabolic conditions. Similarly, the treatments begin with T and the first two letters of the product used. In this case, TDE for Treatment Dextrose. We then have an opportunity to specify how many units of the time were used, and the cost is automatically extended. Notice the TCA22, meaning Treat Calcium X 2. The codes are easily developed with the products used in each practice.

Bill 1

Sept. 02, 1988 #27592

Dr. D. Callen Hageman & Dr. Gary L. Boose
Large Animal Veterinary Service
14746 Caledon King Townline
R. R. #1
Bolton Ontario
L7E 5R7

(416) 857-3650

Mr. Don Williamson Farm Visit
R.R. #1 Holstein
Maple, Ontario LOJ 1E0

Sept. 02, 1988
Treated by Dr. D. C. Hageman

Examine & treat fresh cow down with milk fever	\$10.00
1 X 500 cc 50% dextrose	\$2.75
2 X 500 cc 23% Calcium gluconate	\$7.50
10 cc Hemo-15	\$3.65
5 X 10 cc D-phos	\$7.50
1 X 3 cc Oxytocin	\$1.00
Examine & treat cow with indigestion & off feed	\$12.00
1 X 450 g Protokal powder	\$12.50
1 X 1 kg Yeast culture - Diamond V	\$5.50
1 X 150 cc Ketamlt (farm's)	
1 X 1 150 cc Glycol p (farm's)	

1 X 60 g Bovotone powder..... \$2.00
 ***** MOBILE FEE ***** \$18.50
 Previous Balance \$0.00
 Total Charge \$82.90
 New Balance \$82.90

Payment Rec'd _____
 Net Balance _____

Unfortunately, we were not able to get the cow up without the aid of the Air Bag—again the procedure is itemized, taking into consideration the time involved lifting the cow as well as the cost of the equipment used (Bill 2).

Bill 2

Sept. 01, 1988 #27608
Dr. D. Callen Hageman & Dr. Gary L. Boose
 Large Animal Veterinary Service
 14746 Caledon King Townline
 R. R. #1
 Bolton Ontario
 L7E 5R7
 (416) 857-3650

Mr. Don Williamson Farm Visit
 R.R. #1 Holstein
 Maple, Ontario L0J 1E0

Sept. 01, 1988
 Treated by Dr. D. C. Hageman

Examine & treat fresh cow - acetonemia
 & calcium deficiency..... \$10.00
 Assist in lifting cow with Bovi-Jac 20..... \$35.00
 1 X 500 cc 50% dextrose \$2.75
 2 X 500 cc 23% Calcium gluconate \$7.50
 10 cc Hemo-15 \$3.65
 5 X 10 cc D-phos \$7.50
 1 X 3 cc Oxytocin..... \$1.00

***** MOBILE FEE ***** \$18.50
 Previous Balance \$115.40
 Total Charge \$85.90
 New Balance \$201.30

Payment Rec'd _____
 Net Balance _____

The next series of slides depicts a cow with a uterine torsion that required rolling to facilitate the delivery of a live heifer calf (Series of Torsion) (Bill 3). Assess an examination fee with a descriptive detail, show treatments administered at the time as well as the Items Dispensed for follow up treatment by the client. Here is an example of the actual invoice that is generated for the farmer. Notice the charge codes are absent and do not clutter the appearance of the invoice. Although the total bill was for \$126.60, the client readily accepts the fee when he can see where all of the charges were derived. Again, if you provide the detail it is much easier to charge effectively!

Bill 3

Sept. 02, 1988 #27589
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 14746 Caledon King Townline
 R. R. #1
 Bolton Ontario
 L7E 5R7
 (416) 857-3650

Gerald & David Wallace Farm Visit
 R.R. #3 Holstein
 Tottenham, Ontario LOG 1W0

Sept. 02, 1988
 Treated by Dr. D. C. Hageman

Examine heifer with uterine torsion - reduce &
 deliver calf..... \$50.00
 20 X 1 cc Ventipulmin injectable \$17.00
 1 X 500 cc 50% dextrose \$2.75
 5 g Liquimycin LP \$5.00
 10 cc Hemo-15 \$3.65
 1 X Oxytet i/u infusion \$5.00
 1 X 3 cc Oxytocin..... \$1.00

Treat newborn calf - disinfect navel with iodine \$3.00
 2 X 1 cc Dystosel \$3.00
 5 cc Hemo-10 \$1.75

***** DISPENSARY ITEMS *****

1 X 250 cc Pen aqueous..... \$11.75
 2 X 20 cc Monoject syringe..... \$3.00
 2 X 16 g x 1 Monoject needle \$1.20

***** MOBILE FEE ***** \$18.50

Previous Balance \$444.20
 Total Charge \$126.60
 New Balance \$570.80

Payment Rec'd _____
 Net Balance _____

Payment Rec'd _____
 Net Balance _____

What about surgical procedures? How do we charge for these? This series is of a heifer that was springing, taken to a large show, and returned home just in time to have a dead heifer calf. (Sound familiar?) Well, that's not the end of the story. Five days later she displaced and required corrective surgery. As you can see from the final bill, a fee is charged for the surgical procedure, and the drugs and surgical supplies are itemized separately. You can appreciate that the amount of chronic catgut used in a caesarian on a Charolais differs from the count used on a LDA for a Jersey!

Herd health visits are also easily coded. A fee is assessed for each cow examined and/or treated (Bill 5). The treatments administered are listed as well as the drugs which are dispensed. Notice a fee for vaccinating calves (calves in head gate). Now this is the way to have your calves restrained!! At the time of vaccination a quick inspection of the navel will reveal the presence of any hernias or umbelical infections. Supramammary tests can also be easily removed at this time.

Bill 4

Sept. 02, 1988 #27590
Dr. D. Callen Hageman & Dr. Gary L. Boose
 Large Animal Veterinary Service
 14746 Caledon King Townline
 R. R. #1
 Bolton Ontario
 L7E 5R7
 (416) 857-3650

Nashville Charolais Farm Visit
 11140 Huntingdon Road Charolais
 Kleinburg, Ontario LOJ 1T0

Sept. 02, 1988
 Treated by Dr. D. C. Hageman

Perform caesarean section on cow unable to calve naturally..... \$150.00
 Deliver live bull calf
 10 X 10 cc 2% xylocaine..... \$10.00
 6 X #2 chromic catgut..... \$25.50
 1 X #3 suturamid..... \$4.00
 1 X 500 cc 50% dextrose \$2.75
 1 X 500 cc 23% Calcium gluconate..... \$3.75
 5 g Liquimycin LP \$5.00
 10 cc Hemo-15 \$3.65
 1 X 3 cc Oxytocin..... \$1.00

Treat newborn calf - disinfect navel with iodine \$3.00
 2 X 1 cc Dystosel \$3.00
 5 cc Hemo-10..... \$1.75

***** MOBILE FEE ***** \$18.50

Previous Balance \$8677.67
 Total Charge \$231.90
 New Balance \$8909.57

Bill 5

Sept. 02, 1988 #27588
Dr. D. Callen Hageman & Dr. Gary L. Boose
 Large Animal Veterinary Service
 14746 Caledon King Townline
 R. R. #1
 Bolton Ontario
 L7E 5R7
 (416) 857-3650

Bern Bry Farms Farm Visit
 R.R. #3 Holstein
 Bolton, Ontario L7E 5R9

Sept. 02, 1988
 Treated by Dr. D. C. Hageman

Conduct herd health examinations as listed

26 X Bovine reproductive examinations – advise..... \$52.00
 7 X bovine reproductive examinations & treatments as listed \$14.00
 2 X Oxytet i/u infusion \$10.00
 2 X 2 cc Estrumate - 500 ug..... \$16.50
 1 X 250 ug Factrel GNRH (farm's)
 1 X 5000 units Human Chorionic Gonadatrophin \$12.00
 2 X Oxytet post breeding infusion..... \$12.00
 8 X Calfhood Brucella Strain 19 Vaccination \$40.00
 Remove extra teats as required and examine umbelicus

Jess
 Examine genital tract in preparation for embryo transfer
 1 X FSH & Dosage schedule for embryo transfer programme \$85.00

***** DISPENSARY ITEMS *****

2 X 10 cc Estrumate..... \$76.00
 1 X 50 cc Factrel GnRH..... \$75.00
 2 X 10000 units Human Chorionic Gonadatrophin.. \$47.00
 2 X 20 x Novodry Plus dry cow treatment \$72.50
 1 X 20 x Special formula 17900..... \$39.85

***** MOBILE FEE ***** \$18.50
 Previous Balance \$445.50
 Total Charge \$571.10
 New Balance \$1016.60

Payment Rec'd _____
 Net Balance _____

Feed analysis and ration balancing can be presented to your clients with a fee for your professional services (Bill 6). If it's itemized and detailed it is easier to charge!

With the aid of the computer we are then able to track the different procedural categories and obtain a breakdown of our professional income (analysis slides). A distribution of Professional Fees quickly shows the importance of each category. Dispensing can be considered as a procedure as we must prescribe proper drug administration, dosage and withdrawal information to the client. It is interesting to notice that this breakdown percentage remains relatively constant on a month-to-month basis even though the monthly income fluctuates with the season. Further analysis allows for the examination of Professional Fees generated by each veterinarian in the practice. The seasonal aspect of drug and dispensary purchases can be anticipated and matched with monthly cash flow.

Well, we have "worked for our dollars," and now we have to collect it! Provide the client with an itemized statement with attached invoices on a *regular* basis and you can achieve excellent cash flow. By sending out statements by the tenth of the month (a few days before the milk cheque arrives!) we were able to collect between 97% and 104% of the monies billed in the previous month with a base receivables of only 45 days! (Our accountant is delighted.)

In closing, we have found that being "Paid by the Procedure" is an effective, professional approach to veterinary fees!

Bill 6

Sept. 02, 1988 #27591

Dr. D. Callen Hageman & Dr. Gary L. Boose
 Large Animal Veterinary Service
 14746 Caledon King Townline
 R. R. #1
 Bolton Ontario
 L7E 5R7

(416) 857-3650

Glenville Farms
 R.R. #2
 Newmarket, Ontario

Farm Visit
 Guernsey
 L3Y 4V9

Sept. 02, 1988
 Treated by Dr. D. C. Hageman

Discuss recent feed analysis and present computer balanced ration using available feeds.

Discuss mineral changes necessary to properly balance ration \$75.00

***** MOBILE FEE ***** \$18.50

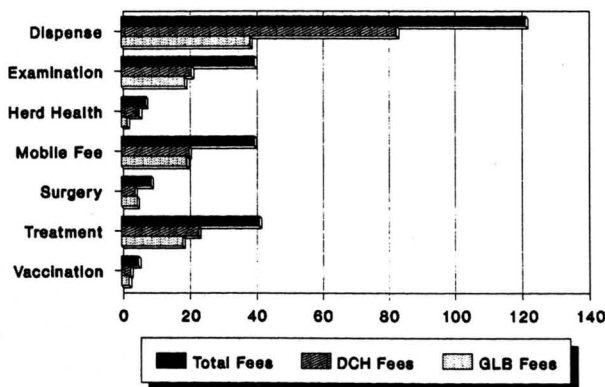
Previous Balance \$1614.50

Total Charge \$93.50

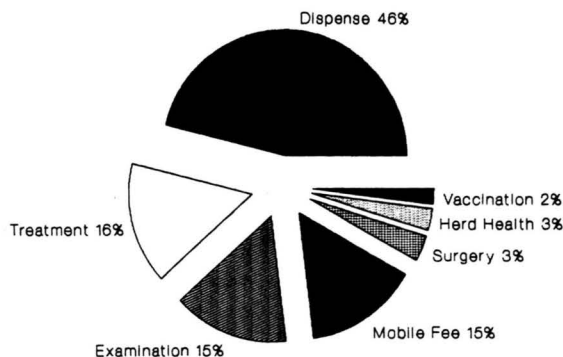
New Balance \$1708.00

Payment Rec'd _____
 Net Balance _____

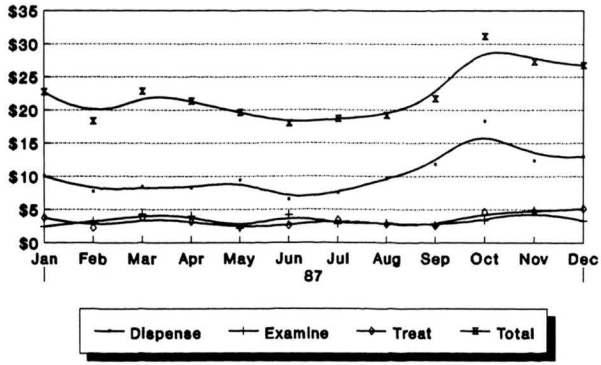
Distribution of Professional Fees



Distribution of Professional Fees



Trend Analysis by Category



Drug Sales Analysis Sales vs. Costs

