



Ask the Financial Expert

This column is brought to you by AAEP Educational Partner Synchrony, provider of the CareCredit financing solution.

My clients already have credit cards. Why should I bother with a financing solution?

BY BOO LARSEN

It's a logical question. In fact, it's one we at CareCredit get from healthcare providers of all kinds. "Why do I need to offer another payment option if I already accept general-purpose credit cards?" The answer can be summed up simply: Budget-friendly payment options help clients access the care their horses need in a timely way. Let's take a closer look.

CONSUMERS WANT FLEXIBILITY

At CareCredit, we've been studying financing and payment trends for decades, and we know what consumers want:

- **Payment options.** More than half (59%) of veterinary clients say it's important that their pet care provider offer a variety of payment options.¹
- **Immediate care.** 78% of veterinary consumers said they would consider a financing option if it meant they could receive medical treatment right away.¹

What this boils down to is flexibility. Like other consumers, horse owners want the ability to choose from



a range of payment options in a way that fits their budget. And providing them with that flexibility helps support a good financial experience when they seek care through your practice.

PAYMENT OPTIONS CREATE HEALTHY FINANCIAL RELATIONSHIPS

Empowering horse owners with payment options leads to a partnership that places the health and well-being of the horse at the center. In fact, taking a proactive approach—such as communicating payment options as a regular part of your client communications. This proactive approach can help prevent surprises, reduce stress

and encourage more clients to be financially prepared. It can also help build stronger relationships built on financial transparency and trust.

FINANCING CAN HELP YOU PROVIDE OPTIMUM PATIENT CARE

A common misperception is that financing is just for emergencies or major expenses. The reality is that it can be—and is—used for routine care, medications, supplements, dentistry and much more. In fact, a recent study of CareCredit customers showed the following:¹

- 85% use financing for all types of veterinary care, from routine to unexpected.
- 88% say veterinary care financing is a tool that helps with unplanned healthcare expenses, so they'll always be prepared.

In short, empowering horse owners with a flexible, budget-friendly way to pay for veterinary care helps provide them with peace of mind. That means, together, you can both focus on what's most important: the health of the horses in your care. And isn't that what's at the heart of it all?



To discover more about how veterinary financing can help you, your patients, your clients and your practice, [visit CareCredit's Equine Insights page.](#)

Boo Larsen is vice president and general manager of the veterinary profession for CareCredit, a Synchrony solution.

¹CareCredit Path to Care: Pet Care Findings, conducted by Chadwick Martin Bailey on behalf of CareCredit October 2021.

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I'm sick of not getting paid on time—or at all. How can I get better at collecting and improve my cash flow?

BY KYLE PALMER, CVT

First off, congratulations on asking the question. Most equine practitioners would rather float teeth on Clydesdales with hand tools all day than work on the business side of their practice. But without revenue there is no practice, which means collecting has to be a top priority. Here are a few strategies for shrinking that pile of accounts receivable.

1. CHANGE YOUR MINDSET.

Squeamishness about asking for payment or discounting fees when clients push back stems from misunderstanding your worth. You bring tremendous value to clients and horses, and it's time to recognize that. Your fees reflect your value, so there's no need to apologize when it's time for clients to pay.

2. CREATE A FINANCIAL POLICY AND STICK TO IT.

If you don't have a written policy, create one that states payment is expected at the time of service. Proactively communicate your policy to every client. Post it in your reception area, on your website and at the bottom of

estimates. Make your policy clear to begin with, **then stand by it without exception.**

3. ADDRESS COST UP FRONT.

Speaking of estimates, make sure to provide treatment plans with costs listed out, especially for routine care. When horse owners understand your fees from the outset and have a chance to ask questions, there's less friction when it's time for payment.

4. PLAN AHEAD FOR ABSENTEE OWNERS.

When you work with large boarding or training operations, the owner may be in another location. Find out who's financially responsible when scheduling the appointment. Set up a payment method in advance, such as the CareCredit credit card, and confirm you'll text a link once services are rendered so the client can pay using their mobile device.

5. GET COMFORTABLE WITH TECHNOLOGY.

The last few years have seen phenomenal advances in mobile and contactless payment solutions. Once your clients are

set up, collecting becomes as easy as a scan of a QR code and a few clicks on a smart device. A mobile payment method cuts down on the number of times you hear, "Gosh, I left my checkbook in the house."

6. OFFER OPTIONS FOR CARE AND PAYMENT.

It happens: Sometimes clients can't afford your full recommendation. Instead of waiving or discounting your fees or opting for deferred billing, talk through financially feasible treatment options. This might mean providing some care now and some later, or offering a third-party payment option that lets the client accept the full plan now and spread the cost out in a budget-friendly way.

No matter how long you've sent invoices, you can make a change that improves your practice health. Diligence and communication about your financial policies can strengthen client relationships. Fewer accounts receivable, stronger client bonds, and better care for horses—who wouldn't want that?



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Kyle Palmer, CVT, manages VCA Salem Animal Hospital in Oregon. During his 30 years in the veterinary field he has been manager of a mixed equine and companion animal practice, executive director of Northwest Equine Practitioners Association, a consultant, and an author in veterinary management magazines.

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How do I decrease accounts receivable in my ambulatory practice?

BY LINDA HAGERMAN, DVM

Equine practice is a highly rewarding career, but it's not an easy one, especially for ambulatory practitioners. Balancing the demands of daily practice with the needs of the business while on the road is challenging, to say the least. But to provide prosperous careers for ourselves and our employees, and to keep our practices viable, we must make our financial health a priority. Collecting payment at the time of service and maintaining low accounts receivable (A/R) is a key way to ensure a thriving practice. Here are some strategies to help you do this.

DEVELOP A CULTURE OF COLLECTION

Collecting payment at the time of service is a whole-team effort. The practice owner and/or manager leads the effort by creating a financial policy that states payment is required when services are provided. They then share the policy with associates, staff and clients and create a system of regular follow-up to ensure it's being upheld.

If your clients are used to receiving a bill, manage their expectations through proactive

communication. Discuss payment options when appointments are scheduled and again when you present your treatment plan and associated costs. This can help head off uncomfortable financial conversations when it's time to pay. With time and consistency, you'll see your practice culture change.

BE SELECTIVE

If a new client calls with an emergency, take time to talk to them on the phone to assess their situation. Find out who their regular veterinarian is, give them a cost estimate and establish the method of payment before heading out to help. Be especially careful if there are other veterinarians closer to them—the client may be in arrears with surrounding practices.

MONITOR YOUR METRICS

To meet your financial goals, be mindful of key performance metrics. Keep your A/R total under 9% of revenue and your days-to-collection number as low as possible—here's the formula:

- $\text{A/R beginning of period} + \text{A/R end of period} \div 2 = \text{Average A/R}$
- $\text{Total sales} \div \text{Average A/R} = \% \text{ of A/R to sales}$
- $\% \text{ of A/R to sales} \times 365 = \text{Days to collection}$

MY TIPS FOR MANAGING ACCOUNTS RECEIVABLE

- **Make sure payment is worked out** before providing services. Establish the payment method when the appointment is booked.
- **Make your billing period** from the previous 16th to the current 15th of the month. This aligns with client end-of-month bill payment habits.
- **Offer flexible financing with the CareCredit** health, wellness and animal care credit card, which provides a mobile-friendly experience accessible anywhere.
- **Take card readers in the field** to collect credit and debit payments, and accept online options such as PayPal, Venmo and CareCredit.
- **Do not accept checks** from first-time clients.
- **Be prepared with a collections strategy** if clients don't pay.

TAKE-HOME MESSAGE

The success of a veterinary practice is determined by a mix of business and veterinary skills, yet few of us get the business education we need during veterinary school. We can start by collecting payment at time of service and decreasing A/R to create more profitable practices that let us continue providing care to the horses and clients that need it.



To discover more about how veterinary financing can help you, your patients, your clients and your practice, visit [CareCredit's Equine Insights page](https://carecredit.com/mycustomlink). Learn how you can provide the contactless digital financing clients want at carecredit.com/mycustomlink.

Dr. Linda Hagerman has owned Tacoma Equine Hospital in Tacoma, Washington, since 2000. She and her five associates focus on providing outstanding preventive care along with advanced specialty services for those who need it. She was a speaker at the 2022 AAEP Convention.

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How can I help my clients be financially prepared for equine care?

BY MIKE POWNALL, DVM, MBA

How many times have you found yourself in the following scenario? A horse needs emergency care, but the owner balks at the cost. They ask if your practice can extend credit. While you discuss options, the horse is suffering and your frustration grows. Why don't they have insurance or an emergency fund? Why are they so unprepared? Don't they know horses are accidents waiting to happen?

As equine practitioners we deal with clients' financial challenges on a regular basis. And these challenges aren't limited to emergencies: horse owners are often just as unprepared to pay for routine care or chronic issues such as ongoing lameness. The solution is to offer clients financial care just as you provide patient care. Here are four strategies that can help you do this.

1 Build a healthy financial relationship from day one.

Be proactive about establishing a financial relationship with your clients early on. This means helping them figure out a way to pay before the crisis moment. Be open and transparent about the cost of equine care, and discuss the payment options you offer to help

them be ready for the unexpected (and the expected) throughout their horse's lifetime.

2 Be aware of the financial realities horse owners face.

Depending on the type of horse they own (competitive, recreational or backyard), your clients may spend anywhere from nearly \$300,000 to \$900,000-plus taking care of their horse over its life.¹ What's more, owners tend to vastly underestimate these costs, spending three or four times more on their horses than they realize—no wonder 85% of them feel some kind of stress about horse-related expenditures.¹ Your understanding of these realities can lead to empathy and a foundation of trust between you and your clients.

3 Have a clear financial policy that sets the stage for lifelong care.

An ideal veterinary service agreement establishes your expectation that payment will be rendered at the time of service, lists the types of payment you accept, and highlights the value of your expertise in keeping horses healthy. In addition to sharing your policy at the first client visit, make sure to post it on your website and include it in brochures, treatment plans, invoices, client newsletters and so on.

4 Offer payment options that give clients a way to manage costs.

Insurance, wellness plans and financing solutions such as the CareCredit health and animal care credit card are all excellent ways to help clients manage lifelong costs. Everyone on your team—CSRs, technicians, practice managers, billing coordinators and veterinarians—should be comfortable talking about these options. Consider staff training focused on cost-of-care discussions (CareCredit offers a number of resources at carecredit.com/equineinsights), and note that financing is not just for emergencies—many horse owners use it for preventive care too. To make it easy for them to pay, provide convenient online and mobile payment options accessible through their phones or computers.

In my experience, the biggest benefit of these financial strategies is healthier horses getting the care they need. Whether you're dealing with an emergency colic or routine vaccination series, wouldn't you prefer to get right to providing care? Clients who are prepared with an established way to pay are much more likely to help you do just that.

1. CareCredit Equine Lifetime of Care Study, 2023, equinelifetimeofcare.com. CareCredit is a Synchrony solution.



To discover more about how veterinary financing can help you, your patients, your clients and your practice, visit [CareCredit's Equine Insights page](https://carecredit.com/equineinsights). Learn how you can provide the contactless digital financing clients want at carecredit.com/mycustomlink.

Dr. Mike Pownall, co-owner of McKee-Pownall Equine Services near Toronto, is a practicing veterinarian and veterinary business management consultant. He writes and speaks frequently on business topics for the equine veterinary profession.

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