

# The Evolution of the Veterinary Teaching Hospital

James W. Lloyd, DVM, PhD  
Michigan State University





Where have we been?

Where are we headed?

“It is not the strongest of the species that survive, nor the most intelligent, but those most responsive to change.”

C. Darwin

The unique challenge of the Veterinary Teaching Hospital is to

- remain financially viable

to enable

- teaching (students, interns, residents) and
- clinical research

while

- providing public service

within the market for veterinary medical services.

# Evolutionary Forces – Market

## Demand – SA and EQ

- Economic prosperity
  - Income and wealth
- Human / animal bond
- Increasing willingness-to-spend
- Steadily increasing human population

# Evolutionary Forces – Market (cont.)

## Demand – FA

- Livestock industry consolidation
- Expanding focus on public health issues
  - (Re)emerging infectious diseases – zoonotic
  - Food safety
  - Bioterrorism
- International demand set to explode ?

# Evolutionary Forces – Market (cont.)

## Supply

- Improved technology
- Fixed (or slowly growing) class sizes
  - Expansion through new schools and off-shore programs
- Gender shift / life-work balance issues
- More specialists available
  - Training programs adequate?

# Evolutionary Forces – Market (cont.)

## Net Impact of Supply / Demand

- Steadily increasing demand
  - Primary and secondary care
- Slowly increasing supply
- Critical need to maintain (expand?) clinical training programs

# Evolutionary Forces – Institutional

- Shrinking state support for higher education
  - State supported vs. state assisted
- Increasing costs of operation
  - Overhead – health insurance
  - Technology
- Inefficiencies – highlighted by doing more with less
  - Administrative
  - Operations
- Graying professoriate
- Organizational inertia – resistance to change

# Evolutionary Forces – Veterinary Medicine

- Incomes lagging other professions
- Inefficient delivery systems
- Increasing leverage of paraprofessionals
- Challenges in clinical training
  - species focus
  - primary vs. secondary vs. wellness
  - entry-level graduate competencies
- Lack of diversity
- Manpower shortage – veterinarians / technicians

# Where does that leave us now ?

- Increased financial constraints in the VTH?
- Loss of “cutting edge” facilities and equipment?
- Shrinking referral caseloads?
- Losing faculty to private practice?
- Adequate staff support? technicians?
- Faculty searches with small applicant pools?
- Finishing residents headed for private practice?
- Frustrated faculty and staff that remain?

# Where does that leave us now ?

- Inadequate critical mass of specialists?
- Changing nature of the caseload? (FA)
- Need to improve quality of service?
  - communication, timeliness
- Need to enhance diversity?
  - faculty, staff, students, clientele

*Is this an ideal situation for training students, interns, and residents?*

# Faculty Comments

- Most schools are not even close in the salaries...
- Used to be that universities were the only place where advanced equipment could be found...
- The love of teaching ... can be met in practice
- Plenty of space, multiple exam rooms, procedure rooms, ... thousands of square feet
- Biggest reward in practice is ... control ... less red tape

## **Faculty Comments (cont.)**

- Present faculty can be terrible role models
- In a specialty practice, fewer bottlenecks
- Inefficiencies of VTHs and bureaucracy of universities...
- Don't have to take exams home to grade at night
- More control over scheduling
- Too much time wasted by committee work and paperwork
- Not everyone can do the triple threat

## Faculty Comments (cont.)

- Reasons to stay in academia:
  - teaching residents
  - research
  - vacation and holiday time
  - good benefits

# Where to go from here ?

Not all doom and gloom – great opportunities exist!

*Need to take charge of the VTH evolution !*

*...create the future!*

Summary of discussions and progress to date...

# Background – KPMG (Mega) Study, 1999

- Economic health of the profession is not good
- Incomes: lagging and compounding debt load
- Creating demand: unprecedented and unmet
- Inefficiency of healthcare delivery system
- Skills, knowledge, aptitude, and attitude (SKAs)

# Background – NCVEI



- Established in 2000 to follow-up on the Mega Study.
- Funded by AVMA, AAHA, AAVMC, and Founding sponsors



## Sponsors



*Is it possible to model good leadership  
and management practices in the  
Veterinary Teaching Hospital?*

# VTH Business Model Results

- Strategic issues – *Leadership*
  - Clear vision
  - Balancing the mission
- Operational issues – *Management*
  - Finance
  - Pricing
  - Legal / ethical
  - Human resources
  - Marketing
  - Operations

# Recommendations Across Schools

- Communicate the VTH Business Model results to all the schools
  - include both administrators and faculty
- National dialogue on “Balancing the Mission”
- Enhance networking among VTH Directors and administrators
- Develop VTH management benchmarks
  - financial performance
  - operations

# College-level Recommendations

- Actively engage in strategic planning and management
  - clearly define the vision/mission of the VTH
  - carefully consider each management topic
  - be progressive in setting goals
  - actively monitor progress toward goals
  - engage outside expertise

*JAVMA 226(5):705-710, 2005*

# Subsequent VTH Discussions

## 2004

- AAVMC – AAVC – NAVCA
- AAVC Meeting
- AAVMC Forum I
- NAVCA Workshop

## 2005

- NCVEI Board Meeting
- AAVMC Forum II
- AAVC Meeting

# **AAVMC – AAVC – NAVCA**

## **Joint Discussion – March 2004**

- Modify agenda of AAVMC annual meeting to have the VTH as a regular discussion topic
- Start discussion with an AAVMC forum at 2004 AVMA meeting in Philadelphia
- Initiate NAVCA and AAVC benchmarks discussion
  - Coordinate at NAVCA meeting in fall 2004

# AAVMC Forum – July 2004

## Key Issues and Action Steps

- Training future clinical faculty and specialists
  - Don't lose sight of clinical research, academic mission
- Need to heighten awareness of faculty
- Continue to share successes and failures
  - Facilitate AAVMC - AAVC - NAVCA networking
- Identify benchmarks
- Explore partnerships with private sector
- Modify agenda of AAVMC annual meeting to have the VTH as a regular discussion topic

# NAVCA Meeting – September 2004

- What benchmarks would be useful for the VTH?
  - Financial measures
  - Operating measures
  - Developing definitions
- Recommended follow-up
  - Take NAVCA list to AAVC for prioritization (top 10)
  - Return to NAVCA with AAVC feedback
  - Append to (amend?) comparative data report

# NCVEI Board Meeting – February 2005

- Approved funding for travel to veterinary schools / colleges to engage in SKA dialogue
- Currently scheduling 15 campus visits

## **AAVMC Forum – March 2005**

- Academic clinicians are getting tired and often dissatisfied; salaries are inadequate; role modeling is often negative.
- Clinical- and tenure-track faculty can work together; practice plans and incentive packages are becoming necessary.
- Lifestyle choices have an impact, especially for women; part-time work is desired; consultation opportunities may not be seen as an incentive.

## **AAVMC Forum – March 2005 (cont.)**

- Service quality drives caseload; referral coordinators, surveys, non-DVM hospital administrators and marketing have made positive impacts.
- VTH challenges are not new, just more urgent.
- Some aspects of the full-service hospital may be lost; evolutionary change will occur, impacted by local forces.
- Applicants for specialty training are more than the system can accommodate. Vacancies exist in academe and in the private sector; demand exceeds supply.

# **AAVMC Forum – March 2005**

## **Recommended Next Steps**

- Help faculty understand the problems and embrace a business model.
- Continue dialogue at AAVMC meeting next year; establish goals and benchmarks; measure outcomes; engage specialty colleges.
- Conduct a manpower study to better define future supply/demand of specialists.
- Use comparative data report to benchmark progress.

# **AAVC Meeting – March 2005**

## Recommendations

- Engage faculty / specialists in the dialogue
- Meet with AAVMC Executive Board
- Create VTH Benchmarking Task Force



**Where do we go from here ?**