

# 3 Reasons Why Pet Insurance Should Matter to You

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The topic of pet health insurance has been front and center in 2018, with no less than 17 articles printed in mainstream veterinary publications in addition to articles in the New York Times, Washington Post and US News, among others. Why has there been so much focus on pet health insurance?

Pet health insurance is not a new offering, having been available worldwide since the early 1900's. In 1982 Lassie, of TV fame, received the first US pet health insurance policy<sup>1</sup>. Since that time, the U.S. pet health insurance industry has evolved and today offers a variety of plans that truly meet the needs of the pet owner. Concurrently, veterinary medicine continues to transform. In 2017, pet owners spent \$17.07 billion dollars on veterinary care for pets<sup>2</sup>. As our ability to offer more progressive treatments to our patients has advanced, so has the need to provide a mechanism for clients to afford these life altering therapies.

This has created a disconnect for our animal health care teams. They have the tools and knowledge to help patients to realize longer, better qualities lives. Due to economic limitations, clients often have to choose less than optimal recommendations, leading to feelings of stress and distress in veterinary team members. Morale suffers, and the hospital culture deteriorates. This leads to lower team member engagement

and higher rates of absenteeism and turnover.

From the perspective of the pet owner, the financial inability to provide the recommended care for their beloved companions leads to anxiety and feelings that they have failed their pet. Some clients become angry, directing their frustrations at the animal health care team. This leads to a fracturing of bonds between the client and the hospital. Given that new patient numbers have declined almost monthly in the last 3 years<sup>3</sup>, it is important that we maintain relationships with our current clients.

Pet health insurance is a tool that will allow hospitals to enhance workplace culture, strengthen client bonds and increase hospital financial performance. Learn why it is worth the time and focus of hospital leadership to incorporate pet health insurance as part of your hospital culture.

## Hospital Culture

Culture is the most often overlooked aspect of veterinary hospital operations in many hospitals. This has not been a priority for management for reasons ranging from non-recognition of the impact of culture on all hospital functions to not understanding how to implement a healthy organizational culture. Recent research<sup>4</sup> has uncovered high levels of professional burnout in veterinary teams, with 91% of respondents reporting the perception of burnout among their peers as moderate to substantial. 49% disclosed that they were moderately to substantially affected.

The primary driver of professional burnout was identified as client economic limitations.

In another study<sup>5</sup>, client issues were identified as a major source of animal health care team stress within veterinary hospitals, with the primary contributor



within this category classified as 'clients unwilling or unable to pay'. A recent publication<sup>6</sup> explored the role of 'moral distress', defined as an emotional conflict between what is being requested of the individual and that person's deeply held personal standards, or morals, in veterinary professional burnout. This internal struggle often produces "painful feelings, psychological disequilibrium, or both resulting from barriers to performing actions consistent with one's own moral compass". In this study, "73% of respondents stated that not being able to do the right thing for a patient caused their staff moderate to severe stress and 78% replied that it caused them moderate to severe distress".

Educating clients about the benefits of pet health insurance is a positive step that hospital leadership can take in minimizing the significant and negative impact of client economic limitations.

## Client Bonds

In 2008, a foundational study<sup>7</sup> evaluated the relationship between the owner-pet bond and the veterinarian-pet owner bond. They found owners that had stronger bonds with their pets "were more likely to seek higher levels of veterinary care for their pets, were less sensitive to the price of veterinary care, and were more willing to follow the recommendations of veterinarians, compared with other owners."



*"Owners with strong owner-pet bonds took their pets to veterinarians 40% more often than owners with weak owner-pet bonds."<sup>7</sup>*

The bond between a veterinarian and the pet owner is built upon "the veterinarian's communication skills, interaction with pets, and ability to educate the owner about his or her pets' needs."<sup>7</sup> When veterinarians and their teams communicate with their clients about how to take care of their pets and explain recommendations and treatments in terms of how those choices can impact their pet's health, the outcome is higher adherence<sup>7,8</sup>.

Pet owners have indicated in surveys<sup>9</sup> that they purchased pet health insurance for emotional, not financial reasons. Their decision to buy insurance directly relates to the bond they feel with their pets. Pet owner rationale for obtaining pet health insurance include it "is helpful to pet owners, shows you love your pet and shows you are a responsible pet owner." Furthermore, owners of insured

pets state that the three most important factors in obtaining coverage included "a sense of security, it is recommended by my veterinarian and recommended by veterinary staff".

This survey demonstrates that clients value a clinical endorsement that pet health insurance is helpful to both the pet and pet owner. How does your animal health care team communicate the value of pet health insurance to clients?

By examining and implementing ways to reinforce client bonds in our practice, such as making pet health insurance a clinical recommendation, we have the opportunity to create a practice culture that meets the needs of our clients, patients and animal health care teams.

## Hospital Revenue

The 2016 NAPHA study<sup>9</sup> examined how pet health insurance impacts hospital revenues by comparing the amount clients spend on insured patients versus non-insured



patients. It was found that owners of insured dogs spent 29% more annually than owners of non-insured dogs. The increase in outlay for insured cats was even more dramatic, with an 81% increase in annual spending noted. The increase in services received by insured pets was not limited to only those covered by insurance, but also included increased preventive care services and products.

A recent study reported in the 2018 AVMA Report on the Market for Veterinary Services<sup>10</sup> examined if “having pet care insurance lowers pet owners burden of health care bills.” Key areas investigated included the impact of having pet health insurance on the number of patient visits and amount of client spend, owner behavior in seeking veterinary care more quickly for ill or injured pets and if insurance empowered owners to approve/accept more expensive care recommendations. Outcomes of the study support the finding that “people with pet health care insurance spend a significantly higher amount on their pet care than owners without pet health insurance.”

## Conclusion

I know of no other service that has more potential to positively impact culture, client bonding, patient health and hospital revenue than pet health insurance. The cost to the veterinary hospital to introduce pet health insurance is measured not in dollars, but in training and focus. It seems a small investment to make to experience such long term gains. What are you waiting for?

## About the Author



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