

September 12, 2012

Sirs:

H.R. 1406 Fairness to Pet Owners Act of 2011 is a bad idea. It would be of value if it saved pet owners money. It will not. It will increase the expense to own a pet. It has to.

Right now veterinarians do receive some income by dispensing medications at the time we see the patient. H.R. 1406 adds more labor to seeing the patient. That labor must produce income in some way to offset its cost. The fairest way to do this would be to charge a separate fee for each prescription written. A service would be provided, and compensation would be made.

This will not work. Already we write prescriptions both to ourselves and for clients to fill elsewhere. When we write them to ourselves, we are compensated by the sale of the medication. When we write them to be filled by others we receive no direct compensation. The consumers would be angered by our charging to write a prescription, so we don't. Instead our cost in time forces us to raise our office call fees.

If H.R. 1406 became law, there would be pressure to raise exam fees even more. We must earn income by selling a service or a product. If income from the sale of products goes down, we must compensate by increasing income from services. If there is added work in providing a service- H.R. 1406 does increase our work- the fee for that service goes up even more if the provider is to maintain his same level of compensation. The veterinarian earns no more but the client ends up spending more.

In practice this will be a real problem and expense. Instead of evaluating a patient's need and providing a plan of action, complete with the products needed, we will add a major impediment to efficiency. The client must expend time and effort to choose where to get his pets' medication.

I will provide the written prescription (an extra expense) and figure as I presently do the cost to the client if I fill the prescription. I will fill fewer prescriptions, however, so I will have the extra expense of figuring cost without direct compensation. That extra cost will be reflected in a higher office call fee if I am to maintain my same level of compensation.

The real problem comes next when the client is presented with the decision to have me fill the prescription or fill it elsewhere. Some clients will decide quickly and move on. Many will "freeze" not knowing what the drugstore would charge. They can take many minutes to decide things of this nature. Meanwhile, I am stuck waiting for instructions as to what to do. If my time with the client goes from 30 minutes to 35 minutes, my office call fee must be raised by 16.7%. That alone raises a \$49.00 office call to \$57.18 without necessarily saving the client any money.

Last month I saw a diabetic dog whose owner had \$100.00 to spend. Off I sent her to the pharmacy to get the insulin the dog needed, and it cost her \$85.00 for the insulin. The other \$15.00 I had her use to finance the dog's diabetic needs at the grocery store. Last week I did an intestinal anastomosis for \$500.00 when the practice to whom I wanted to refer the patient estimated charges of \$2,500.00-\$3,200.00. Yesterday I did an exploratory laparotomy on a cat for \$139.00 instead of the normal \$300.00-\$400.00. Veterinary medicine seldom is supported by pet health insurance. In order for a patient to be treated it is the practitioner who often adjusts his fees downward to get the need met.

If veterinarians were excessively compensated and pharmacy chains were struggling because of

veterinary competition, H.R. 1406 might make sense. Thirty four years ago I purchased my practice for \$300,000.00, that amount including my interest payments. Today I work seven days a week, including holidays, except for one week in the spring and one week in the fall when I take vacations. I receive no return on my capital investment, and for several years my wife and my combined salaries have been less than \$100,000.00 a year. My employees have not had their wage rates cut but have received no raises either. The market has been tough on us. Do not add government regulations to make it tougher.

By the way, when a client buys a medication from Pet Med Express or other online pharmacies, the State of Georgia receives no sales tax income. When I sell a medication to a client, I collect a 7% sales tax I pass on to the state and county. We usually send the revenue department about \$700.00- \$800.00 a month.

If I can help further, contact me at : Chamblee Animal Hospital

Very truly yours,

W. Dwight Wiest, D.V.M.