



Do you have a question you'd like to ask about your pet? Visit www.facebook.com/fairladymag and post your question on our wall.



are **VETS** *too* **EXPENSIVE?**

It's enough to bring tears to a pet owner's eyes – and not the happy kind. We're talking, of course, about the bill that follows an encounter with your precious pooch's primary health care provider. Are vets charging too much?

THE PRICE OF PETCARE

‘Absolutely, there is the perception that vets are expensive,’ says a Johannesburg-based veterinarian, who cannot be named because of South African Veterinary Council regulations. Let’s call him Vet X. But, he explains, it’s far more complicated than suggesting that your local vet is living large. ‘What people don’t realise is that we are first a business, and if our business isn’t profitable, you aren’t going to have a vet in your area,’ he says. ‘Most veterinary practices run on a return on investment of only 10 to 15%. Then someone comes in and says, “Your bill is too expensive; give me a 10% discount,” and [if you agree to the discount] your profit margin is gone.’

Dr John Adam, chairperson of the Committee on Fees of the South African Veterinary Council (SAVC), states: ‘The Council is not involved in private sector price determination. The Council does, however, recognise that – as with all professionals – vets are quite entitled to make a profit in their business, taking into account their training and capital outlay in establishing a practice. The costs are not necessarily high but need to be seen in perspective, especially considering the demands of the pet owner in the services they seek. Most of the equipment needed in the modern veterinary practice is highly sophisticated and costly. Added to this, most practices do not have the turnover of, for example, radiologists, but – using the same equipment – are expected to give a similar service. Veterinary costs on a pure business level should be substantially higher than human costs due to these high costs of capital recoupment.’

To give you an idea of the cost of the equipment, Vet X explains

some of the equipment in his practice, an animal hospital. ‘The ultrasound machine costs R400000 and we charge R300 per ultrasound, so it does not make money. We have a full dental set-up with dental drill and polisher, and this piece of equipment cost R80000. The X-ray machine costs R150000 and we have two, because sometimes they break down and you can never be without X-rays. You can’t pass those costs over to the client – an X-ray fee is an X-ray fee. The equipment to monitor anaesthesia is R20000 a unit, the operating tables are about R30000 a table, and the light in the theatre, which we bought just recently, cost R17000. All that equipment has to be bought and paid for, and most of it is being paid off, so you have to somehow recoup that money.’

WHO SETS THE COSTS?

The SAVC sets out an annual Guideline of Tariffs for veterinary services, which is available on their website: www.savc.org.za. ‘Our fees aren’t dictated to us,’ says Vet X, but there is a scale of fees, from cheap for the rural practices to very expensive for the upmarket practices. But we can’t go to the top of the range because we would be unaffordable – we’re in the middle of that range, even though we’re located in an upmarket area. We’re not bound by that guideline, but if there are complaints, the SAVC uses that scale as a guide. The SAVC regulates us

‘Our service is far better than that of doctors. If you have blood tests at your doctor, at best you phone for the results the next day. Our blood results are through in half an hour.’

– if there’s a complaint, you have to go to them to explain yourself.’

Dr Adam adds, ‘Despite the listing of a minimum and maximum tariff, other factors are considered when an assessment of the account is made. These factors include the geographical area of the practice; the community that is serviced by the practice; equipment and the

standard of facilities; the experience of the veterinarian and the commercial value of the patient. Vets are advised to give clients estimates of costs, especially in the case of long-term or costly treatments.’

One of the widely held beliefs that seem to particularly annoy practising vets is that veterinary services are more expensive than those for humans. ‘If you get malaria, for example,’ says Vet X, ‘you go to your GP, who says, “You’ve got malaria, let’s have some blood tests.” He charges you a consultation fee of R300 to R400. Off you go to the pathology lab and you don’t see that bill; it goes straight to medical aid. They then say, “Your liver’s inflamed, go and get an ultrasound, so you go and that bill gets sent straight to your medical aid. Then you get admitted to hospital and you don’t get that bill either. Then, your dog gets biliary and you say to the vet, “I had malaria and it cost me R400, how can the vet bill be R4000?”’

‘Our service is far better than that of doctors. If you have blood tests at your doctor, at best you phone for the results the next day. Our blood results are through in half an hour. If you bring your animal in here, we

can do blood tests, ultrasound, X-rays, put them on a drip, in hospital, on treatment, in under an hour.'

COSTS ARE LIKELY TO RISE

As with pharmacies, medications sold through veterinary practices are highly regulated. Veterinary inflation is currently around 20% – significantly higher than the general inflation rate of about six to seven percent. 'We try to keep our increases inflation-linked. That's also why people think we're expensive. They buy drugs from us one year, and when they buy them the next year they think that we're making that money, but we're not,' explains Vet X.

Many veterinary practices finance their overheads through their retail operations – the adjoining shops where you pop in to buy pet food and chew-toys. 'What's happening in Australia, America and in the UK is that retail has left the veterinary channel; it's moved into Walmart or the big supermarket chains. Now Walmart is in South Africa and they're going to bring their premium dog food over. We expect that we'll lose food as a revenue channel within the next two years. If that happens, we are going to [have to] double our fees to remain profitable, or to stay open. None of the practices in Australia sell dog food – they can't compete with the big supermarkets. As they're no longer subsidised by their retail channel; veterinary medical care in Australia is very expensive,' says Vet X.

In real terms, veterinary care in South Africa is considerably more

affordable than in other countries. For example, in South Africa the cost of spaying a dog is approximately R1 000, but in Australia you'd be charged AU\$1 000 – nearly R9 000, at the time of going to print. In America, the bill would be about US\$800 – nearly R7 000.

WHAT IF YOU CAN'T AFFORD IT?

The government offers a very limited vet service to lower-income communities. 'If a member of the public is unable to afford the services of a private veterinarian then they can visit an animal welfare organisation and present proof that they are unable to afford private services,' says Dr Adam. 'The SAVC Guideline of Tariffs also states that the recommended rate for contract welfare work is 70% of the guideline fee. Of all the professions, veterinarians are most likely to help indigent clients. Most veterinarians give of their time on a voluntary basis, tending to pets from areas where poverty is common.' The South African Veterinary Association (www.sava.co.za), a voluntary membership association, runs a network of community veterinary clinics to which vets donate their time. Vet X says most vets in practice work with a couple of animal charities, offering services at no fee, as part of their community outreach, but it's difficult to attract vets to work for non-profit organisations. 'The money is just too poor – most [vets] come out of university with huge loans to pay off, and there's a big demand for vets in private practice – there's a shortage.' ❖

WANT TO COMPLAIN?

Go to the South African Veterinary Council (www.savc.org.za), click on the Public Info menu and follow the links for Complaints. They require an affidavit, and once you've submitted it, they'll launch an inquiry. The Council then approaches the vet for an explanation and an SAVC committee listens to the evidence to decide which complaints warrant further investigation. It can lead to a full tribunal hearing – similar to a court case – and if the Council finds the vet guilty, they can issue a fine or even, in the most severe cases, withdraw the vet's registration, which means that the vet can no longer practise.

Is pet medical aid worthwhile?

'Absolutely, if you can afford it, you should have it,' says Vet X. He is surprised that more pet-owners don't have this insurance. 'If we have medical aid patients, what a pleasure – no worry about the cost and we can do the best for the pet. If you think vets are expensive, then get pet medical aid – it's cheap.'

All pet medical aid products on the South African market are, in fact, short-term insurance products that offer benefit payouts in the event of your dog or cat (or horse) requiring veterinary treatment. All have limitations on their cover and have slightly different cover, so it is essential that you do your homework: read the fine print and make sure you understand exactly what you're paying for, and what the exclusions and waiting periods are. They all require you to pay the vet upfront and then claim the money back.

There are currently three major insurers offering pet medical aid:

- **MediPet SA**, a veterinary insurance policy which is underwritten by Renasa Insurance Company Ltd: www.medipetsa.co.za.
- **Petsure**, which is underwritten by the Holland Insurance Company Ltd, one of the largest insurers in South Africa: www.petsure.co.za.
- **OnePet**, a product of OneCard Investment Services (Pty) Ltd: www.onepet.co.za.

Premiums vary between the products and increase depending on the number of pets you want to cover, but it can be as cheap as R127 per month. The cost of one major incident or illness will easily outweigh the costs of the cover per year.