



The Standard of
Veterinary Excellence

AAHA Member Connection



Keeping you posted on the latest from AAHA!

July 2010

ACCREDITATION MYTH #5

AAHA accreditation won't necessarily help my bottom line.

Data from AAHA's latest *Financial & Productivity Pulsepoints* shows accredited practices rated higher in the following key areas than both nonaccredited and nonmember practices:

Total Revenue = \$1,248,843 vs. \$898,000 and \$698,023

Revenue per Veterinarian = \$492,264 vs. \$436,812 and \$415,418

Number of Active Clients = 3,003 vs. 2,771 and 2,430

Number of Transactions per Active Client = 4.5 vs. 3.8 and 3.6

Average Transaction Charge = \$108 vs. \$103 and \$95

Net Income Before Owner Compensation (per FTE Owner) = \$234,509 vs. \$200,603 and \$155,556

These gaps will only continue to grow as more and more pet owners learn about accreditation and what it means through the \$1 million Accreditation Awareness Campaign.

AAHA Nutritional Assessment Guidelines

Good nutrition enhances pets' quality of life and is integral to optimal animal health. AAHA has recognized the need to develop nutritional assessment guidelines because there are many factors to be considered in evaluating the nutritional requirements of a healthy dog or cat. The goal of the guidelines is to provide a framework to assist veterinary staff in making nutritional assessments and recommendations for their patients. The *AAHA Nutritional Assessment Guidelines* will be available in early July at www.aahanet.org.

AAHA Coming to a Conference Near You

AAHA will be exhibiting at the 147th AVMA Convention in Atlanta, Ga., July 31 – August 3. If you are attending the convention, we encourage you to stop by Booth 532 and meet with one of our practice consultants to discover the exciting things that are happening at AAHA. Free luggage tags will be available, as well as AAHA Press publications at an exclusive conference special of 10% off, plus free shipping within the U.S. and Canada.

Don't miss out! Stop by Booth 532 at the AVMA conference!

AAHA Press Publishes Sixth Edition of *Compensation and Benefits*

The Institute for Employment Research says turnover costs can be as much as 200% of the position's salary. Can you afford to lose your most valuable asset – your team?

It's tempting, especially in this economy, to say that your compensation and benefits are "good enough." But poor compensation and benefits packages can cost us in high turnover, low morale and lost productivity in the long run.

The sixth edition of *Compensation & Benefits* is filled with important data to help you hire and retain the best employees. The newest edition of AAHA's landmark statistical report includes our latest survey results on compensation and benefits packages for full- and part-time associates, managers, technicians, and other staff, plus a discussion of the factors that influence veterinarians' compensation.

[Compensation and Benefits, 6th Edition](#), will help you:

- Design packages to hire and retain a successful team
- Evaluate your existing packages
- Feel confident in your offers and alleviate apprehension during negotiations
- Consider nontraditional benefits that may make sense for your practice and team

We've added valuable data showing correlations between the number of years a new associate has been out of school and salary, annual production dollars, annual number of production invoices and annual dollars per invoice. We've also broken the data down based on practice revenue to help you compare your compensation and benefits packages to practices similar to yours.

With data from the summer of 2009, this is your most up-to-date, comprehensive resource of compensation and benefits for the entire practice team! Call 800/883-6301 or visit the [AAHA Store online](#) to update your practice library today, and receive free shipping when you use the code CBEN6_OFRR!

P.S. [Order the 6th edition of Compensation and Benefits as a set](#) with *Financial & Productivity*

Pulsepoints and The Veterinary Fee Reference and save even more!

Certificate Programs Available for Receptionists and Assistants

Give your staff the opportunity to earn their [Veterinary Receptionist Certificate or Veterinary Assistant Certificate](#) online through the AAHA and Cedar Valley College partnership.

[These certificate programs](#) allow you to offer your staff a benefit that benefits you — the opportunity to grow themselves personally and professionally, while becoming more valuable to your practice. Educating more employees means that more tasks can be delegated. You can improve the efficiency and profitability of your practice, not to mention increase staff loyalty and raise your standard of care with the help of these programs. Make their work more meaningful and have more confidence in their performance.

Benefits:

- You can feel comfortable with the credibility of these well-established programs from organizations that, combined, have been designing CE for more than a century
- Online learning allows staff to work full-time while learning
- Every course is offered three times per year — in the fall, spring and summer
- Flexible scheduling designed specifically for working adults means no commuting or altering work and family life to accommodate class
- Optimal student-teacher contact is provided with professors available via phone or email for questions and support

Fall semester enrollment opens August 16. [Go online](#) or call 800/883-6301 for more information and to register.

AAHA Foundation Recognizes Monroeville Pet Hospital

The AAHA Foundation recognizes Monroeville Pet Hospital of Monroeville, Pa. for their support of the Foundation's programs. Monroeville Pet Hospital has joined the AAHA Helping Pets Fund Founders' Circle with donations totaling more than \$10,000! Thank you to Dr. Jana Oster and Monroeville Pet Hospital for your dedication to pets in need and for helping us make a difference for so many!

AAHA Board of Directors Applications Due August 2

Your opportunity to give back to the veterinary industry as a member of one of the most respected Associations in the profession is just a [click](#) away. AAHA is looked to by veterinarians across the profession as the leader in small animal practice, and your presence on the board means you play a vital role in the livelihood of the industry. Start the [application process](#) today!

The following positions are open: three veterinarian directors, one practice manager director, vice president and president-elect.

Call 720/963-4458 or email tara.marquis@aahanet.org for more information. Applications are due August 2, 2010.

Begin Your Quest for the 2011 Accredited Practice of the Year

The goal of these awards is to recognize the outstanding achievements of AAHA-accredited practices, and 2011 is introducing a category for referral practices. Applicants are evaluated on their most recent accreditation score, mission and vision, hospital photos, staffing levels appropriate to FTE veterinarians, continuing education and training, community service, and compliance improvement efforts.

[Click here](#) to view a slide show complete with interviews from the 2010 Accredited Practice of the Year winners.

Application packets for next year's awards are available [online](#). You can also obtain them by calling 800/883-6301.

Learn How to Create Success in Today's Economy

It's not easy steering your practice through tough economic times, but Matsco is here to help. Our new Practice Survival Workshop provides the tools and information you need to understand how your practice is performing and proven strategies to ensure it's on the path to success.

In this interactive workshop you'll discover:

- Secrets to improving cash flow management and budgeting
- How to make the most of your marketing investment
- Keys to attracting more patients to your practice
- Leadership skills you can develop to inspire your team
- Financial resources and products available to you

You'll also receive a Practice Survival Kit, chock full of valuable, hands-on tools for navigating your practice through difficult times – whether from an uncertain economy, or simply the day-to-day challenges of managing a competitive business.

Don't miss this opportunity! The information and guidance you receive in this powerful half-day workshop can mean the difference between simply succeeding – and successfully thriving! Plus, it's free for Matsco clients (with a refundable deposit to reserve your space), and just \$250 for guests.

Space is limited so sign up today! Find a location near you and reserve your space at www.matsco.com/PSW.

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Schedule a Check-Up for Your Business Insurance Policy Today

You know how important an annual wellness exam is to your patients, but do you apply this same principal to your practice's well-being? Insurance is a key element to maintain your practice's health. And for it to be useful, you need to check it and revise it regularly to ensure your limits reflect today's market value of your equipment and property. Avoid finding yourself underinsured and check your business property limits for the below items. Does your limit match what it would cost you today to replace these items? If they don't match, then you have a gap in coverage.

- Ultrasound and Radiology Machines
- Maintenance Equipment
- Computers
- Scales
- Over the Counter Merchandise
- Overhead Surgical Lights
- Radiology Equipment (Aprons, Cassettes, etc.)
- Medication
- Animal Food
- Dental Equipment

How did you do? Don't risk paying expenses that could be covered by insurance. For a complete examination of your business insurance, please call the AAHA Business Insurance Program at 866/380-AAHA (2242) or [click here to apply online](#).

New Fixed Rate SBA Loan Offers More Practice Financing Options for

Veterinarians

Matsco, Wells Fargo's practice finance group, now offers access to a SBA 7(a) loan with a fixed rate for the life of the loan. The fixed rate option features the same low down-payment and low monthly payments as all SBA loans. The fixed rate 7(a) can be used to purchase real estate, expand your practice or for the acquisition of a practice. Now you can take advantage of SBA financing and also get the peace of mind that comes with a fixed rate and no balloon payments.

So when you're thinking of expanding your practice or buying your own building – or both – contact Matsco. With rates at all-time lows, now's the time to take advantage of this unique opportunity and get a fixed rate for the life of the loan.

For more information about our financing programs, call Dave Kaneda, Vice President, Commercial Real Estate at 800/326-0376, extension 3230.

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Vetstreet's Online Store Keeps Revenue in the Practice

These days practices face challenges from online and brick-and-mortar retailers cutting into food and drug sales. Vetstreet's unique online store can keep that revenue stream in your practice while helping you ensure that your clients get the highest quality products. Vetstreet does the work, giving your clients the convenience of online shopping, combined with the confidence of buying from the source they trust most – your practice.

The online store works through Vetstreet's Pet and Vet Portal system and gives you the ability to set prices and remain the product provider while Vetstreet manages the inventory and coordinates shipments to your clients. In addition to simplifying the process of providing prescription and diet sales to your clients, Vetstreet's online store also gives you reliable data into what is selling and who is buying.

The process for approving prescription and diet sales to your clients is simple, straightforward, and easily integrated into the daily routine of your healthcare team. Your store is branded to your practice and, in addition to helping offer high quality products and maintaining sales from your practice, helps to build and strengthen your relationships with your clients. For further information, visit www.vetstreet.com or call 888/799-8387 and press option 4.

2010 Roth Conversions

Prior to 2010, both single and married couples with a modified gross income greater than or equal to \$100,000 were ineligible for Roth IRA conversions. Those who were married and filing separately were ineligible to convert regardless of income. The elimination of income limits on Roth conversions and the anticipated "sunset" of the Bush Administration tax cuts (the reduction in the highest marginal tax rate from 39.6% to 35%) for 2010 may present a window of opportunity for some higher wage earners in 2010. Anybody with an IRA, old 401(k) or other type of retirement plan with a previous employer might consider converting.

Just for 2010, the IRS has set up a special provision allowing the tax liability on the income to be claimed from the conversion to be spread over two years. You can defer 50% of the conversion amount until 2011 and 50% until 2012. Thus, you may be able to pay lower taxes now than if you were to convert in a later year or wait to pay taxes in retirement. Conversions after 2010 are included in income during the tax year in which the conversion is completed.

How do you decide if a Roth conversion is right for you? If you foresee higher tax rates in retirement or plan on leaving your savings to heirs, a Roth conversion may allow you to pay lower taxes now than if you wait until retirement. Keep in mind that if you choose to take advantage of spreading the income taxes due over a two-year period, the tax rates are determined in 2011 and 2012. Should your income rise in 2012, you can generally expect to pay more in taxes that year. If you are not prepared to write a big tax check, conversion costs may outweigh the potential benefits. Also consider your time horizon to retirement – if less than five years, amounts withdrawn from the Roth IRA may be subject to a 10% penalty and conversion may not make sense.

AXA Equitable's Members Retirement Program is a full-service provider of retirement plans designed to minimize the amount of time and money AAHA members spend managing their plans. If you are

interested in finding out more, call 800/523-1125, ext. 5986 or visit us at www.axa-equitable.com/mrp. This article is meant for informational purposes only. Please contact your tax and/or legal advisors regarding your particular circumstances. AXA Equitable and its affiliates do not offer tax or legal advice. The Members Retirement Program is funded by a group variable annuity contract issued and distributed by AXA Equitable Life Insurance Company (NY, NY).

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The Top Five PCI Requirements for Animal Hospitals

Protect cardholder data

- Never display the full card account number or expiration date on receipts.
- Ensure that your terminals/software are secure.
- Regularly inspect equipment and ensure it has not been tampered with.

Do not transmit cardholder data across unsecure communication methods

- Your employees should never communicate customers' account information such as credit card numbers or expiration dates via unsecured emails, instant messaging or in chat rooms.
- Your organization must have written policies in place that are regularly distributed to your personnel and detail rules that apply to the communication of sensitive customers' information.

Restrict access to cardholder data by business need to know

- Access to customers' account data should be limited to employees who have a business need to know and such access should be monitored regularly.

Restrict physical access to cardholder data

- Receipts or any media containing cardholder data must be identified as "confidential" and remain physically secured at all times.
- When cardholder data is no longer needed, the data should be securely destroyed.

Maintain a policy that addresses information security

- Documented information security policies make it easier to communicate to staff and help ensure that all information security requirements are addressed.
- Such policies should be reviewed and distributed at least annually and address the type of technologies used by your practice, such as wireless and remote access.

Need help determining whether or not your practice is compliant? Contact Wells Fargo Merchant Services at 866/319-9466 or by email at aaha@wellsfargo.com.

Payment Networks Increase Assessment Fees

There are several changes occurring within the payment networks (Visa®, MasterCard® and Discover® Network) that are important for you to know, since they will have an effect on your bottom line. You will also want to keep this information in mind when shopping for a payment processing service, as all processors are subject to these price increases.

Periodically, the payment networks initiate updates to their pass-through fees. These fees will either appear as a separate line item on your statement or will increase your bundled rate. Effective April 1, 2010, MasterCard increased the acquirer service fee (also known as an assessment fee) from 0.0925% to 0.110%. Effective July 1, 2010, Visa will increase their assessment fee from 0.0925% to 0.11%. Effective October 1, 2010, Discover will increase their assessment fee from 0.0925% to 0.11%.

This information was provided by AAHA's preferred payment processing provider, Wells Fargo Merchant Services. If you have any questions about your payment processing fees or are interested in

a free rate review from the AAHA program, please contact Wells Fargo Merchant Services at 866/319-9466 or by email at aaha@wellsfargo.com.

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