

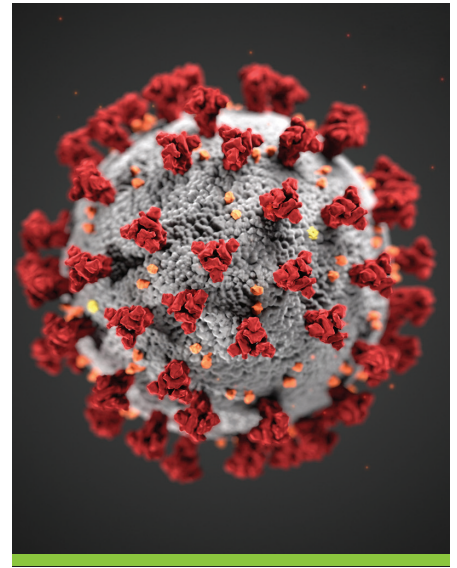


# COVID-19:

## Veterinary impacts and responses

# INTRODUCTION

The COVID-19 pandemic had a swift and profound impact on veterinary practices. Shortly after the pandemic began, the American Veterinary Medical Association (AVMA) undertook a large-scale survey of veterinary practice owners to identify exactly how their day-to-day work and operations were affected. The goal was to identify the scope and breadth of the pandemic's impact and use the knowledge to support practitioners nationwide in meeting the challenge.



Questions asked in the survey covered operational changes, client numbers, use of personal protective equipment (PPE), supply shortages, productivity, finances, and other topics. Most of the survey respondents were companion animal practitioners. After making the survey results available publicly for use across the profession via an online interactive dashboard and detailed infographic, AVMA economists followed up with a detailed analysis focusing on four key areas:

This report provides insights derived from the additional analyses and also covers strategic responses to COVID-19, including how practices adapted to the new environment, even as it continued to change.

## Overall impact of COVID-19

### Operating hours

### Cash shortfalls

### Productivity



# OVERALL IMPACT

A large number of veterinary practices saw drops in client traffic, operating hours, staffing, and revenue as a result of COVID-19. Practices enacted a variety of strategies to deal with financial, health, and supply chain impacts, including taking out COVID-19 relief loans, reducing expenses, and implementing safety measures to protect clients and employees while ensuring patients could continue to be seen. Practices made adjustments in day-to-day operations and also saw productivity impacts.

Individual practitioners and organizations across the profession were affected differently and reacted in various ways. Their experiences provide a variety of insights that can be useful as the pandemic continues to evolve:

- Impacts of COVID-19 vary by geography and over time, so having strategies ready for different scenarios (e.g., both reduced and increased client traffic) is imperative.
- Making changes to enhance productivity and operations may be necessary to serve patients and keep employees and clients safe.
- Expense reduction and alternative funding sources such as COVID-19 relief loans can help reduce negative impacts to finances and staffing.
- A continuing flow of reliable information about COVID-19, from trusted sources, can help veterinarians continue to implement best practices and alleviate client and employee concerns.

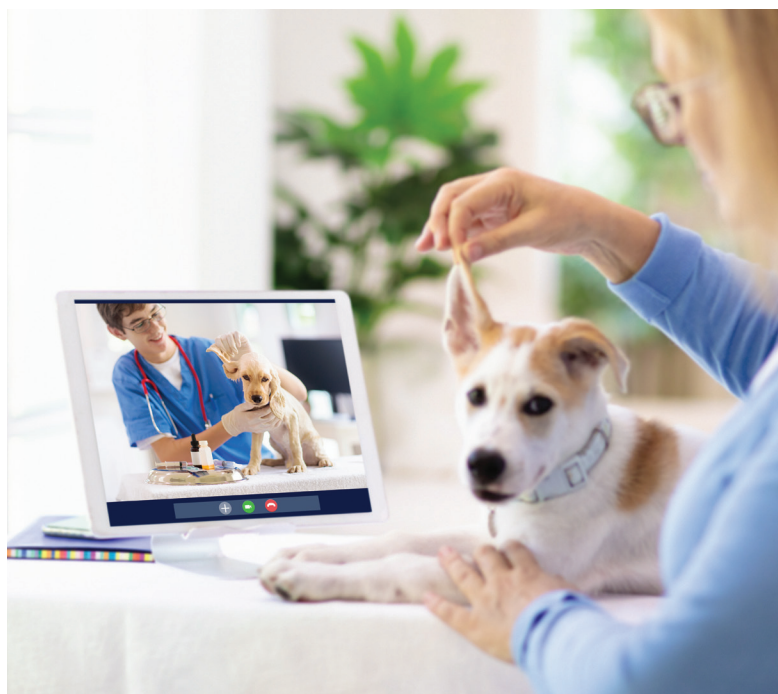


# COVID-19 AND OPERATING HOURS

Maintaining optimal operating hours is critical for veterinary businesses, and COVID-19 had a significant impact on operating hours for many practices. In this study, 51% of practices reported reduced hours, and very few extended their operating hours (1%) during the early months of the pandemic. Reasons for changes in operating hours included change in demand, client traffic, staffing, supplies, and safety precautions. The study found several factors that influenced reduction of operating hours, including community size, client traffic compared to the prior year, size and type of practice, use of telemedicine/telehealth, furloughs, and time since first impact of COVID-19.

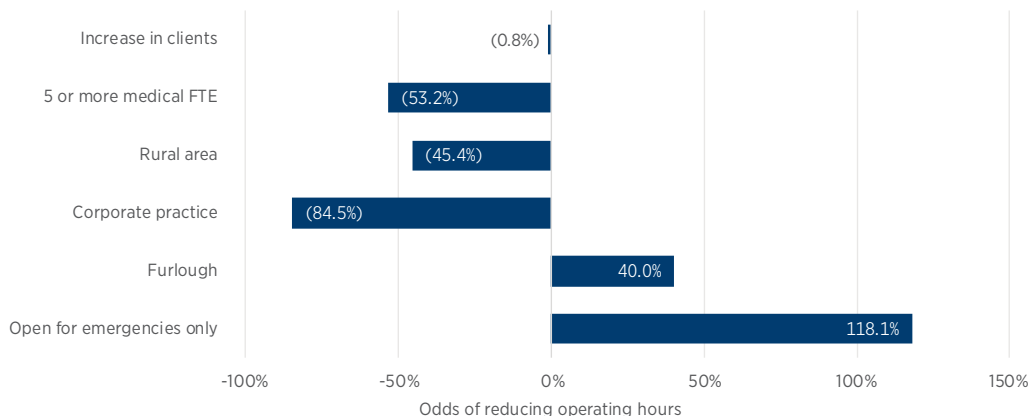
**There are several strategies that individual practices can use to optimize operating hours and support business success:**

- Be flexible and nimble. Adjust operating hours as needed to respect government regulations, clients, and employees while keeping hygiene a priority to protect human health and prevent spread of the virus.
- Implement telemedicine (consistent with state and federal requirements) as an alternative approach to delivering some veterinary services. Doing so may allow for appointments requiring an in-person visit to be more easily scheduled during normal business hours, and may also allow a practice to reduce its hours while continuing to serve clients outside of the physical building.
- Be proactive in implementing preventive measures to help slow the spread of COVID-19 and keep clients and veterinary teams safe.
- Have emergency plans in place for different scenarios. This can soften the hit when a disaster occurs.



This chart shows how various factors increase or (decrease) the likelihood of a veterinary practice reducing its operating hours as a result of the pandemic.

### FACTORS ASSOCIATED WITH REDUCED OPERATING HOURS

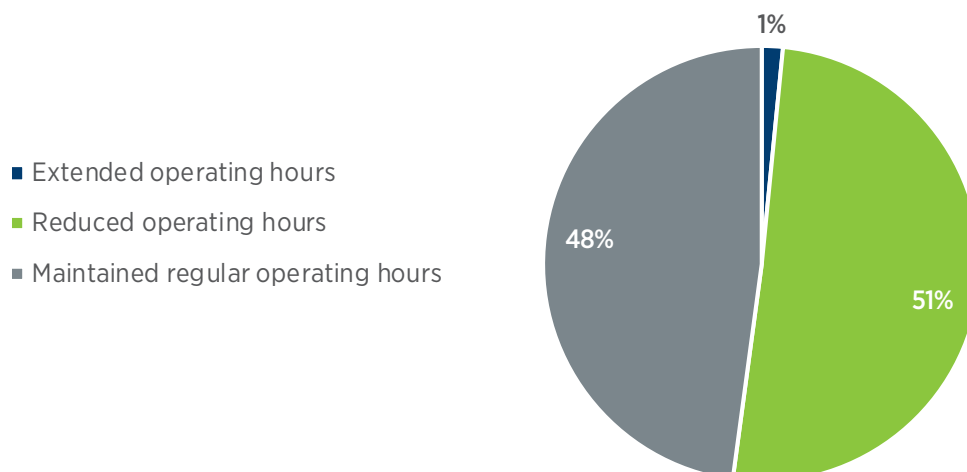


Analysis shows that COVID-19 also is more likely to impact operating hours the longer a practice feels its effects.

### IMPACT ON OPERATING HOURS OVER TIME

Weeks after COVID-19's first impact on practice		
One week	3.5	times more likely to reduce operating hours
Two weeks	7.6	times more likely to reduce operating hours
Three weeks	7.0	times more likely to reduce operating hours
Four weeks	10.0	times more likely to reduce operating hours
5 weeks or more	7.0	times more likely to reduce operating hours

### COVID-19 IMPACT ON OPERATING HOURS



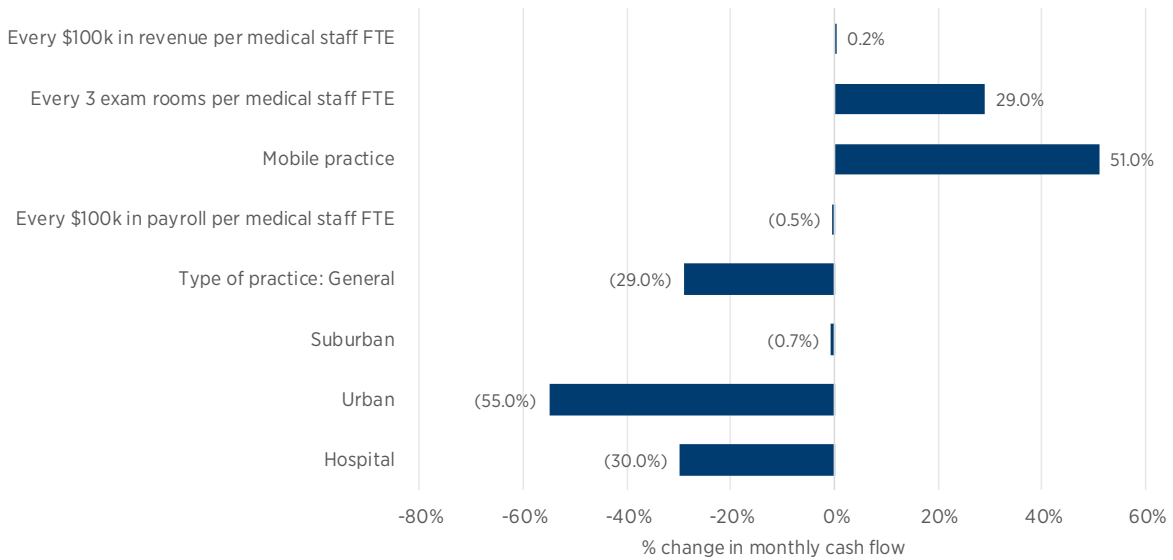
# CASH SHORTFALL

Cash flow – the regular inflow and outflow of money – is critical to running a successful business. A large portion of veterinary practices experienced cash shortfalls, at least temporarily, due to COVID-19. The extent of these shortfalls was influenced by numerous factors. Higher shortfalls were associated with hospitals (versus mobile clinics), urban and suburban practices, general practices, and practices with higher ratios of payroll to medical staff. Lower levels of cash shortfall were associated with mobile practices, as well as clinics with higher ratios of exam rooms and revenue per medical staff.

Knowing these risk factors allows us to identify strategies to mitigate or reduce cash shortfalls:

- Hospitals may consider introducing a mobile clinic option if they don't have one, with at least one doctor dedicated to mobile delivery of veterinary care. Consider COVID-19 exposure risk for personnel traveling to clients' homes, as well as any need for additional insurance coverage. Discuss the idea with your practice consultant and/or legal advisor prior to adding such additional services.
- General hospitals may benefit from engaging with specialists and partnering with specialty hospitals.
- Implementing safety precautions can help stop the spread of COVID-19 and limit negative impacts to the practice.
- Optimizing staffing levels, assessing budgetary goals, and thoroughly utilizing support staff can put practices in a better position to weather financial storms and operational crises.

## FACTORS IMPACTING MONTHLY CASH FLOW





# VETERINARY PRACTICE PRODUCTIVITY

COVID-19 had a drastic impact on the productivity of most practices, as seen in key areas such as number of patients and wait times. Regardless of practice type, size, or type of community, most practices reported declines in the number of patients per exam room and per medical staff. Patients per medical staff went down in some areas by nearly 50%.

Most practices also reported increased waiting times. For practices with at least 4 medical FTEs, the increase in waiting time ranged from 20% to 45% beyond the normal wait. This reduced the number of patients seen



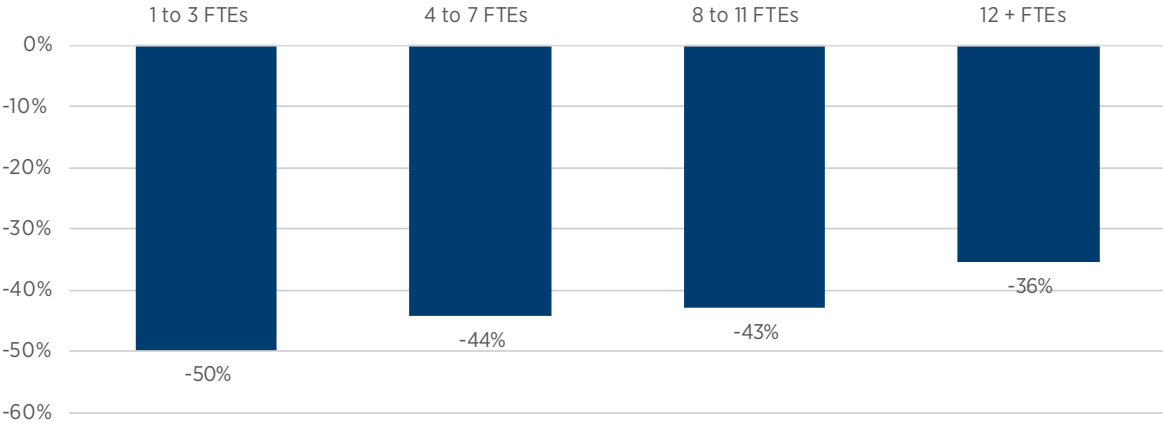
by veterinarians, which combined with an overall patient decline to cause significant reduction in revenue. These changes to wait time and patients impacted staff productivity and practice efficiency, which can have an overall impact on practice performance and profitability.

**There are several strategies that can be used to prevent or minimize losses in productivity and keep practices running:**

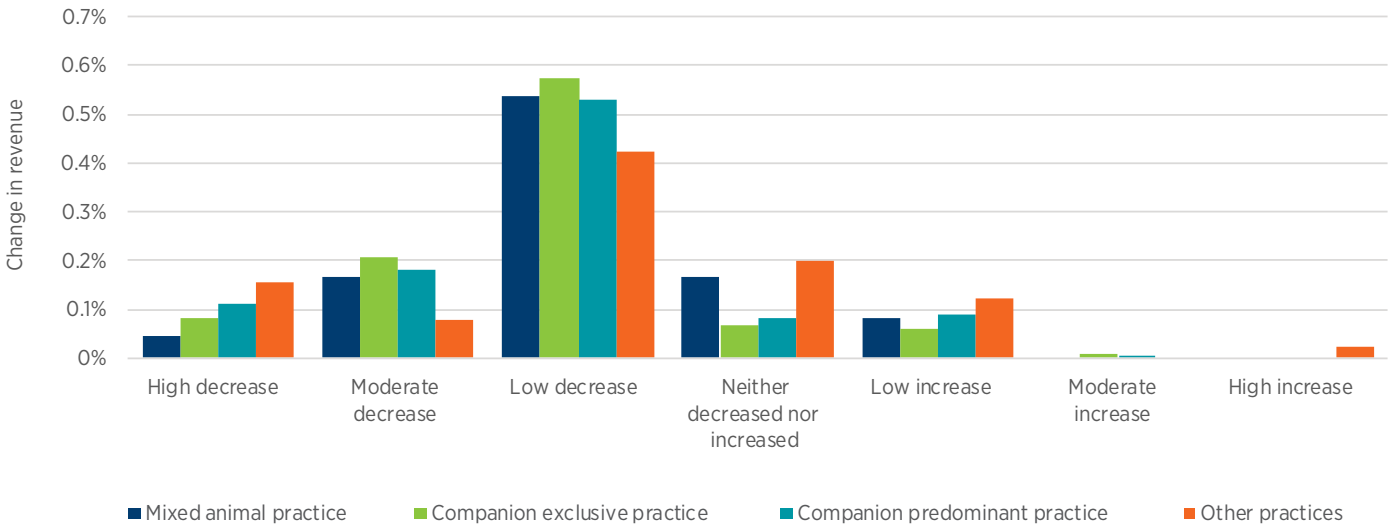
- Keep a staff-to-DVM ratio that reduces inefficiencies in labor utilization. Previous economic research has shown that the optimal technician-to-DVM ratio is about 3.2:1, depending on practice size.
- Rotate staff through shifts to avoid a crowded environment, and assign specific tasks for each staff member or work group (e.g., routine exams, emergency cases, or patient triage).
- Consider using telehealth/telemedicine, curbside drop-off/pick-up, and/or appointment only.
- Consider online platforms — such as ecommerce, social media, and online marketing tools — to understand customers and to promote and deliver services/products.
- Have clear self-promoting strategies and customer relationship management tools to keep client engagement and loyalty high.

# VETERINARY PRACTICE PRODUCTIVITY CONT.

% CHANGE IN NUMBER OF PATIENTS PER FTE BY NUMBER OF MEDICAL FTEs



IMPACT OF COVID-19 ON REVENUE BY PRIMARY FOCUS OF THE PRACTICE





## Methodology

Survey respondents were asked if they reduced, maintained, or extended operating hours, and also answered questions about practice characteristics, geography, and time since impact of COVID-19. AVMA analysts estimated a quantitative multiple regression model to identify which factors were associated with a reduction in operating hours.

AVMA asked survey respondents to identify their expected cash shortfalls for the current and following months. This report identifies the variation of their answers based on specific demographic variables related to their hospitals, practice type, and operational workflow. AVMA analysts estimated a model to identify factors likely to increase or decrease expected cash shortfall.

Survey respondents were also asked about changes in revenue, client traffic, and wait time. This data was analyzed to determine changes in practice productivity for practices across the United States. AVMA analysts measured key productivity metrics such as patients per exam room (room productivity), patients per medical staff (staff productivity), and wait time to determine how COVID-19 impacted productivity.

Find additional details about the methodology, survey respondents, questions asked, and results at [avma.org/COVIDsurvey](https://avma.org/COVIDsurvey).



