



THE COLLEGE OF
VETERINARIANS
OF ONTARIO

INFO SHEET

VETERINARY MANAGEMENT SERVICES

INTRODUCTION

The College of Veterinarians of Ontario has received a number of inquiries about retaining management services for veterinary practices. In principle there is nothing wrong with a veterinarian hiring a person or company to manage his or her veterinary practice. However, there are a number of aspects of the arrangement that need to be worked out so that the management of the practice does not interfere with the veterinarian's professional obligations. Veterinarians (including those directing veterinary professional corporations) who follow the principles outlined in this information sheet should be able to enjoy the benefits of management services without contravening their professional obligations.

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Professional Decisions

The most fundamental principle is that the veterinarian needs to maintain control over all professional decisions in the practice. The manager should not, directly or indirectly, interfere with decisions relating to the content or nature of assessments, diagnostic testing or treatment. Nothing in the management contract or the behaviour of the manager should interfere, or be seen to interfere, with veterinary decision making.

Even in areas where there might be a shared responsibility, the veterinarian needs to retain ultimate control. For example, veterinarians have an obligation to ensure that in the following areas of their practice the manager does not assume control of professional decision making:

- billing practices;
- supervision of support staff;
- advertising and promotion; and
- scheduling of appointments.

Indeed, the veterinarian should have a mechanism in place (e.g., spot checks, prior approval) to ensure that these activities are conducted appropriately.

Veterinarians are accountable to the College and their clients for all actions taken on behalf of the veterinary practice. It is no defence against a complaint to say that the manager did it. Regardless of the arrangements between the veterinarian and the manager, it is the veterinarian who has to answer to the College, to clients and to the courts.

Every management contract should expressly state that as the individual accountable to the College and to clients, the veterinarian retains control over all professional decisions in the practice, and that even in areas with management aspects—like billing practices, supervision of support staff, advertising and promotion and scheduling of appointments—the veterinarian retains ultimate control and has the right and duty to monitor that they are performed consistently with law, veterinary legislation and professional standards.

Financial Arrangements

Veterinarians cannot enter into or remain in an arrangement whereby unregistered people can inappropriately influence the professional decisions made. There are some financial arrangements that by their very nature give other people an undue say in the professional aspects of the practice. These have been prohibited by the conflict of interest regulations made under the *Veterinarians Act*. For example, an unregistered person who shares in the profits of a practice may unilaterally do things that compromise professional values or pressure the member to do so, such as overcharging, over-servicing, improper advertisements, or cutting down on expenses by cutting corners.

Thus any financial arrangement with a manager that compensates the manager based in whole or in part on revenue, sales or profits is not permitted. Payment on hourly or daily rate or on a flat rate would be acceptable. While compensation that recognizes performance is generally acceptable, the performance indicator should not be revenue, sale or profit related.

Transparency

Clients have the right to know with whom they are dealing. A client's professional relationship is with the veterinarian, not the veterinarian's manager. All signage, promotional materials, documentation and billing must be done in the name of the veterinarian, partnership or veterinary professional corporation, not in the name of the manager or his or her company. Clients should be asked to make out their cheques for services and supplies to the veterinarian, partnership or veterinary professional corporation.

Other Rules

The arrangements with the manager cannot be permitted to interfere with the other rules that apply to the veterinarian. First, the manager cannot assume an ownership in the veterinary practice or the professional corporation. Further, the manager

likely cannot assume an ownership interest in ancillary services (e.g., grooming) associated with the veterinary practice. This will almost certainly result in a prohibited steering arrangement between the veterinary practice and the ancillary service.

Another example would be that the manager cannot solicit new clients on behalf of the veterinary practice. Similarly, care must be taken to ensure the privacy and confidentiality obligations are met. The agreement with the manager should deal specifically with that issue including that the veterinarian retains ownership of all records. For this reason most non-competition provisions applicable to the veterinarian are not acceptable. Such non-competition clauses typically involve the manager having ownership or control of the records, which is not appropriate. In addition, non-competition covenants usually imply that the veterinarian will abandon his or her responsibilities to past and existing clients.

Care must also be taken to ensure that the rules relating to the security of drugs are observed. In short, the veterinarian must ensure that the manager follows the rules that apply to the veterinarian and that the manager is not used to circumvent those rules.

The agreement with the manager should contain a general provision stating that the manager shall comply with all law, legislation and professional standards that apply to the conduct of a veterinary practice.

Conclusion

If veterinarians keep the above principles in mind and incorporate them into their management agreements and practices, they should be able to benefit from management services without inadvertently getting themselves into trouble.

INFO SHEETS of the College of Veterinarians of Ontario provide veterinarians and the public with information about the governance of veterinarians in Ontario or contain practice parameters and standards that should be considered by all Ontario veterinarians in the care of their patients, dealings with their clients and the welfare of their staff.

It is important to note that these INFO SHEETS may be used by the College or other bodies in determining whether appropriate standards of practice and professional activities have been maintained.

The College of Veterinarians of Ontario regulates veterinarians in Ontario in the public interest.