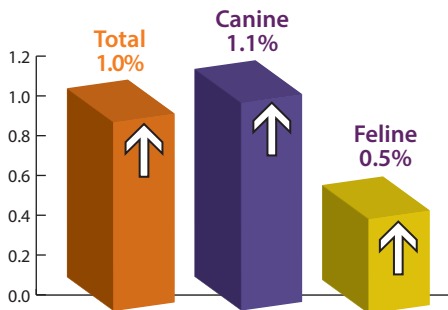


The Insider's Insight Benchmark Report is a publication provided by the Veterinary Hospital Managers Association (VHMA). The report tracks key economic indicators to determine how VHMA member practices are performing, as well as results from VHMA surveys on issues impacting the profession. There are approximately 800 VHMA member practices who contribute to the data for the key economic indicators. Data is representative of companion animal practices only.

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March, 2019 vs. March, 2018

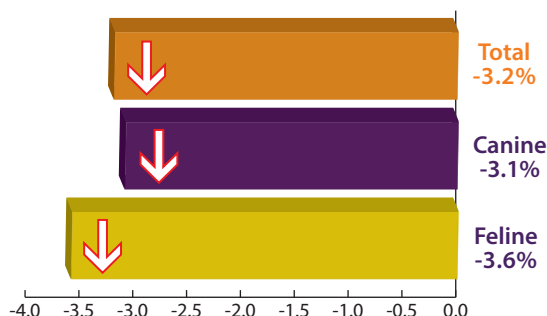
Revenue Growth March, 2019 compared to March, 2018



Revenue Growth

Companion animal practice revenue for the 756 VHMA practices included in this month's study showed growth of just 1.0% from March, 2018 to March, 2019; however, March of 2019 had one less workday than March of 2018 which no doubt accounts for some of the difference. Canine revenue growth was 1.1% and feline revenue growth was 0.5%. Year-to-date growth for 2019 is 3.3%; which is just a bit lower than 2018 growth of 3.4%. This growth continues to be stronger than the overall growth seen in the US economy.

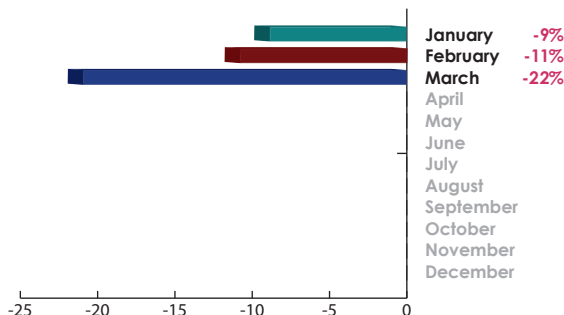
Patient Visits March, 2019 compared to March, 2018



Patient Visits

Total unique patient visits for the same period, March, 2019 compared to March, 2018 declined by 3.2% with canine visits down by 3.1% and feline visits down by 3.6%. As noted above, however, there is one less workday in March, 2019 compared to March, 2018 which likely accounts for some of the decline. Total visits for year to date 2019 are 1.2% less compared to total visits in 2018. (Note that the term "visits" is defined as unique purchases of either products or services for an individual pet.)

New Client Growth March, 2019 compared to March, 2018



New Client Growth

New client numbers in March, 2019 compared to March, 2018 declined by 22%; the year to date 2019 decline is 15.2%. This continues to be a discouraging trend as these numbers have declined almost every month of the last four years.

Remember that the above figures represent averages across all the practices in the study; in order to understand what is going on in YOUR practice, you need to look not only at what your revenue growth was during these months (and going forward) but also at the drivers of growth in YOUR practice such as changes in invoices, visits, ATC, fee increases, new clients and client retention. This will give you the information to make intelligent decisions about where to focus your time and efforts to increase growth.

Telehealth

by Karen E. Felsted, CPA, MS, DVM, CVPM, CVA PantheraT Veterinary Management Consulting

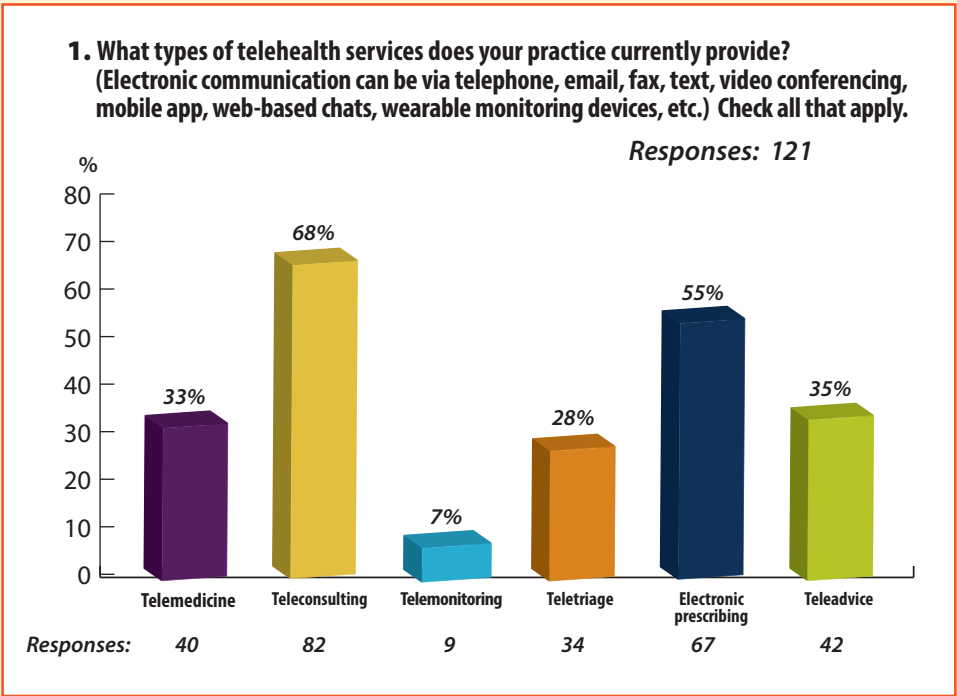
Telemedicine is a hot topic right now and has generated a lot of controversy over whether it should be part of how veterinary medicine is practiced. Some of this controversy is due to confusion over what all the “tele-terms” really mean; however, some of the controversy is also over real issues related to whether pets can be appropriately diagnosed and treated using some of these modalities. Before these topics can be addressed, it’s important to define some of the terms and make sure everyone is on the same page in the discussion.

Telehealth is the umbrella term for all of the services discussed above and for purposes of this survey, is defined as follows: “all uses of technology to deliver health information, education, or care remotely.”¹ Telehealth can include both services that require a VCPR (veterinary client patient relationship) and those that don’t. The definitions of the telehealth services shown below are also based on the AVMA-AAHA document entitled “The Real-Life Rewards of Virtual Care.”

- **Telemedicine**—the practice of veterinary medicine using technology as a communication tool (requires a VCPR)
- **Teleconsulting**—the use of telehealth tools by a general practice veterinarian to communicate with a veterinary specialist about the care of a patient

- **Telemonitoring**—the remote monitoring of patients who are not at the same location as the health-care provider
- **Teletriage**—safe, appropriate and timely assessment and management of animal patients via electronic communication with their owners under conditions of uncertainty and urgency and where a diagnosis is not rendered
- **Electronic prescribing**—the digital based electronic generation, transmission, and filling of a medical prescription
- **Teleadvice**—providing health information that does not require a VCPR to pet owners or other parties using technology

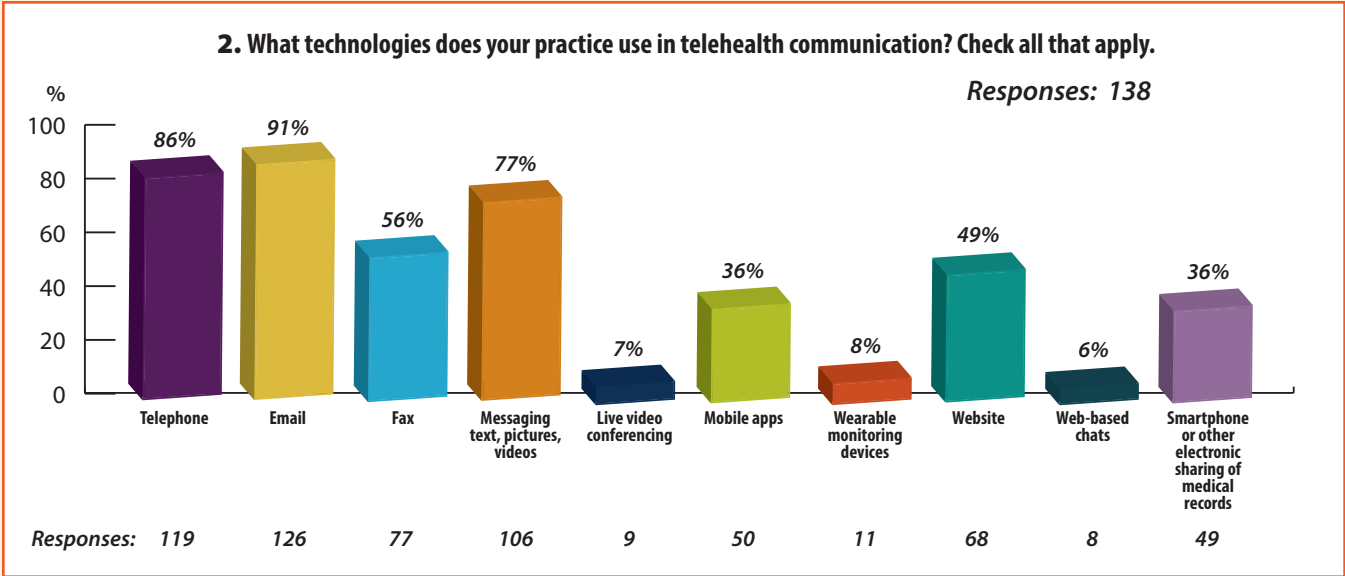
The first question in the VHMA Monthly Management Survey asked: **“What types of telehealth services does your practice currently provide? (Electronic communication can be via telephone, email, fax, text, video conferencing, mobile app, web-based chats, wearable monitoring devices, etc.) Check all that apply.”**



¹ “The Real-Life Rewards of Virtual Care” AVMA, AAHA 2018

Not surprisingly, the most used services are teleconsulting with specialists and electronic prescribing. Telemonitoring is not used extensively at this time and only about 1/3 of practices are providing true telemedicine services which require a VCPR.

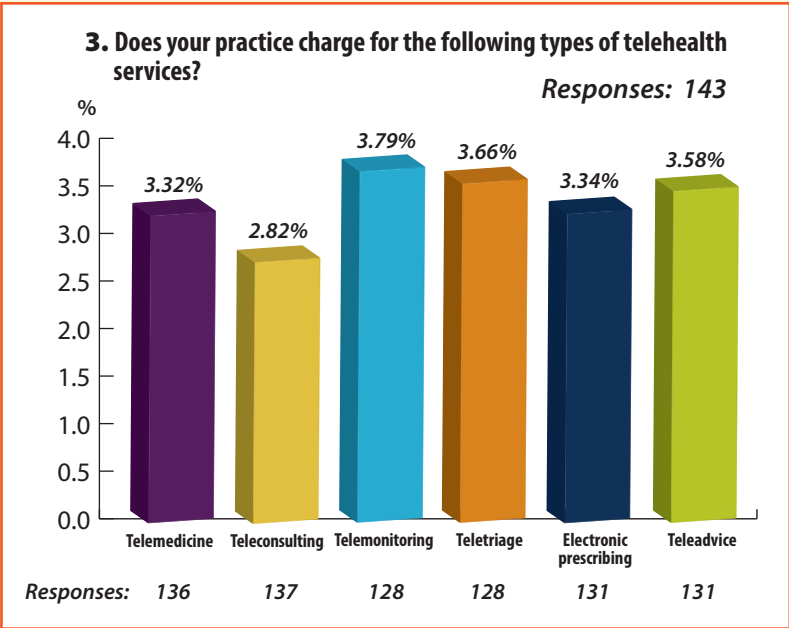
The next question asks: ***“What technologies does your practice use in telehealth communication? Check all that apply.***



Not surprisingly, telephone, email and messaging lead the pack but I did find it surprising that 100% of practices didn't select the phone as an option. That indicates some practices are very strict about the kind of information they will discuss even when a VCPR isn't required.

A big question that comes up when discussing telehealth is can these services be charged for and how to do it? One of the arguments that those in favor of expanding telehealth/telemedicine services make is that a more formal/robust set of services lends itself more to acceptance by clients of a fee associated with the service. The question asked in the VHMA Monthly Management Survey is: ***“Does your practice charge for the following types of telehealth services?”***

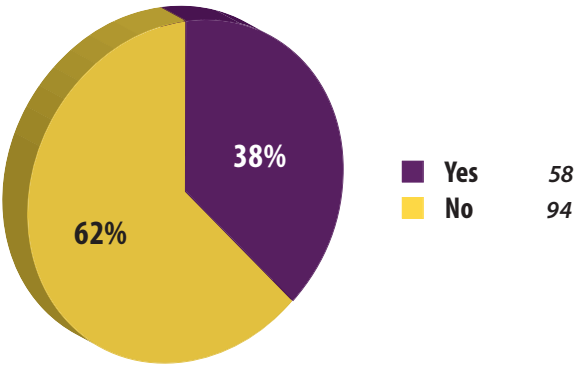
Answers are all over the board but in summary, most practices are not offering many of these telehealth services and, of those that do, few are charging for all or most of the services provided.



The next questions delve into the practice team's interest in and concerns about telehealth and telemedicine. The first question in this section asked: ***"Have you discussed telemedicine (i.e. services requiring a VCPR) as a business strategy with your practice team?"***

Not quite 40% of the practices surveyed have discussed telemedicine as a business strategy; the majority of practices have not.

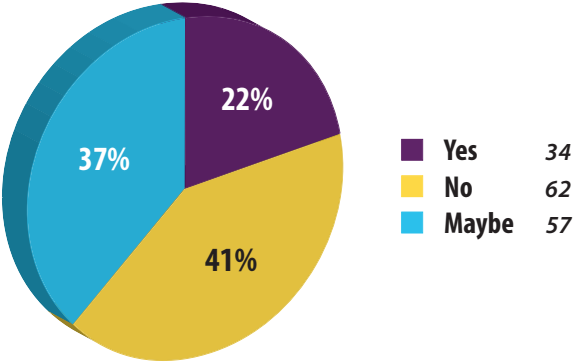
4. Have you discussed telemedicine (i.e., services requiring a VCPR) as a business strategy with your practice team?
Responses: 152



The second question in this section asked: ***"Is your practice considering expanding telemedicine services (i.e. those requiring a VCPR) in the future?"***

The majority of practices are at least thinking about telemedicine as a potential service to be offered or expanded in their hospital.

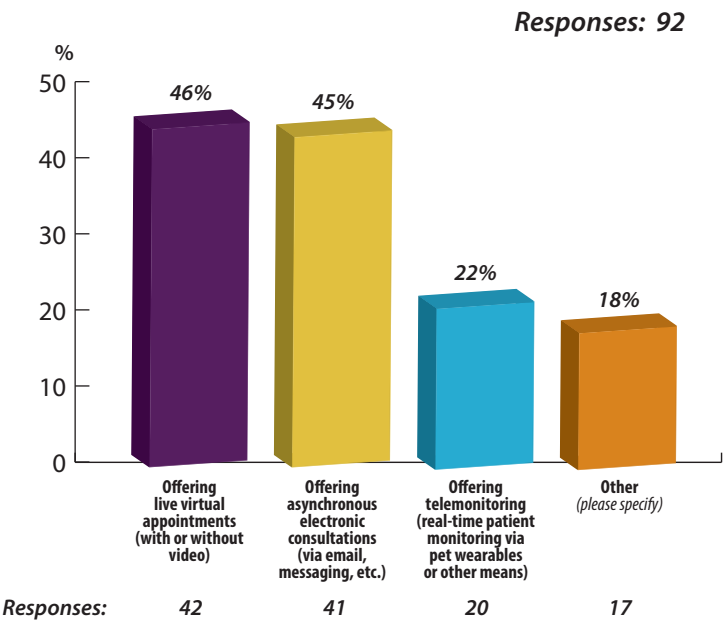
5. Is your practice considering expanding telemedicine services (i.e., those requiring a VCPR) in the future?
Responses: 153



The next question asked: ***"In what ways is your practice thinking about expanding your telemedicine services? Check all that apply."***

Telemonitoring via pet wearable devices generated the least interest while almost 50% of the respondents indicated interest in live virtual appointments and asynchronous electronic consultations. 2/3 of the "other" comments stated their practice was not looking at using any of these options. A number of people mentioned concerns that their state licensing board didn't yet allow for telemedicine services. Several others said their practices are considering telemedicine and exploring options but not yet sure how it can best be utilized.

6. In what ways is your practice thinking about expanding your telemedicine services? Check all that apply.
Responses: 92



Another question asked: ***"How do you think the majority of your team members (including DVMs) feel about offering more access to your services through telemedicine? Check all that apply."***

The answer with the most responses concerns expanded legal liability and this is certainly an area practices need to be comfortable with before moving forward. However, it is important to recognize that the legal liability issue is different for different kinds of telehealth and in different jurisdictions and practices should make sure they aren't rejecting areas of telehealth because of misunderstood concerns about legal liability. For example, the legal liability with teleconsulting (speaking to a specialist about a client and their pet) is different than that with establishing a VCPR via electronic means; many practices are comfortable with the first but not with the second.

Concerns expressed in the "other" comments included:

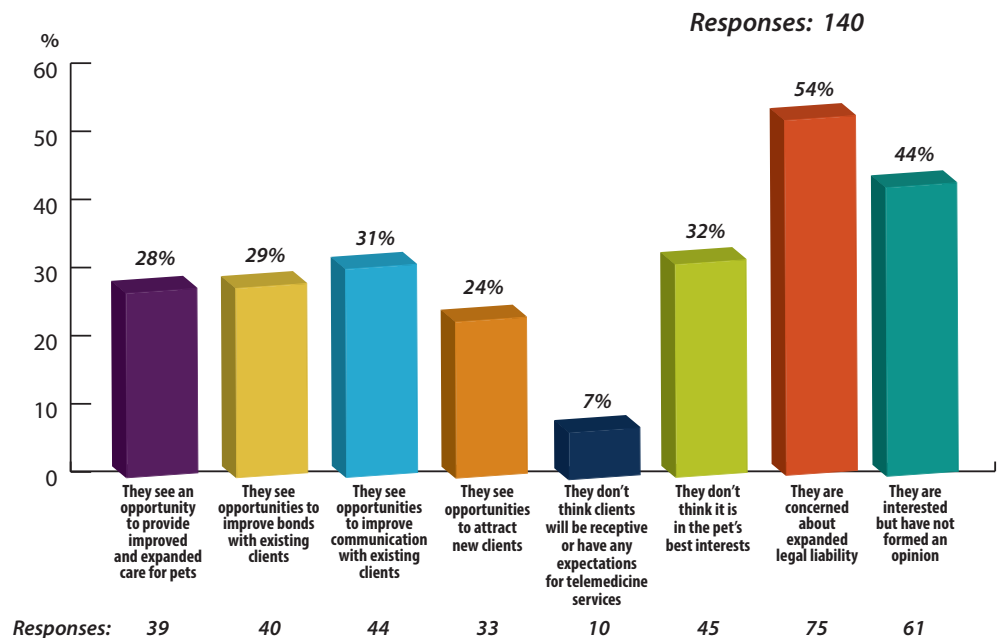
- How to charge for telehealth services and how to not give more services away for free
- Confusion about which services require a VCPR and how that can be established
- Infringement on personal time
- Not having sufficient practice time/resources to implement it well

The last question asked: ***"How do you think the majority of your clients feel about having more access to your services through telemedicine? Check all that apply."***

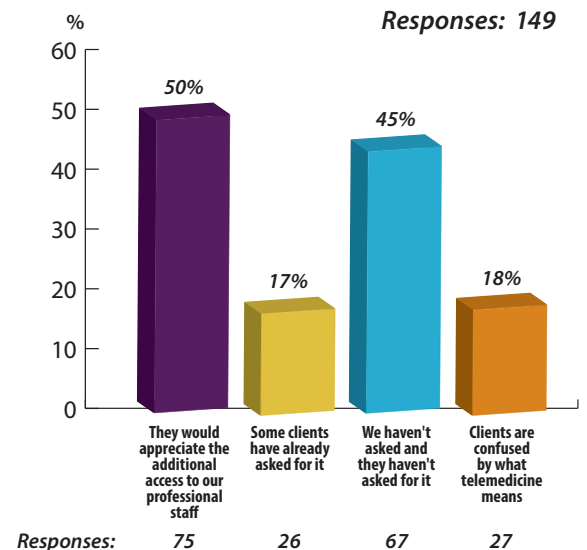
About 50% of respondents said they thought clients would appreciate the additional access to the professional staff and not quite 50% said clients haven't asked for it. It is important to remember that these answers reflect what the respondents THINK clients feel or want, not necessarily what they really want.

Telehealth and telemedicine are in their early days in veterinary medicine and very few practices are comfortable or have the legal right to jump into all aspects of it. There is a lot to be worked out. However, telemedicine is getting increasingly popular in human medicine and it is likely the veterinary

7. How do you think the majority of your team members (including DVMs) feel about offering more access to your services through telemedicine? Check all that apply.



8. How do you think the majority of your clients feel about having more access to your services through telemedicine? Check all that apply.



profession will feel ongoing pressure to participate. Ignoring the issue or just saying no won't make it go away. We need to shape telemedicine and telehealth in a way we can live with economically and in a way that provides quality care to our patients and does no harm. We aren't going to like it very well if we largely refuse to participate in driving these changes and have it shoved down our throats.