

The Veticare System

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Introduction

In Canada, we have two levels of government: the federal Government of Canada and the provincial governments. To accompany this fancy political governing system, we also have two internal revenue systems, one federal and one provincial. If you are working for dollars, you definitely have to collect for it.

I come from the Province of Quebec, from the region we refer to as the Richelieu Valley situated in the most southern area of the province which coincides with the most northern area of the Vermont State. It is situated south-east of Montreal, limited to the west by the Richelieu River which runs from the Champlain lake to the St. Lawrence river.

In this area, most of the producers are referred to as industrial type dairy producers. The typical farm is a family farm which owns approximately 150 head of cattle. The largest farm milks 350 cows and owns approximately 800 head. In this province, nothing seems to be done like anywhere else in this country. Politicians, in the past, managed to have the western producers produce grains that were shipped to the east to produce milk. Approximately 55% of the milk produced in Canada is produced in Quebec. We do not speak the same language, and we always seem to do things in a complicated manner.

The Historic

The name of this program was, when first implemented in 1971, the ASAC program, l'Assurance-Sante-Animals-Contributoire which would translate as Contributory Animal Health Insurance Program.

On July 27, 1965, Judge Nolasque April chaired for the first time the Royal Commission of Inquiry on Agriculture in the Province of Quebec. This commission was established to inquire into what means could be taken to insure farmers of a comparable income to that of other groups in the province. In their report tabled in 1967, Judge April and his commissioners stated that the number of veterinarians assuring services to stock-breeders was clearly insufficient, particularly in outlying regions where not only the number of vets was insufficient but the cost of veterinary services was also much higher than in areas with higher concentrations of livestock. The distances to cover were generally much greater and the clients more scattered.

In 1971, the April Commission's findings were taken into account and the Provincial Government implemented, with decree 2081-71, the first ASAC program with two main objectives:

1. standardizing the cost of curative veterinary services by contributing to the direct cost per visit, regardless of the distance the veterinarian has to travel to the producer, the government assuming the greatest part of the travel expenses, and by paying 50% of the honoraries of the veterinarian.
2. reducing the cost of the medications used to treat animals to a minimum by instituting a distributing center under the control of the government, in order to have the producer benefit from advantageous prices and diminish the irrational use of veterinary drugs.

In 1982, MAPAQ mandated a committee to study the situation of animal health in the province, insisting on means to insure preventive disease control. After consulting all parties involved in animal production, this committee's report was the subject of a socioeconomic conference held in 1985. Following this conference, the program's name was changed to the Quebec Animal Health Improvement Program (ASAQ). Recommendations were to include a new aspect with the objective to insure a number of preventive measures for dairy cattle, feedlot operations, and hog and sheep producers. Participation in a preventive program is strictly on a voluntary basis and does not affect eligibility for curative services.

At this point, it should be established that unlike the health insurance plan for the human population of Quebec, which has its own incorporating status, the ASAQ Program was set up under the Act respecting the MAPAQ. The program is consequently drawn up by the Minister and approved by the Cabinet.

The Programme ASAQ: The Agreement

The actual program, approved by the government, is regulated by the terms and conditions negotiated under the Agreement between the Association des Médecins Vétérinaires Practiciens du Québec and the MAPAQ. To benefit from the Program, a stock-breeder must use the services of a veterinarian whose place of business is located within an 80 km radius of his operation, or, if there is no veterinarian

within that radius, the nearest veterinarian who can provide the required services

In order to benefit from the livestock health management plan drawn up by the veterinarian of his choice, the stock-breeder must agree to conform to the contract signed between him and that veterinarian, after approval by the government.

Modes of Remuneration

The general modes of remuneration are payment by the visit, by the medical procedure, by supplementary animal and by the hour. On every visit during which a veterinarian provides a service covered by the program, he must fill out a statement of fees at the producer's farm. The government pays the part of the fees it bears within 45 days of receiving that statement.

The Agreement also states that participating veterinarians *must* purchase their medical supplies from CDMV, the distributing center owned by the government through a state company. The profit margin for the veterinarian on the sale of medications, supplies and instruments is set at 25% over the cost of those supplies.

The preventive veterinary services admissible for the subsidy provided by the program only apply to those animals listed in the Agreement: dairy cattle, grain-fed calves and veal calves, feedlot cattle, cow-calf operations, breeder hogs and nursery piglets weighing less than 20 kgs, sheep and goats, and reproduction horses. Services are listed in a standard form for each kind of livestock. When a form is duly completed by the veterinarian and his client and approved by the MAPAQ, it is equivalent to a contract. The veterinarian then provides services chosen on a regular basis. The producer, in turn, engages himself to cooperate in collecting data, to assist the veterinarian in handling the animals, and, of course, to pay his share of the veterinarian's honoraries.

All preventive work is charged by the hour. The maximum time for which the MAPAQ pays part of the fees cannot exceed a specific number of minutes per animal per year in a herd at the time of registration. For example, in a dairy farm, the maximum time allowed for preventive work is 30 minutes per producing animal in the herd at the time of signing the contract. Preventive veterinary medicine procedures not covered by the management plan or whose performance requires more than the maximum time prescribed by the Agreement are entirely at the producer's expense.

The purpose of the negotiated agreement is to fix the modes of a veterinarian's participation in the program and the terms and conditions for both his practice and modes of remuneration. The actual agreement is all contained in a booklet of 84 pages and was negotiated for a period of three years starting on April 1, 1988 to March 31, 1991. It mainly consists of two principal parts, the **normative part** relating to union security, professional autonomy, engage-

ment and withdrawal to the program, billing and good faith, relations between the drug distributing center and the veterinarians working under the program, and the description of the Preventive Veterinary Medicine work included in the program.

The second part, referred to as the principal core of the Agreement, the part that feeds most of the negotiation discussions, the "**tarifaire part**," consists of describing the fees for whatever procedures are included in the program.

We cannot go through all these in such a short presentation, but we will go through some examples. Following are charts describing fees for distance, by the hour, and by the medical act:

The Regular Tariff for a Visit to the Farm

A visit executed between 8:00 and 16:00 from Monday through Friday, these days not being a regulated holiday.

	PRODUCER	MAPAQ	TOTAL
0.00 to 25.0 km	12.50 \$	10.50 \$	23.00 \$
25.1 to 30.0 km	12.50 \$	14.00 \$	26.50 \$
30.1 to 35.0 km	12.50 \$	18.50 \$	31.00 \$
35.1 to 40.0 km	12.50 \$	23.00 \$	35.50 \$
40.1 to 45.0 km	12.50 \$	27.50 \$	40.00 \$
45.1 to 50.0 km	12.50 \$	32.00 \$	44.50 \$
50.1 to 55.0 km	12.50 \$	36.50 \$	49.00 \$
55.1 to 60.0 km	12.50 \$	41.00 \$	53.50 \$
60.1 to 65.0 km	12.50 \$	45.00 \$	57.50 \$
65.1 to 70.0 km	12.50 \$	49.00 \$	61.50 \$
70.1 to 75.0 km	12.50 \$	53.00 \$	65.50 \$
75.1 to 80.0 km	12.50 \$	57.00 \$	69.50 \$

and an extra 4.00 \$ per additional 5 km.

The Regular Tariff for a Visit to the Farm

A visit executed after 16:00 and before 8:00 next day from Monday through Friday, during weekends and regulated holidays.

	PRODUCER	MAPAQ	TOTAL
0.00 to 25.0 km	21.50 \$	10.75 \$	32.25 \$
25.1 to 30.0 km	21.50 \$	15.25 \$	36.75 \$
30.1 to 35.0 km	21.50 \$	20.75 \$	42.25 \$
35.1 to 40.0 km	21.50 \$	26.25 \$	47.75 \$
40.1 to 45.0 km	21.50 \$	31.75 \$	53.25 \$
45.1 to 50.0 km	21.50 \$	37.25 \$	58.75 \$
50.1 to 55.0 km	21.50 \$	42.75 \$	64.25 \$
55.1 to 60.0 km	21.50 \$	48.25 \$	69.75 \$
60.1 to 65.0 km	21.50 \$	53.25 \$	74.75 \$
65.1 to 70.0 km	21.50 \$	58.25 \$	79.75 \$
70.1 to 75.0 km	21.50 \$	63.25 \$	84.75 \$
75.1 to 80.0 km	21.50 \$	68.25 \$	89.75 \$

and an extra 4.00 \$ per additional 5 km.

EXAMPLE

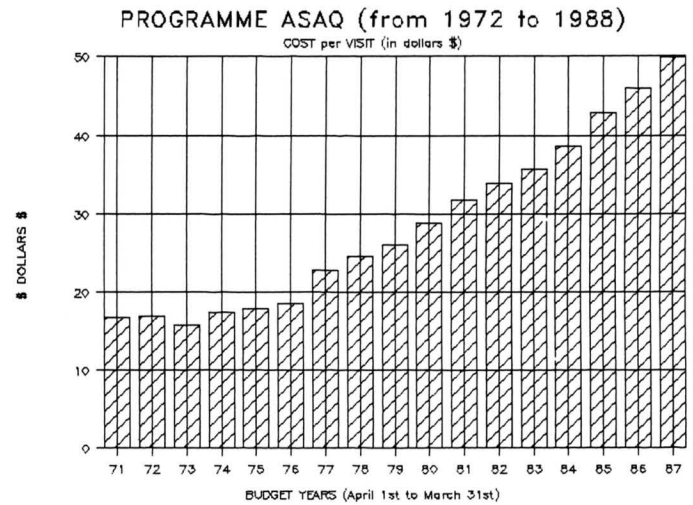
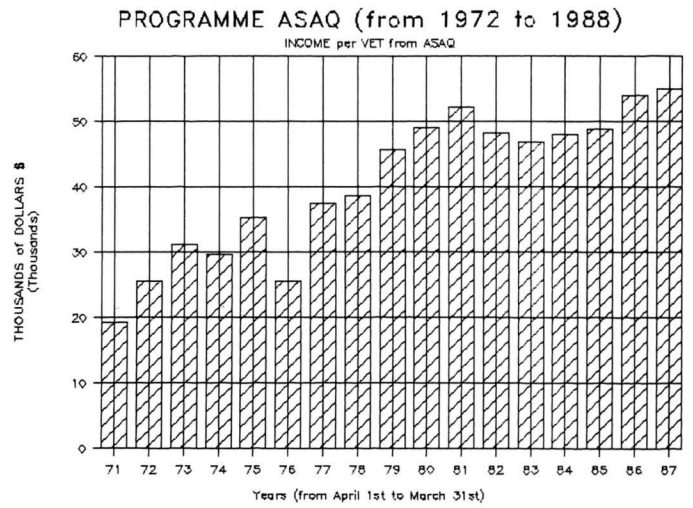
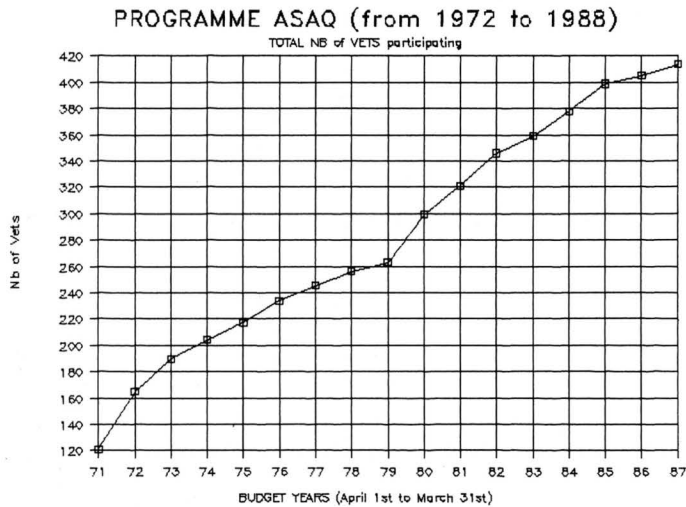
Total Cost of an Embryo Transfer Performed on the Farm of a Producer < 25 km Away:

MAPAQ PRODUCER TOTAL

1. Preparation of a donor cow and receiver cows			
Tariff of the visit	10.50 \$	12.50 \$	23.00 \$
1 HOUR of work	29.70 \$	36.30 \$	66.00 \$
2. Flushing and identifying embryos			
Tariff of the visit	10.50 \$	12.50 \$	23.00 \$
Flushing	125.00 \$	125.00 \$	250.00 \$
3. Transfer of 5 live embryos			
Transfer	75.00 \$	75.00 \$	150.00 \$
4. Certification of pregnancies			
Tariff of the visit	10.50 \$	12.50 \$	23.00 \$
4 pregnancies	200.00 \$	200.00 \$	400.00 \$
GRAND TOTAL:	461.20 \$	473.80 \$	935.00 \$
PLUS: COST OF DRUGS AND MATERIAL			

Results

The AMVPQ has had, on a regular basis, a private firm survey its members' income resulting from ASAQ and other sources. The AMVPQ also has done some statistics from the number of veterinarians participating on the program, the total income from the Program, and an average on the income per visit. Here are some of the graphic representations of these statistics:



Analysis of Income and Related Expenses of the Members of A.M.V.P.Q. For the Budget Year 1986-1987

Results of the Survey:

	1984-1985	1986-1987
Income		
ASAQ	80,365 \$	82,154 \$
Large Animals	4,156 \$	2,810 \$
Small Animals	6,805 \$	6,058 \$
Sales of Drugs	59,419 \$	71,057 \$
Other Income	1,113 \$	1,950 \$
Total Income	151,858 \$	164,029 \$
Cost of Drugs	48,678 \$	57,094 \$
Gross Income	103,180 \$	106,935 \$
Expenses		
	47,504 \$	42,537 \$

Profit Before		
Cost Allowance	55,676 \$	64,398 \$
Total Cost Allowance	3,158 \$	4,366 \$
NET PROFIT	52,518 \$	60,032 \$

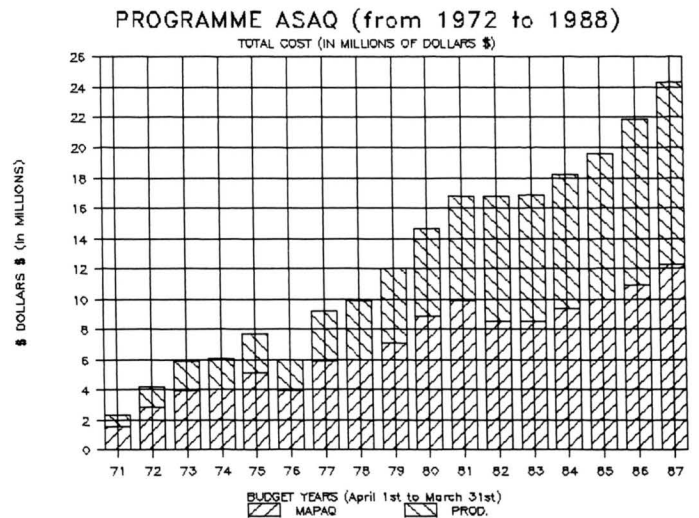
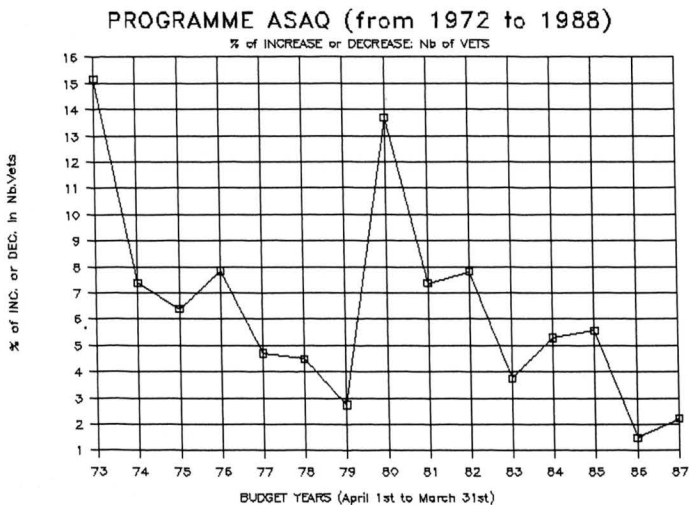
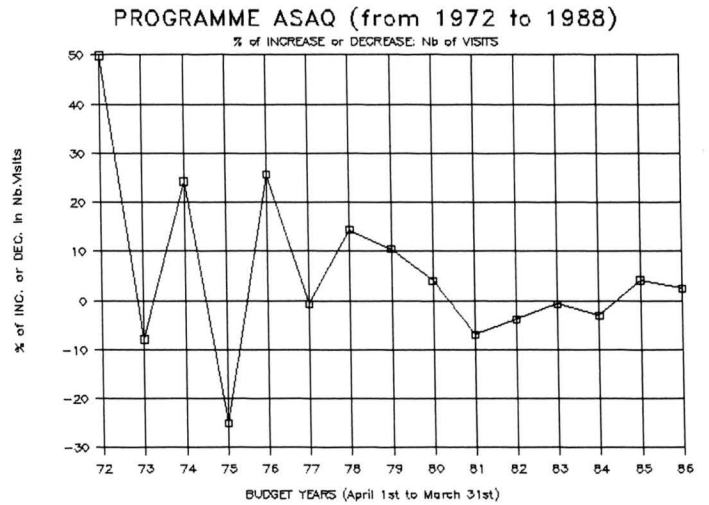
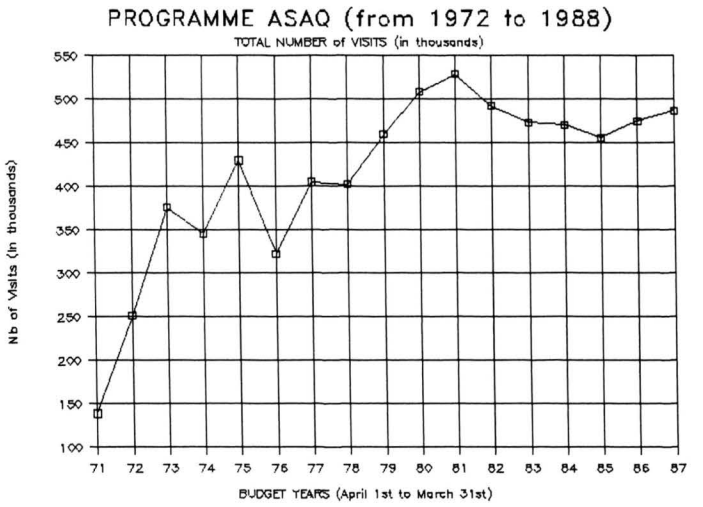
Source: SECOR survey prepared in 1987 for AMVPQ.

Statistics of the A.S.A.Q. Program

Year 1987 - 1988

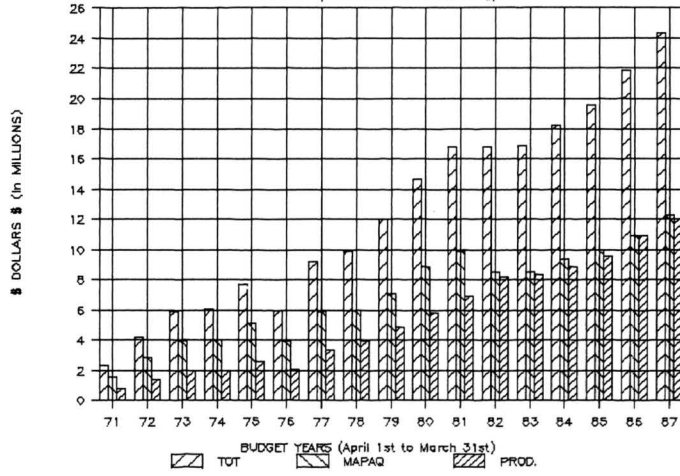
Total Number of Veterinarians Participating		414
Number of Men	365	
Number of Women	49	
Number of Veterinarians Earning > 80,000 \$		114
Number of Veterinarians Earning : 80,000 \$ <> 100,000 \$		72
Number of Veterinarians Earning > 100,000 \$		42
Number of Veterinarians Earning > 50,000 \$		258
Number of Veterinarians Earning < 10,000 \$		52
Number of Veterinarians Earning < 5,000 \$		30
Number of Veterinarians Earning < 1,000 \$		10
Number of Veterinarians Earning < 500 \$		6

Average Earnings for Total Number of Veterinarians	60,000 \$
Average Earnings per Visit	50 \$



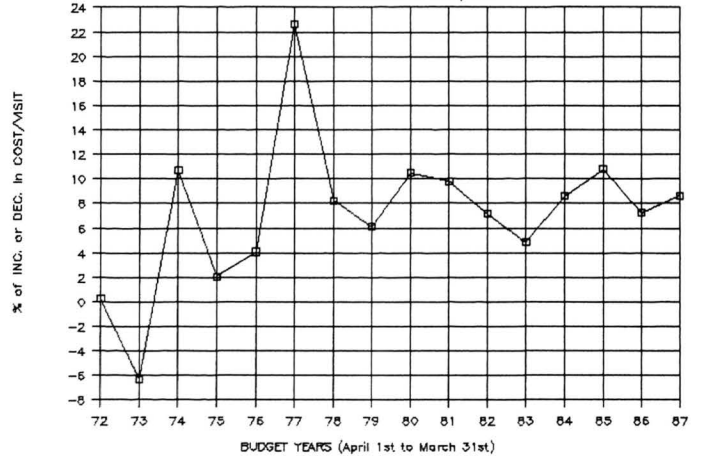
PROGRAMME ASAQ (from 1972 to 1988)

TOTAL COST (IN MILLIONS OF DOLLARS \$)



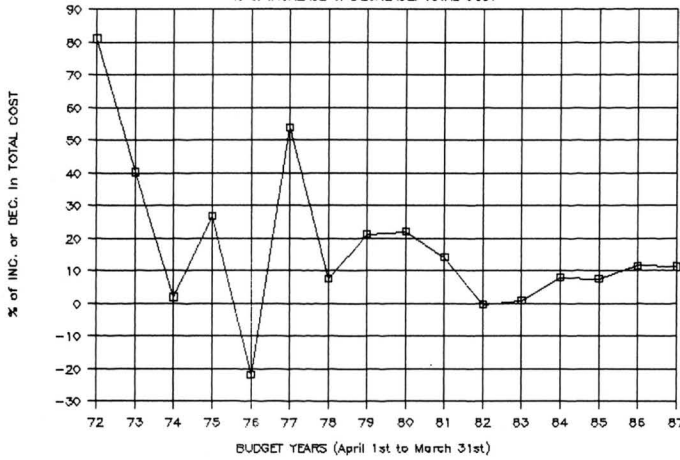
PROGRAMME ASAQ (from 1972 to 1988)

% of INCREASE or DECREASE: COST/VISIT



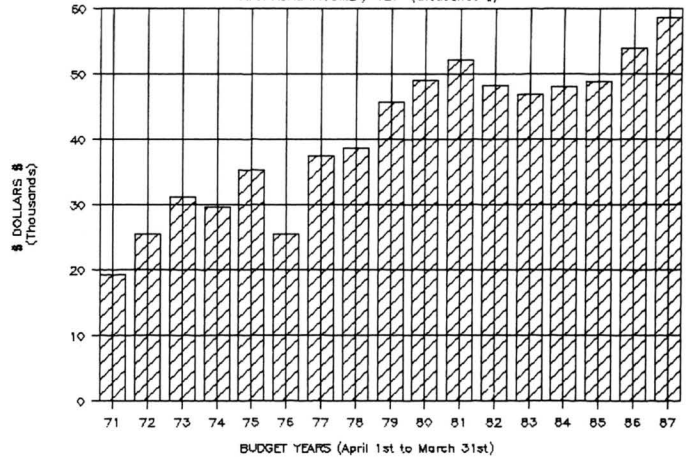
PROGRAMME ASAQ (from 1972 to 1988)

% of INCREASE or DECREASE: TOTAL COST



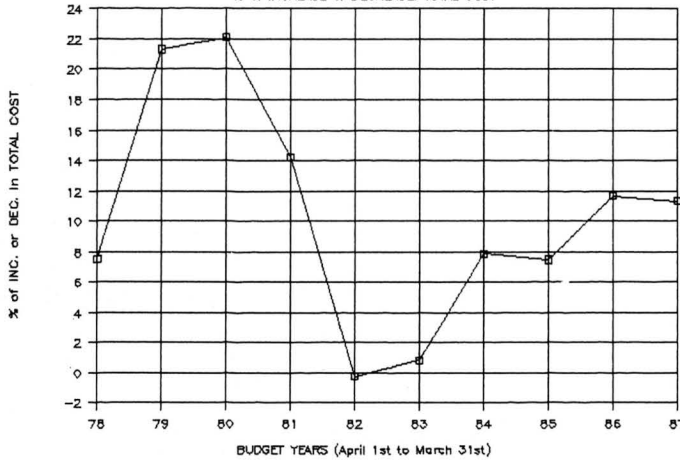
PROGRAMME ASAQ (from 1972 to 1988)

AVG. ASAQ INCOME / VET (thousands \$)



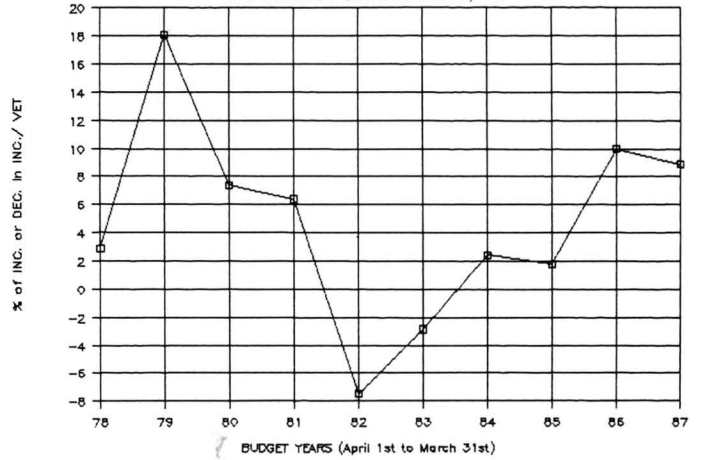
PROGRAMME ASAQ (from 1972 to 1988)

% of INCREASE or DECREASE: TOTAL COST



PROGRAMME ASAQ (from 1972 to 1988)

% of INCREASE or DECREASE: INCOME / VET



Conclusions

The program certainly has attained its primary objectives of standardizing veterinary costs to the producer regardless of the distance between the farm and the veterinarian's office. It also succeeded in having more veterinarians wanting to practice in outlying areas. The drug distributing center is certainly doing its job by presenting in the last year a gross income of close to 40 million dollars in drug sales, half of those to veterinarians practicing under the program.

The program also changed the way practitioners practice their work. First, it contributed a lot to the organization of practices in multi-men, multi-services practices. By grouping, veterinarians got better life conditions and were able to offer better medicine and a broader variety of quality services. One of the factors is that there is an annual limit per veterinarian on the amount of money from the program. The actual limit for honoraries from the program per veterinarian is set at \$115,650 per year for the

first year, \$120,300 for the second year, and \$125,000 for the third year. After attaining these limits, the MAPAQ will only be contributing to 30% of its normal rates for the next \$2,000 and 20% of its rates for the next \$1,350. After this, the veterinarian will be collecting only from the producer.

Second, it contributed a lot in orienting the veterinarians from a curative medicine to a preventive type approach. The type of approach used mostly in the older days of the program was that known as treating an individual animal for a precise medical problem. The honoraries were mostly charged by the visit or by the medical procedure.

Nowadays, the approach is more on a herd basis and consists more of a preventive type of medicine. Management is the thing, and is mostly charged by the hour.

The two main goals set by Judge April in 1965 have come a long way but still remain. The use of veterinary services has increased hundredfolds, and we veterinarians are certainly collecting for it!!

