

Why Pet Health Insurance is Important for the Profession

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As veterinary medicine progresses, pet health insurance is likely going to play an ever more important role in helping clients afford veterinary care for their pets, so it is worth exploring this subject more thoroughly.

In most countries, pet health insurance is actually property and casualty insurance, typically purchased directly from the insurance company or acceptable distributors, often through an internet portal without dealing directly with any insurance agent. Pet owners decide what they want to have covered and select an appropriate policy, and the insurance company agrees to reimburse pet owners according to the terms set forth in the policy. In the most common scenario, the pet owner pays the veterinarian for services provided, and submits the bill to the insurance company for reimbursement, less any deductibles or co-pays specified in the policy. The reimbursement is often then received by the pet owner within a few weeks.

Without pet health insurance, veterinarians are constrained to keep costs artificially low so that clients can afford to pay for those services. This would imply that the driving force in pet healthcare is artificially keeping pet care

costs low enough that pet owners could comfortably pay for them without assistance. Pet health insurance actually allows pet owners to spend what is needed on health care, rather than just what they have available, and that provides many more options for pet owners other than just deciding based on price.

It may seem counter-intuitive, but people don't buy insurance to save money - they purchase insurance for the peace of mind that comes with knowing that if the unexpected happens, they will have the resources available to do what needs to be done. We don't insure our homes with the idea that we'll save money when our house burns down. Similarly, pet owners don't buy pet health insurance to save money when their pets get sick. They buy pet health insurance so that they know they have the resources available should their pets have medical issues that otherwise would be difficult for them to financially address. For that alone, veterinarians should do a better job of promoting pet health insurance, so more pet owners have that peace of mind when considering our medical recommendations.

For veterinarians not comfortable with pet health insurance, or in regions where pet health insurance is not available, clients are sometimes advised to put money they would have spent on an insurance premium into an

account that would be designated for pet emergency use. While it might be possible to replicate coverage by making contributions to a pet-specific savings account each month, it is important to realize that almost nobody takes this kind of disciplined approach to saving for a pet's health care needs. In addition, it would take years to save enough money to cover potential veterinary expenses, especially given that it is not possible to predict when those funds will actually be needed. Sooner or later, most pets are going to develop medical problems that require ongoing medical care and monitoring (e.g., arthritis), need a referral to a specialist, or have a mishap that requires emergency care. For most people, having a pet health insurance policy is the best way to deal with those likelihoods. Without such insurance, it can be very expensive to provide the type of care that most pet owners would prefer.

Pet health insurance helps clients be better prepared for the care of their pets and this is closely aligned with the needs of the profession. As veterinarians, we need to do a better job of setting pet owner expectations about the kinds of expenses that pet owners might experience, from a visit to the emergency clinic, to a referral to a specialist, to the need to treat a lifelong medical condition on an ongoing basis. Armed with that type of knowledge, more pet owners would buy pet health insurance, and veterinarians would have fewer uncomfortable conversations with clients about how they will pay for services for which they have not planned.

It's important for veterinary teams to play a more active role in recommending pet health insurance, while remaining impartial and objective. To do this effectively, team members should do some research on insurance policies available, to determine which are most likely to meet the needs of their clients. Veterinary staff recommendations do influence pet owner decisions, so make sure those recommendations are valid. Know which policies cover things like chronic care and breed-related or genetic conditions, so clients aren't surprised when they go to use the policy. Be prepared to make one or two solid recommendations based on your experiences and your hospital's own investigation into available plans, rather than just adding a few brochures to puppy and kitten kits.

One of the most important aspects of pet health insurance is to make sure clients sign up early, before there are any issues that might be considered pre-existing. Once problems are noted, they will be excluded from virtually all pet health insurance policies. To implement pet health insurance recommendations in your practice, start with new puppies and kittens, aiming to start insurance at 8 weeks of age (when nothing would be considered pre-existing), and then gradually expand your efforts to other clients. Make it easy for clients to see what is covered and what is not. Most policies take effect for emergencies almost immediately, but there is typically a lag of a few weeks before ongoing medical conditions are covered (to help ensure problems were not actually pre-existing).

Consider having clients share their insurance experiences on a section of your website, since such peer-to-peer sharing can have a tremendous impact on others, and also helps confirm that you are recommending the correct policies for your clients. Remember - the purpose of pet health insurance is not to save a client money - it is to ensure that clients will have the ability to follow your recommendations as needs arise.

While pet health insurance is not available everywhere, it has been beneficial to veterinarians in those areas where it has been successfully introduced. It is one tool to allow veterinarians to make appropriate recommendations to clients, without having to always engage in uncomfortable discussions about the cost of care.

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