

Chapter 1

Description of the Practice of Veterinary Medicine

History

Doctors of Veterinary Medicine are medical professionals, whose primary responsibility is protecting the health and welfare of animals and people. The first College of Veterinary Medicine in the United States was established in 1879 at Iowa State University. Before that time animals were treated by veterinarians trained in Europe or by individuals without formal education. Veterinary medicine has progressed very rapidly in the one-hundred plus years since then. Veterinarians have been at the forefront in control of diseases such as tuberculosis, brucellosis, hog cholera, and Newcastle disease of chickens.

Today veterinarians in private clinical practice are responsible for the health of approximately 52 million dogs, 55 million cats, 11.7 million birds, and more than 7 million other pet animals. They also care for more than 8 million horses, 115 million cattle, 56 million hogs, and 12 million sheep and lambs that make up our nation's \$80 trillion livestock industry. In 1995, there were 27 colleges of veterinary medicine in the United States graduating approximately 2,100 new veterinarians each year.

Demographics of Veterinarians

There are, based on 1998 data from the American Veterinary Medical Association (AVMA), 75,000 veterinarians in the United States. Of those, 62,016 (83 percent) are members of the AVMA.

The 62,016 are further broken down by the following categories:

- 4,453 Large Animal Practice (Horse, Cattle, Sheep, Goats, Swine, etc.)
- 13,752 Mixed Practice (Large Animal and Pet Animal)
- 28,620 Small Animal Practice (Dogs, Cats, and other pets)
- 46,825 (76 percent of AVMA members are providing direct service to animals in a practice setting)

The remainders are in academia, research, state and federal government employment (including military), and public health

laboratory examinations, act as a pharmacist, perform surgery, and advise the animal owners on ways to keep pets and livestock well nourished and healthy.

They may see their patients in a veterinary hospital or they may care for their patients on farms, ranches, feedlots, or other facilities. There are a very limited number of veterinary hospitals that are publicly supported. Veterinarians, in most cases, either own the building and equipment used to provide medical services for their patients outright, or rent it from a related entity.

Veterinarians, especially those who care for the "large" food producing animals and horses, must maintain large inventories of animal drugs and supplies to provide these services since

to disease outbreaks or requests for vaccination. Determine what types of inventory records are maintained and how often a physical inventory is taken.

Be aware that many large animal veterinarians often keep cattle, horses, or swine on their own farms. Determine at the initial interview how personal use items are accounted for by the veterinarian.

Large animal practices are also subject to seasonal fluctuations in the workload due to the differing demands of the animals treated. For instance, a practice devoted mainly to the treatment of cattle tends to be busiest during the spring and again during the last three months of the year. A practice specializing in the care of horses will have its busiest season during the spring. Seasonal fluctuations in business should be fully explored and documented during the initial interview and reconciled to the taxpayer's records. (See Chapter 2 for a complete discussion on selection of a taxable year.)

B. Small Animal

Small animal practices vary from large animal practices in several ways. Most of their customers come to the practice premises to be treated and payment is expected at the time the treatment or service is rendered. However, due to the ever increasing cost of treatments, more and more veterinarians are allowing payment schedules. In addition, there are now several national pet insurance companies. These companies allow the customer to select any veterinarian nationwide and then will make a payment to the veterinarian or the insured based on a schedule of allowances less a small deductible. For this reason even small animal practices may maintain an accounts receivable. How and when payment is expected should be discussed during the initial interview.

Since small animals are treated one at a time, not in herds, generally the need to maintain large inventories of drugs and supplies will also be diminished. A recent trend in small animal practices has been to combine several small animal practices under one common ownership creating a larger economic unit with which to obtain pricing discounts on purchases of drugs and supplies. These larger organizations often maintain central purchasing and inventory facilities and will maintain larger

Exhibit 1-1

Industry Organizations

1. Agricultural Research Service www.ars.usda.gov
2. American Animal Hospital Association www.healthypet.com
3. American Association for Accreditation of Laboratory Animal Care (*now know as*
Association for Assessment and Accreditation of Laboratory Animal Care International
(AAALAC International) www.aaalac.org
4. American Society for the Prevention of Cruelty to Animals www.asPCA.org
5. American Veterinary Medical Association www.avma.org
6. Animal and Plant Health Inspection Service www.aphis.usda.gov
7. Association of American Veterinary Medical Colleges www.aavmc.org
8. Centers for Disease Control and Prevention www.cdc.gov
9. Environmental Protection Agency www.epa.gov
10. Food and Drug Administration www.fda.gov
11. Food Safety and Inspection Service www.fsis.usda.gov
12. National Animal Health Monitoring System www.aphis.usda.gov/vs/ceah/cahm
13. National Institutes of Health www.nih.gov
14. National Research Council www.nas.edu/nrc
15. National Science Foundation www.nsf.gov
16. National Veterinary Services Laboratories (Web site not found)
17. North American Veterinary Technician Association www.avma.org/navta/default.htm
18. Technology Assessment, The Congress www.wws.princeton.edu/~ota/
19. Pan American Health Organization www.paho.org
20. U. S. Public Health Service www.phs.os.dhhs.gov/phs/phs.html