

PRACTICE MANAGEMENT

How Does Pet Insurance Fit Into the Access-to-Care Conversation?

Kate Boatright, VMD

Pets are considered part of the family by most pet owners and veterinarians. Barriers to veterinary care for those pets, however, are common and negatively impact the mental, emotional, and physical health of both pet owners and veterinary professionals. The Access to Veterinary Care Coalition found that 28% of pet owners were unable to receive veterinary care in the preceding 2 years.¹ While many barriers were explored, the most common obstacle was financial.¹

With the growing costs of care, more families are likely to be impacted in the future. One survey found that for 25% of pet owners, an unexpected bill of \$250 would cause financial hardship.² In an industry that operates on a cash basis, solutions are needed that will allow veterinarians and their teams to offer care to more pets. Pet insurance may be part of that solution.

UNDERSTANDING PET INSURANCE

The U.S. pet insurance market is growing rapidly, with 22.1% growth in total pets insured from 2021 to 2022.³ At the end of 2022, 4.8 million dogs and cats in the United States were insured.³ The majority of the plans were for dogs, representing 80.1% of policies, with cats representing the remaining 19.9%.³ Despite this annual growth, which has been fairly steady over the past 5 years, only an estimated 3% of U.S. dogs and

cats are insured. Part of this low level of insurance may be due to a lack of awareness on the part of pet owners.

Veterinary teams should be familiar with the basics of how pet insurance operates so that they can provide an introduction, answer general questions, and point pet owners in the direction of reliable sources to learn more.

“Most pet insurance is a truly open network,” said Ryan Champagne, director of veterinary division at Pawlicy Advisor, a pet insurance comparison tool recommended by the American Animal Hospital Association. Pet owners can purchase a policy and go to any clinic without worrying whether their plan will be accepted. However, most companies operate on a reimbursement model instead of providing direct payment to the clinic. Pet owners pay the initial bill out of pocket, then submit their claim and receive reimbursement for covered expenses.

A wide variety of pet insurance plans are available in the United States, with 25 different companies providing a variety of pet insurance products.¹ Plans are available as accident-only, which covers conditions such as foreign body ingestion, trauma, and toxin ingestion; or accident and illness, which also covers metabolic diseases, neoplasia, and other chronic diseases. Some plans also offer an add-on wellness coverage option for

preventive care expenses. Veterinarians should encourage clients to discuss with the insurance carrier which expenses will be covered and which will be excluded. “We don’t want [clients] crossing their fingers and hoping something is covered,” Champagne said.

In general, pet owners will pay a monthly fee (known as a “premium”) for a given policy. Premiums will vary based on the deductible and reimbursement amount, which is traditionally 50%, 70%, or 90% of covered expenses. Costs are also affected by breed, geography, age of pet, and preexisting conditions. Plans vary based on many factors, including the amount of customization in the reimbursement and deductible amounts, waiting periods, and claim-processing time.

HOW CAN PET INSURANCE IMPROVE ACCESS TO CARE?

“Pet insurance has long been recognized as a method for increasing access to care,” said Emily M. Tincher, DVM, senior director of pet health at Nationwide.

“The challenge of the pet health industry is that many insurance products are most helpful for those who can already afford some level of care.” While pet insurance may not be ideal for everyone for this reason, Tincher notes that it often allows care to be provided for pets that “may have otherwise been out of reach.”

Part of the growing costs of pet health care come from continued advancements in veterinary medicine. While specialty medicine and advanced-level options may be considered gold standard, there are often many acceptable diagnostic and treatment options available, which represent what is often referred to as the spectrum of care.

The spectrum of care is a growing concept in veterinary medicine that looks at care as a continuum, with the most advanced—and often more invasive and expensive—treatments at an end and the less extensive, less costly treatments at the other. Somewhere along this continuum, the best option for each individual pet family exists. This “best” option will maximize patient comfort and quality of life while meeting the client’s goals of care within their own socioeconomic, emotional, and physical limitations. It is the veterinarian’s duty to work with pet families to present the available options and determine the right fit.

Nationwide is a pet insurance provider that advocates for a spectrum-of-care approach. “Nationwide offers a

range of pet protection solutions that help meet different pet families’ priorities, budgets, and preferences,” Tincher said. Their range of pet protection products goes beyond the traditional reimbursement-based coverage and includes a more basic plan that utilizes a benefit schedule that is designed to cover the average costs of care for a given medical condition. With this insurance approach, pet parents can customize their plans to fit their specific needs. “That way,” Tincher said, “when presented with a range of evidence-based options for their pet’s care, they can make the choice based on what’s right for their family and their pet, rather than on the impact it will have on their savings.”

For example, a patient with pancreatitis can be treated in many ways. Most pets respond well to outpatient supportive care or a brief hospitalization with nutritional and lifestyle adjustments. Rarely, patients experience severe disease requiring prolonged hospitalization in an ICU setting. “A client enrolled in Nationwide’s benefits schedule-based protection plan could receive a payout that would cover most average costs for treating pancreatitis,” Tincher explained, “but the payout on this type of plan would likely not cover all the expenses associated with an extended ICU stay.”

TALKING PET INSURANCE WITH CLIENTS

So how should veterinary professionals discuss pet insurance with the owners of 97% of pets who do not have pet insurance? Tincher suggests framing the conversation in the larger context of financial planning for pet health care. Many pet owners are unprepared for the costs of pet ownership. A recent survey found that 45% of dog owners and 38% of cat owners thought they were prepared for the investment of pet ownership and found that they were not.²

“No one wants to think about what could go wrong when they’re coming in for a new puppy exam,” Tincher said, but discussing how to prepare for future costs can “help pet owners decide what kind of financial planning might be important to them.”

When introducing clients to the idea of pet insurance, here are some key education points that veterinary teams can provide:

- Pet insurance operates on a reimbursement basis; therefore, clients should have a plan for how to cover the initial expenses.

CLARO®
(florfenicol, terbinafine,
mometasone furoate)

Otic Solution for use in dogs only

Do Not Use in Cats.

Antibacterial, antifungal, and anti-inflammatory
For Otic Use in Dogs Only

See full product insert for complete prescribing information, a summary of which follows.

CAUTION: Federal (U.S.A.) law restricts this drug to use by or on the order of a licensed veterinarian.

DESCRIPTION: CLARO® contains 16.6 mg/ml florfenicol, 14.8 mg/ml terbinafine (equivalent to 16.6 mg/ml terbinafine hydrochloride) and 2.2 mg/ml mometasone furoate. Inactive ingredients include purified water, propylene carbonate, propylene glycol, ethyl alcohol, and polyethylene glycol.

INDICATIONS:
CLARO® is indicated for the treatment of otitis externa in dogs associated with susceptible strains of yeast (*Malassezia pachydermatis*) and bacteria (*Staphylococcus pseudintermedius*).

DOSEAGE AND ADMINISTRATION:
CLARO® should be administered by veterinary personnel.

Wear eye protection when administering CLARO®.

(see **Human Warnings, PRECAUTIONS, POST APPROVAL EXPERIENCE**).

Splatter may occur if the dog shakes its head following administration. Persons near the dog during administration should take steps to avoid ocular exposure.

Shake before use.

Verify the tympanic membrane is intact prior to administration. (see **CONTRAINDICATIONS, PRECAUTIONS, POST APPROVAL EXPERIENCE**).

Administer one dose (1 dropperful) eye-affected ear.

- Clean and dry the external ear canal before administering the product.
- Verify the tympanic membrane is intact prior to administration.
- Remove single dose dropperette from the package.
- While holding the dropperette in an upright position, remove the cap from the dropperette.
- Turn the cap over and push the other end of the cap onto the tip of the dropperette.
- Twist the cap to break the seal and then remove cap from the dropperette.
- Screw the applicator nozzle onto the dropperette.
- Insert the tapered tip of the dropperette into the affected external ear canal and squeeze to instill the entire contents (1 mL) into the affected ear.
- Gently massage the base of the ear to allow distribution of the solution. **Restrain the dog to minimize post application head shaking** to reduce potential for splatter and accidental eye exposure in people and dogs (see **POST APPROVAL EXPERIENCE**).
- Repeat with other ear as prescribed.
- The duration of the effect should last 30 days. Cleaning the ear after dosing may affect product effectiveness.

CONTRAINDICATIONS:
Do not use in dogs with known tympanic membrane perforation (see **PRECAUTIONS**). CLARO® is contraindicated in dogs with known or suspected hypersensitivity to florfenicol, terbinafine hydrochloride, or mometasone furoate.

WARNINGS:
Human Warnings: CLARO® may cause eye injury and irritation (see **PRECAUTIONS, POST APPROVAL EXPERIENCE**). If contact with eye occurs, flush copiously with water for at least 15 minutes. If irritation persists, contact a physician. Humans with known hypersensitivity to any of the active ingredients in CLARO® should not handle this product.

PRECAUTIONS:
For use in dogs only. Do not use in cats (see POST APPROVAL EXPERIENCE).

Wear eye protection when administering CLARO® and restrain the dog to minimize post application head shaking. Reducing the potential for splatter of product will help prevent accidental eye exposure in people and dogs and help to prevent ocular injury (see **DOSEAGE AND ADMINISTRATION, Human Warnings, POST APPROVAL EXPERIENCE**).

Proper patient selection is important when considering the benefits and risks of using CLARO®. The integrity of the tympanic membrane should be confirmed before administering the product. CLARO® has been associated with rupture of the tympanic membrane. Reevaluate the dog if hearing loss or signs of vestibular dysfunction are observed during treatment. Signs of internal ear disease such as head tilt, vestibular signs, ataxia, nystagmus, facial paralysis, and keratoconjunctivitis sicca have been reported (see **POST APPROVAL EXPERIENCE**) with the use of CLARO®. Do not administer orally.

Use of topical oral corticosteroids has been associated with adrenocortical suppression and iatrogenic hyperadrenocorticism in dogs (see **ANIMAL SAFETY**).

Use with caution in dogs with impaired hepatic function (see **ANIMAL SAFETY**). The safe use of CLARO® in dogs used for breeding purposes, during pregnancy, or in lactating bitches, has not been evaluated.

ADVERSE REACTIONS:
In a field study conducted in the United States (see **EFFECTIVENESS**), there were no directly attributable adverse reactions in 146 dogs administered CLARO®. **POST APPROVAL EXPERIENCE (2019):** The following adverse events are based on post-approval adverse drug experience reporting for CLARO®. Not all adverse events are reported to FDA/CVM. It is not always possible to reliably estimate the adverse event frequency or establish a causal relationship to product exposure using these data.

In humans, accidental exposure leading to corneal ulcers and other ocular injuries such as eye irritation and redness have been reported. Exposure occurred when the dog shook its head after application of CLARO®. Skin irritation has also been reported. **In dogs,** the adverse events reported are presented below in decreasing order of reporting frequency: Ear discharge, head shaking, ataxia, internal ear disorder (head tilt and vestibular), deafness, emesis, nystagmus, pruritus and ear pain, keratoconjunctivitis sicca, vocalization, corneal ulcer, cranial nerve disorder (facial paralysis), tympanic membrane rupture.

CLARO® is not approved for use in cats. The adverse events reported following extra-label use in cats are presented below in decreasing order of reporting frequency: Ataxia, anorexia, internal ear disorder (head tilt and vestibular), Horner's syndrome (third eyelid prolapse and miosis), nystagmus, lethargy, anisocoria, head shake, emesis, tympanic rupture, and deafness.

To report suspected adverse drug events and/or obtain a copy of the Safety Data Sheet (SDS) or for technical assistance, contact Elanco at 1-800-422-9874. For additional information about adverse drug experience reporting for animal drugs, contact FDA at 1-888-FDA-VE15 or online at <http://www.fda.gov/reportanimal>.

Information for Dog Owners:
Owners should be aware that adverse reactions may occur following administration of CLARO® and should be instructed to observe the dog for signs such as ear pain and irritation, vomiting, head shaking, head tilt, incoordination, eye pain and ocular discharge (see **POST APPROVAL EXPERIENCE**). Owners should be advised to contact their veterinarian if any of the above signs are observed. Owners should also be informed that splatter may occur if the dog shakes its head following administration of CLARO® which may lead to ocular exposure. Eye injuries, including corneal ulcers, have been reported in humans and dogs associated with head shaking and splatter following administration. Owners should be careful to avoid ocular exposure (see **PRECAUTIONS, POST APPROVAL EXPERIENCE**).

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- Clients should be aware of waiting periods before coverage begins and not expect immediate protection.
- Many preexisting conditions are excluded. Veterinarians can educate clients on what conditions their pet already has that should be discussed with the insurance provider to determine if the condition will be covered.
- There will be no one-size-fits-all pet insurance plan for every family; therefore, it is important to research the available options and consider the cost over the lifetime of each pet.
- Pet insurance may not be the right fit for every client, but clients should still make a plan for both routine veterinary care and unexpected expenses.

Because insurance is regulated at both the state and national levels, Champagne encourages veterinary teams to have general discussions with their clients to raise awareness of pet insurance but “mitigate their risk and liability” by recommending pet owners speak to an insurance broker or individual insurance providers to discuss plan specifics. Clinics “can say that [they’ve] had a good experience with a company but let [the client] know there are many options, and they should explore what is the right fit for their unique pet and personal circumstance,” Champagne said.

LOOKING TO THE FUTURE

Veterinary professionals did not enter the industry to turn pet owners away, yet over 50% of veterinarians face client financial limitations that impact the way they treat pets on a daily basis.⁴ In some cases, such as the puppy with parvovirus, the blocked cat, or the 2-year-old dog with a foreign body, owners are forced to make the difficult decision to euthanize when finances cannot be found for treatment. Working within financial limitations, and particularly economic euthanasia, are contributing factors to burnout for many veterinary professionals.^{4,5} For the sake of our patients, our clients, and our own professionals, the veterinary industry must find ways to improve access to care.

Overcoming financial barriers to veterinary care will require a combination of solutions. Industry stakeholders are exploring different options that can be offered in individual clinics as well as across the industry, including third-party financing, in-clinic payment plans, and subsidized care. Increasing pet owner awareness of pet insurance is a part of this complex solution that every veterinary professional can embrace at the local level. **TVP**



To see the references for this article, please visit todayveterinarypractice.com.



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Dr. Boatright is a 2013 graduate of the University of Pennsylvania. She currently works as a small animal general practitioner in western Pennsylvania. As a freelance writer and speaker, Dr. Boatright enjoys educating students and colleagues about overcoming stressors in the profession, including communication, team building, wellness, and the unique challenges facing recent graduates.