



Clinical Trials

Shelter-based veterinary practices expand access to care and help bring in more funds

BY JIM BAKER

When Karel Minor came on board as the Humane Society of Berks County's executive director in 2005, the Reading, Pa., shelter's finances were in a deep hole.

The shelter had animal control contracts with the state to service about half of the county, and individual contracts with several municipalities, but was only getting about 25 cents on the dollar for the actual cost of its work.

Minor also felt that the shelter had somehow lost its way, drifting from its original mission. The shelter had multiple animal control contracts, but lacked veterinary services to properly treat sick or injured pets; the majority of the animals who entered the shelter were ultimately euthanized.

"The idea was to help them get out, and get the second chance that they needed, and the structure we were in meant that there was simply no way for us to get to that point," Minor says.

So the shelter undertook a multiyear growth plan to try to reevaluate its model, and fix its broken financial picture. In the process, it dropped its animal control contracts (another local organization assumed those responsibilities), and added the provision of nonprofit veterinary services to its mission.

The result has been transformational.

Nine out of 10 sick or injured animals who would have been euthanized in the days before the hospital are now treated and adopted, Minor says. In a fundamental shift, the shelter is also able to use its own resources to keep pets with medical problems from being relinquished due to an owner's inability to afford care, and to heal shelter pets so they can live to find homes.

Treating the Treatable

Take Chief, a beagle who was surrendered because he had a fractured leg. The owner couldn't afford his medical care—even with discounted services—and wasn't in a position to care for him. "In the past, that absolutely would have been a euthanized animal," Minor says.

Instead, the broken limb was amputated, avoiding a lengthy recuperation from the injury—and the dog was adopted by a new owner a few days later. "Now that dog is running around, he's doing great."

In another case, the shelter was caring for a cat with a broken back. Staff managed to get the animal into long-term foster care, and eventually found him a permanent home. It's something "that we never could have managed to do" without access to veterinary care, Minor says. "That [kind of] success really just

Clockwise from bottom left: A pair of Corgis arrives for an appointment at the Idaho Humane Society Veterinary Medical Center. The shelter-based hospital has established a reputation for high-quality care in the local veterinary community.

Heartland SPCA veterinarian Susie Mikkelson spays a dog who came into the organization's low-cost spay/neuter clinic.

Chief was surrendered to the Humane Society of Berks County because his owner couldn't afford medical care for his fractured leg. Before the shelter opened a veterinary hospital, the dog would most likely have been euthanized. Instead, doctors amputated the leg, and he was adopted by a new owner.

At the Heartland Medical Center in Merriam, Kan., veterinary technician Kendra Miller holds an owned pet who has come for an exam, while veterinarian Blake Dickerson makes notes.



Veterinarian Mike Koob listens to the heart of Roman, a poodle mix, during an exam at the Idaho Humane Society Veterinary Medical Center.

changes the culture of the organization.” And for Minor’s shelter, it’s meant a major financial boost, too.

“Last year was our best year ever [financially]—we broke even for the first time in 110 years,” he says, laughing. “And we did not have to take a penny out of the bank. That was pretty astounding.”

The shelter, which has an annual budget that’s approaching \$2 million, is now breaking even because its veterinary services are generating more operational income—a funding stream that wasn’t there before.

“That’s when it really clicked for me, that not only was this good for the mission, but it was good for the financial sustainability of the mission,” Minor says. “And as we did more of it, we realized that this was something that could be replicated.”

In fact, others are doing it too.

Jeff Rosenthal, executive director of the Idaho Humane Society, conducted an informal telephone survey to identify shelter-based veterinary practices in the United States, and find out details about them. Based on his findings, Rosenthal—who co-presented a workshop with Minor on adding veterinary services to shelter operations at Animal Care Expo 2011—estimates that there are 36 full-service, nonprofit veterinary hospitals affiliated with shelters in the United States. Nearly 20 of them participated in his survey, sharing information about the scope of their practice, the size of their staff and budget, and their programs to help low-income clients afford care.

Rosenthal had an ulterior motive in conducting the survey. His shelter is organizing a capital campaign to build an entirely new facility, featuring a 10,000-square-foot hospital, and he thought he could learn from the experiences of other shelters. “I found myself wondering, ‘Maybe I should see how this [sheltering model] is going everywhere else,’” he says.

From his survey, Rosenthal found that it took a lot of hard work for shelters to open their own veterinary clinics, but that all of them—despite the challenges—are benefiting from it now. “Nobody was interested in going back to the situation they had before,” when they had no hospital.

Rosenthal and Minor have become evangelists for the benefits of adding a nonprofit, public veterinary practice to a shelter’s mission.

“When you’re doing veterinary work, you are doing nothing but your mission. You’re helping animals, you’re helping people, you’re going after the underlying causes of animals entering animal shelters,” Minor says. “It actually is a mission-based revenue stream, which has made a profound difference in our organization’s ability to do its work.”

Making It Affordable

Where Minor had to start from scratch to build a shelter veterinary practice, Rosenthal—a veterinarian himself—faced the task of turning around an existing one.

He was hired in 2000 as the Idaho Humane Society's medical director specifically to bring the shelter's public hospital, which opened in the mid-1980s, into order. It originally offered limited services: spay/neuter surgery, vaccinations, and other routine care. "It didn't really have a separate identity; it wasn't really advertised in any way," he says.

At the time, the hospital was losing money, but Rosenthal—named executive director in late 2002—revamped the practice, and made it profitable.

That's a good thing, but Rosenthal stresses that a clinic shouldn't be viewed only in that light. "Whenever we're doing earned-income ventures, we always have the risk of creating something that's profitable but does not achieve impact on our mission," he says. "And that's a failure, so I hope folks are not looking at this as a cash cow, but as a way to expand their mission."

The key to running a nonprofit veterinary hospital that stays mission-based is to establish public financial assistance programs to provide reduced rates so that low-income clients can have access to affordable care. This typically means using a sliding-scale price structure, so that clients who can afford to pay full price for services help to subsidize discounted fees for those who can't.

The price structure should be standardized, so that clients know what to expect to pay. This makes it easier for staff, too, so they won't have to respond to situations on an informal, case-by-case basis.

Models for such sliding scales are usually based on Federal Poverty Guidelines (available at the U.S. Department of Health and Human Services website, aspe.hhs.gov/poverty/). People can qualify for discounted fees via proof of public assistance, paycheck stubs, tax forms, etc. Nonprofit veterinary hospitals can also offer payment plans, third-party or interest-free financing for qualifying low-income owners, or maintain a specific, donor-supported assistance fund.

When developing his new pricing structure, Rosenthal surveyed existing clientele about their income and the veterinary services they needed. Shelter-based veterinary hospitals should periodically reassess the financial impact of their programs, and adjust the amount of money being spent on discounted care—such as during a bad economy, when funds are scarce.

Establishing a sliding-scale price structure, offering various payment plans, and checking for proof of income doesn't just help disadvantaged clients—it also helps the organization. "Those are the statistics you're going to want to convey to your donors, to show that you're achieving that mission of helping people that otherwise couldn't be served," Rosenthal says.

That documentation can also protect a hospital's non-profit status. Demonstrating how much charity an organization provides will help it stand up to inspection by the Internal Revenue Service (IRS).

Most shelters probably lack the space to open a full-service veterinary hospital within their existing facility, but there are other options. If a private veterinary practice is for sale in a community, a shelter could consider buying it. It isn't necessary for a hospital to adjoin a shelter, Rosenthal says, and this is a possibility worth looking into.

Better still, if a shelter's making plans to break ground on a new building, that's the perfect time to create the room necessary for a veterinary hospital. "Most shelters that are now being built, they're adding on extra space" for various programs, Rosenthal says, whether that's for a hospital, grooming services, or retail areas.

His shelter's capital campaign will fund a move into a new building at a different location, featuring a 10,000-square-foot hospital. (Its current practice occupies about 3,000 square feet.)

Meanwhile, staff at Minor's shelter are redesigning a cattery, reconfiguring walls, and moving some sinks in order to gain a few hundred more square feet for its roughly 2,000-square-foot hospital. Down the road, a capital campaign is planned to raise \$500,000 to renovate the shelter's kennels, add more space for overnight hospitalization, and create a radiology suite.

"A good design from scratch is better than a good design that is the best you can manage," Minor says. "But just working with the one we have now, it's entirely functional for us, and it works just fine."



A group of colorfully wrapped kitties recuperates on "recovery beach" after spay/neuter surgery at Heartland Medical Center. Heartland SPCA launched a full-service veterinary hospital in January.

The two executive directors have become evangelists for the benefits of adding a nonprofit, public veterinary practice to a shelter's mission.

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Meeting Resistance from Vets

Opposition from local veterinarians is a shared experience among shelters that have added nonprofit veterinary hospitals to their missions, Rosenthal’s survey revealed.

In fact, all 19 respondents reported that their organizations heard local veterinarians voice concerns, although only three of the shelters said they’d experienced formal challenges to their plans.

“There’s just no way to talk about this without talking about opposition from the local veterinary community. It’s just such a common feature of what happens, and in order to withstand that, the [shelter] board has to get it, and understand that some of this controversy is unavoidable,” Rosenthal says.

In Virginia Beach, Rosenthal says, a local veterinary association took the shelter to court, and then to the state legislature, where it lobbied successfully for a law to prevent the Virginia Beach SPCA from opening a spay/neuter and vaccination clinic. But the law was later invalidated, and the shelter reopened its practice. And a veterinary association took the Michigan Humane Society to tax court, saying that opening a hospital would be outside the shelter’s tax-exempt purpose. The challenge failed; the organization now has three hospitals.

Any time a shelter makes plans to open a clinic to offer low-cost spay/neuter surgeries or vaccinations, at least some veterinarians—worried about losing customers to the new “competition”—will likely express disapproval. The argument that a nonprofit veterinary hospital will serve clients who otherwise couldn’t afford to pay for medical care doesn’t always convince veterinarians who have nearby private practices.

But as common as opposition is to shelters opening nonprofit hospitals, Rosenthal and Minor say, it isn’t monolithic. In Minor’s case, his shelter actually took more heat from veterinarians for his plans to drop all of its animal control contracts.

He made sure the Humane Society of Berks County was straight with local veterinarians, filling them in on the shelter’s project. “We laid some groundwork, where we spent time reaching out in every way, shape, and form possible to the veterinary community, seeking their help,” he says. That way, when the shelter decided to go ahead and open a hospital—as offers of limited support from veterinarians to perform spay/neuter surgeries and treat injured animals weren’t enough—it was no surprise to anyone.

No More Homeless Pets KC (NMHPKC) in Merriam, Kan., followed a similar strategy when it transitioned from its former low-cost, high-volume spay/neuter clinic to launch a full-service, nonprofit veterinary hospital in January.

The organization first sent out letters to local veterinarians, explaining its plan, the reasons for the expanded mission, and asking them to get involved. The results were mostly positive, according to Courtney Thomas, executive vice president of NMHPKC.



At the Idaho Humane Society clinic, veterinarian Mary Fowler, left, assisted by veterinary technician Wendy Guyer, examines a dog’s teeth.

HANNAH PARPART/IDAHO HUMANE SOCIETY

Most of the support from veterinarians in the community came from younger practitioners. "As shelter medicine starts to be part of the curriculum in vet schools now, they understand the tie-in between affordable veterinary care and sheltering, and how both of those are important pieces of the equation in a humane community," Thomas says. Older veterinarians tended to be more resistant to the organization's plan to expand its mission, viewing the move as a threat to their livelihood.

(On June 15, NMHPKC and Animal Haven, a private, nonprofit shelter in Merriam, formally announced the merger of the two organizations, forming Heartland SPCA. It has two facilities: Animal Haven's facility is used for sheltering, and NMHPKC's facility houses a 12,000-square-foot veterinary hospital. Thomas is now CEO/executive director of Heartland SPCA.)

Turning the Tide

A concern about competition—and being undercut on prices—isn't always what drives opposition from private practices. Veterinarians in Rosenthal's community were more concerned about his hospital's standard of care. Some felt that the animals leaving his shelter, or animals that his veterinary staff had treated, weren't getting adequate care.

Rosenthal took the criticism to heart, and addressed the concerns, ensuring that there is a staff member present to monitor anesthetic and take records during surgery; spending more money to properly evaluate shelter animals, after complaints about adopted cats having ear mites; and upgrading customer service.

"That's one of the things I've tried really hard to do here at my organization, is just to raise that bar of care as high as we can make it," he says. "We're trying to achieve excellence in sheltering, provide the best care possible for the animals. The same thing has to apply to veterinary medicine. Otherwise, it becomes a detriment."

If a shelter with a public clinic offers the worst care of all local practices, it will not only upset veterinarians and pet owners in the community, it will also create a weakness that both a shelter's detractors and the general public will react to.

One step Rosenthal took was to earn accreditation from the American Animal Hospital Association (AAHA), a status that only 15 percent of veterinary practices in the United States and Canada have achieved. His facility was evaluated on more than 900 standards, and AAHA officials perform ongoing evaluations and site inspections.

Achieving AAHA accreditation, Rosenthal says, has been great for his veterinary hospital, leading to improved teamwork, better organization, and getting more SOPs in place. It's essentially had the effect of hiring a consultant to analyze the facility top to bottom.

Minor noticed a similar pattern in his community. While some veterinarians were uncomfortable with the idea of increased competition, more wanted assurance that the shelter's hospital would actually have skilled veterinarians doing high-quality work.

Eventually, the tide of opinion turned in his favor, and veterinarians began to appreciate the role that the hospital plays in their community. "The ones who see that we're doing good work, that we're not undercutting their prices, *and* we're providing a service to animals that they would *like* to help but they *can't* help—then I think you start to see some positive returns," Minor says.

"When you're doing veterinary work, you are doing nothing but your mission. You're helping animals, you're helping people, you're going after the underlying causes of animals entering animal shelters," says Karel Minor. "It actually is a mission-based revenue stream, which has made a profound difference in our organization's ability to do its work."

Now, he could never imagine going back to the shelter's previous model, operating without a nonprofit veterinary hospital. Staff members are now able to save sick or injured animals who they wouldn't have had the time or resources to save in the past. Pets who would have been relinquished because their owners couldn't afford their medical care can now be treated and sent home again, rather than entering the shelter.

And the feedback from the community has been great. Minor says the shelter's fundraising has increased, and so has its operating income as a result. The hospital is seeing new clients, too. "People are adopting [from the shelter], and switching vets to come to us, because they recognize that not only do we have good, nice veterinarians who know what they're doing, but it's as good a deal as they're going to get, and as good [a level of] service as they're going to get elsewhere, and they'd rather give the profit—so to speak—to our mission." **AS**