

You Are Worth More Than You Know!

Using Psychology to Promote Team Confidence and Minimize Missed Charges

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Team morale, confidence and...billing? It may seem like one of these things is not like the other, but they are intimately related. In this article, we will explore how to use veterinary team psychology to optimize revenue in animal hospitals.

Missed charges in veterinary medicine are the products and services that we provide our veterinary clients with, but fail to charge for. Much has been written on the topic of missed charges. Zeroing in on the efficiencies that technology can offer, most of the discussion has centered around unintentional missed charges: the items that never make it to the bill because of miscommunication, forgetfulness, or unclear roles in the veterinary hospital.

For this discussion, let's consider a more uncomfortable topic...and one that software solutions are less equipped to tackle: intentional missed charges.

The broad category of missed invoice charges includes any lost opportunity to generate revenue by providing (and charging for) products and services that are valuable for the pet and the client. They are a missed opportunity to communicate value. Sometimes, they are even a failure to provide clients with options.

On the business side, the problem of missed charges can be compared to a capillary bleed: a slow but consequential leak of revenue occurring in small increments over many appointments.

Our industry as a whole is estimated to miss billing 5-10% of all products and services provided.¹

In 2010, Opperman estimated that the average full-time veterinarian **misses the opportunity to bill a whopping \$64,000 per year in fees²**, translating to **a loss of more than \$260 per vet per workday.**

Commonly missed charges are diagnostic tests, exam-room procedures, nursing care, and fluid-related fees like monitoring, additives, and pump use². Often, clients aren't even aware that your team provided the product or service that went uncharged. But if a service is not billed, chances are, it may not have been properly recorded in the medical record... and this can have impacts on patient care, continuity, reminders, baselining, and liability in addition to clinic revenue.

To be sure, a successful restaurant wouldn't overlook this level of leakage...neither would an accounting firm or an auto repair shop. So, let's dig into the unique features of this problem that makes it so insidious in veterinary hospitals.

Intentional Missed Charges

It's uncomfortable to consider, but a good portion of the missed charges occurring in your hospital are intentional.

They occur because of a decision, an attitude, or a value that an employee has attached to that omitted line item.

They can be categorized into services that are performed but "comped" or discounted; services that were performed and "left off" the bill entirely; and services that had value specific to the case, but were not offered.

The fact that missed charges are largely associated with tests, advice, and procedures is a telling one. Veterinarians are comfortable charging for inventory. We are comfortable with tangible transactions. But we are not as confident when billing for our intellectual and investigative services.

There are changing tides in veterinary medicine, and hospitals face increasing competition from third-party providers for inventory, food, and medication sales. It's more important than ever to build confidence around charging for our knowledge and services.

Influential Factors for Intentional Missed Charges

What is going through a veterinarian's mind when they provide advice or perform a service that they don't intend to bill for? As scientists and business leaders, we strive to use data to guide our actions, but as humans, we are also faced with our emotional side. Our actions and reactions are often swayed by our own confidence, our values, and our desire to avoid conflict. We may also be influenced by competing sets of ethics: our logical ethics and our emotional ethics.

Veterinarians who leave items off the bill, or who shy away from making a valid recommendation, may do so because they are influenced by:

- A perceived ethical dilemma (providing the necessary care vs. making sure the clinic gets paid).
- A fear of the consequences of inaction (what will happen to the pet without the test or treatment in question).
- A fear of the client's reaction (to the cost or burden of a treatment).

Like physicians, most veterinarians believe in their obligation to "do no harm" through their actions and inactions. Many vets also extend their "do no harm" sentiment from the patient

to the pet owner. We spend a lot of time thinking and actually worrying about the financial impact of veterinary bills on our clients. As much as we want to focus on the patient, we have a strong desire to do no harm when it comes to imposing financial or emotional hardship, or impossible choices on these clients.

Veterinarians are unique. So, let's dive into some of the intricacies in the psychology of the veterinarian that could be responsible for missed charges...and then we'll look at how we can use this knowledge to craft strategies to solve the problem.

Imposter Syndrome

"Imposter syndrome describes high-achieving individuals who, despite their objective successes, fail to internalize their accomplishments and have persistent self-doubt and fear of being exposed as a fraud or imposter."³

Veterinarians are often the poster children for imposter syndrome. Smart, capable, innovative... and full of self-doubt. Self-doubt can hamper decision-making and create inefficiency. Even worse, clients can often sense it and may become less likely to be compliant with advice. Employees who doubt their legitimacy may doubt the value of their recommendations, skills, and expertise.

Ask yourself: if you doubt the value of something... how likely are you to recommend it? How likely are you to be able to get buy-in from your client? How motivated are you to charge appropriately for the recommended service?

Anticipation and Anxiety

Veterinarians approach treatment recommendations with the assumption that they will fail. A survey performed by Dr. Wendy Hauser⁴, found that 58% of responding veterinarians anticipated client objections to treatment recommendations.

Just "the anticipation of declined recommendation creates anxiety, fear, and unease even before the conversation occurs, causing psychological

distress.” Focus group participants said that experiencing treatment declines lead to negative feelings like “guilt, discomfort, discouragement, and disconnection”.⁴

Compared to other health professionals, veterinarians and other clinic team members are intimately aware of the costs of the services they provide. They can see the patient bill mounting up, and it makes them anxious, distracted, and uncomfortable. In the face of this uncomfortable anticipation, the fight or flight response is triggered, and the flight option can be expressed as a failure to recommend and/or charge appropriately.

Perception vs Reality Divide

Among pet owners, there exists a disconnect between their expectations for veterinary care, and the reality.

Vet staff are well acquainted with the work, resources, and money required to care for animals.

Clients, however, have knowledge gaps in three big areas:

- The true cost of care for services other than the typical “quotables.” Clients might have a good idea about the going rate for a spay, but they can’t predict the cost of a cystotomy.
- The value of clinical tools such as diagnostic tests, sedation, IV fluids, and others. Clients aren’t familiar with how vital these costly steps are in reaching a diagnosis and delivering safe and effective treatment. They overestimate what their vets can achieve without them.
- Finally, because vets are pathologically apologetic about earning money, pet owners have a distorted (and inflated) idea of how much revenue a veterinary clinic actually generates.

Team members are aware of these common misperceptions. They influence the way they approach client interactions. Staff grow wary of justifying treatment costs with each new case. This fatigue can lead to avoidance and/or apathy that translates to missed charges.



Interference with Purpose

Most veterinarians pursued their profession because of a desire to help animals and their families. Equally, they are scientists and problem-solvers.

However, money is often a massive barrier that separates veterinarians from that purpose.

Sometimes, comping services seems like the only means to get an animal to the gold standard of care...or even to the minimum standard of care, allowing passionate vets to fulfill their purpose.

Now that we’ve explored some emotional and psychological considerations that might underpin revenue loss, let’s talk about crafting some real solutions to curb this problem.

First: Gather Data

First, you should gather some data to understand the specifics of the problem in your clinic: Audit a sample of current medical records against their corresponding invoices. Identify products and services that were provided, but did not appear on the invoice, or were discounted outside of your clinic's standard policies.

Then, dive even deeper and read the case notes. How often did team members fail to recommend an appropriate test or treatment when the medical details of the case called for it?

This work will help you identify the trends and attitudes in your clinic.

Find out:

- How often do missed charges happen?
- What is the average dollar loss per audited invoice?
- What products and services were missed most often?
- Who are the best and worst performers on your team for billing accuracy?

The goal of gathering this data is not to single out or penalize poor performers, it is to allow you to ask impactful questions and decide the best way to motivate your team. Ask these questions:

How does your team feel about talking about money with clients?

How do they feel about the line items that are commonly missed?

Do they truly believe in the value of that test/treatment? If not, you've identified a CE opportunity!

Do they believe in their ability to deliver that service competently and with value?

The answers to these questions will help you to educate and motivate your team to be good billers.

Incidentally, excellent record-keeping habits are essential to make sure your audits return useful information. All team members should make sure they record their differentials and their offered, accepted, and declined services thoroughly.

There is self-accountability in accurate record keeping that can help to reduce revenue loss.

Finally, consider formally tracking and quantifying declined recommendations. Because a decline can be a poignant and negative experience, team members may overestimate the frequency that it happens.

Some data may help bring this issue into perspective for team members. Knowing their true success rates could ease some anticipation and anxiety, helping team members feel more confident.

Tracking declines can also help you to gauge whether or not changes to your motivation strategies have improved your team's ability to gain client compliance!

Strategies from Psychology

After collecting data and asking questions, it's time to employ some strategies that come from psychology's Self Determination Theory of motivation.⁵

Self Determination Theory proposes that intrinsic motivation is more powerful than extrinsic motivation. It asserts that people are more motivated, happier, and more productive when they are provided with a sense of relatedness, competence, and autonomy.

Not only do motivated people create a great work environment, but they are more likely to bill appropriately for the services they provide.

Relatedness: Foster a Team Attitude ■

In your clinic, prioritize a team attitude. Do it during meetings and staff events, but also (and especially) when it's business as usual. Too often, competitive, territorial, or adversarial relationships develop among clinic staff that interfere with your goal to deliver high-quality and profitable veterinary medicine.

People have a deep psychological need for connectedness, acceptance and belonging⁶. A feeling of belonging is a powerful force for shaping human behaviour.⁶ Sports teams, gyms, luxury brands, and MLM sales companies all use this psychological tool to attract and motivate both customers and staff.

Acknowledge that true teamwork can't be advised or coerced; team members must be provided with the right nourishment. Relationships need to be built with intent, practiced, and maintained. Feedback needs to flow safely between all job functions, and all levels of management.

Examine whether or not your clinic management, communications, team structures, and workflow support the message: "you belong with us."

Team members must trust each other in order to communicate effectively, to present ideas and feedback, and also to function efficiently every day.⁷ Team-building activities give people the opportunity to bond in a non-work capacity, understand co-workers' perspectives, and build rapport. So, learn together! Send team members to CE in pairs! Or get out of the clinic to have a little fun regularly throughout the year. Once you've had a chance to relax and shake off the residual tension of the workplace, work on connecting on a more personal level.

Back at the clinic, pair different team members together for work and training. Separate cliques regularly for different tasks. Recognize when people are being "outsiders" and pull them into group projects or special initiatives. Solve problems and make decisions as a group.

For example, when creating standard billing, discounting, and quoting procedures, include all team members so that everyone feels a sense of ownership in the decisions.

Fostering a team attitude can build a feeling of belonging that can soften the impact of negative interpersonal relationships. It can focus your team on common goals like consistent and accurate billing practices.

Be cautious with staff meetings. It has been demonstrated that negative feedback like complaints, criticism, or penalties have a detrimental impact on motivation.⁸ Using staff meetings to provide careless criticism can decrease a person's sense of belonging and reduce their willingness to follow clinic protocols. If you must address problems with a team member, do so privately. Schedule one-on-one meetings regularly between team members and managers, so that you can discuss ideas, solutions, and other positive input—as well as to privately address performance and interpersonal concerns.



When approaching team members that struggle with appropriate billing, approach them in a positive and encouraging way. "How can I help you master this?" This will allow them to be more open to guided improvement.

Highlight Accomplishments

Make it a priority to notice and acknowledge each team member's aptitudes. It has been shown that unexpected positive feedback has a very positive impact on motivation.⁹ In the course of a busy day, compliment team members on their achievements. Like anything, praise requires practice before it starts to feel natural.

If on-the-fly compliments feel forced, start by introducing a "shout-out" agenda item in staff meetings. During this segment, any staff member can draw attention to the contributions of a co-worker. This behavior is contagious. Not only does it foster a feeling of belonging, but it also reinforces each team member's confidence in their skills and value, combating impostor syndrome and supporting buy-in to the clinic's culture, objectives, and policies.

Don't forget to emphasize the value of your nursing staff and the care they provide. Your clients will begin to see the expertise in the behind-the-scenes work technicians do. Calling out their skills will improve client understanding and acceptance of nursing-related fees while also boosting the confidence and professional satisfaction of these colleagues.

Spotlighting the skills and accomplishments of your staff members is essential to clinic teamwork and success. Self-doubt is a very loud voice that leads to hesitation, inefficiency, weak communication, and yes, missed charges. It takes a consistent and positive external reassurance to overcome this. Compliment the staff you have in order to uncover the confident superstars you've always dreamed of.

Take Advantage of Linguistic Cues

When we communicate with the people around us, it's no surprise that the words we choose affect the message others receive. Surprisingly, those words can also influence *our own perception* of the subject matter.^{10,11} One linguistic pitfall that often appears in medical records is the word "discuss."

"Discuss" is often used where "recommend" belongs. It is offered up by bashful veterinarians as a way to allow clients to gracefully decline prudent advice. It is weak language that doesn't inspire any confidence or motivate any action. While clients must pay for advice, discussions are often on the house.

Be on the lookout for confusing or impotent language habits in your client communications. In particular, look for language habits that decrease the value of team members or services.

"I'm just the receptionist."

"You'll only be seeing the technician today."

"It's a simple spay procedure."

Work as a team to choose more powerful alternatives that motivate clients and endorse the value of your staff and their skills. Recognize people as they adopt the change. This can reduce treatment declines and give team members the sense of authority or knowledgeability that they need to bill appropriately.

Set Clear Expectations

Your team can only become competent and accurate billers if they know what you want from them, and if they're provided with a good example. Having written protocols and procedures for billing helps create consistency and set the clear expectation that all services be recommended and billed appropriately. Written protocols for discounts and promos (if you offer them) should also be available so that no room is left for "creative discounting."

Create a repository of quoting templates for common procedures and treatments. Not only will this resource save time and help team members remember the many aspects of a treatment plan, but it will also provide a behavioral cue that prompts staff to recommend all valuable and appropriate components of treatment. It will also reduce the chance of a client objecting to line-items on the final bill that

were not represented in the quote.

Finally, using your audit data, identify your clinic's highest achievers for accurate billing, and let them be role models.

Have your struggling team members and new hires shadow them so they can get a feel for their habits and communication strategies. This can help overhaul your clinic's culture when it comes to billing.

Encourage Participation and Autonomous Decision-Making

*"Autonomy for individuals as well as in teams increases ownership of outcomes and improves performance."*¹²

Auditing records, communicating expectations, and tightening billing protocols may not seem like the path to employee autonomy. But when all team members are actively encouraged to participate in the project, to build the protocols, and to discuss their feelings surrounding billing, a sense of empowerment develops.

Anyone who's spent time in an animal hospital understands that a flexible spectrum of care is a vital and unavoidable part of practice.

Cost objections *will* happen. It should be emphasized that staff autonomy with respect to adapting treatment plans to meet client/patient needs is protected, appreciated, and *indispensable* for clinic success.

Re-frame Declines, and Coach Positive Self-Talk

Even with careful language, a client's reaction to a treatment plan can be difficult to control. With practice, the way veterinarians react emotionally to these outcomes can be trained to change.

When a client opts to euthanize their diabetic

cat because they can't physically manage daily injections, it's easy for veterinarians to tell themselves they've failed. With that, they become demotivated, and they lose confidence, not only in their clients, but in their own ability to communicate value.

Conversely, if veterinarians tell themselves that they did a great job meeting a client where they were; they did a great job crafting a compassionate plan with both the pet and the client's welfare in mind; they will build their own confidence and celebrate their own skills.

Guided and open discussions framing perceived failures in this manner can help team members practice and model positive self talk:

Whenever team members recommend a service, they educate the client about the power, value, and cost of veterinary science.

Each decline represents a valid service offered. And each decline also represents the veterinary team's flexibility, innovation, and ability to heal patients with limited resources.

Summary

Missed charges represent a greater problem within your veterinary team:

A difficulty in recognizing, believing, and communicating your own expertise and value.

Understanding the psychology behind why veterinarians do this, and using related tools to counteract these difficulties can put your clinic on the right path to accurate billing and recommending.

Do not miss out on an opportunity to display your team's value by performing services your client never knew about, or that you didn't bill for, or that you never recommended in the first place.

About the Author

Dr. Jennifer Sperry is a companion animal veterinarian and the Veterinary Advisor for Independence Pet Group. She assists the company by providing scientific insights and medical updates; and by sharing the perspectives and experiences of veterinary professionals in the trenches.

Dr. Sperry was attracted to her current role because she recognized an urgent need to spread awareness about financial tools that allow people to access vital but costly veterinary care.

As a veterinarian practicing in general and emergency medicine for more than a decade, she has a unique understanding of the needs of pets and their people. She witnessed first-hand how difficult it can be for pet owners to both predict and overcome the cost of quality veterinary care. She also experienced how difficult it can be for veterinary team members to share the emotional burden that occurs when financial limitations adversely impact the wellbeing of pets and their owners.

Since joining the team in 2020, Dr. Sperry has shared her medical experience for internal and external educational events, claims and underwriting process improvements, and even accessible policy wording. Dr. Sperry shares her home with her husband, two young boys, and a cranky old chihuahua. When she's not working, she can be found beside the nearest campfire.



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