



**BACKGROUND:**

At the request of participating veterinarians, staff conducted a review of the existing fee schedule.

According to our records, the last adjustment for spay/neuter services was in October 2011. In 2011, the U.S. economy was in slow growth and there was a fear that we were entering a double-dip recession. In this same month, staff met with and had discussions with our two primary providers of veterinary services to discuss costs for spay/neuter surgeries. The reason for the meetings was to establish consistent pricing for identified services that would allow AVAS to stabilize costs for spay/neuter surgeries, implement a consistent billing system and provide additional veterinary resources without increasing adoption fees. Our greatest concern at the time was managing all of our operational costs with mandated cuts to our annual budget and that increasing adoption fees would negatively impact the numbers of cats/dogs leaving the shelter. A reduction in adoptions would have caused a rise in our euthanasia numbers.

Following the discussions, Apple Valley Animal Hospital agreed to support life saving efforts and lowered their fees to match Bear Valley Animal Hospital. This is when a single fee schedule was established and implemented for both the Licensing Voucher Program and Shelter Animal Adoptions as follows:

**CURRENT SPAY/NEUTER FEE SCHEDULE (Effective October 2011)**

**SPAY/NEUTER SURGERIES - CURRENT AVAS RATES**

AN AVAS KENNEL CARD, ADOPTION AGREEMENT OR ANIMAL SERVICES VOUCHER IS USED TO TRACK THESE SURGERIES

	0-24lbs	25-39lbs	40-59lbs	60-74lbs	75-89lbs	90lbs+
Canine OVH	\$55.00	\$61.00	\$72.00	\$83.00	\$94.00	\$99.00
Canine Neuter	\$55.00	\$61.00	\$72.00	\$83.00	\$94.00	\$99.00
Feline OVH	\$39.00					
Feline Neuter	\$33.00					
OVH: In-heat/Enlarged/Obese/Pregnant	\$25.00					
Canine Neuter-Inguinal Cryptorchid*	\$35.00+					
Canine Neuter-Abdominal Cryptorchid*						
Feline Neuter-Inguinal Cryptorchid*						

*Spay/Neuter Services under the current fee schedule (shown above) includes: A pre-surgical examination; General anesthesia; A complete ovario-hysterectomy in female cats and dogs or the removal of the testicles in male cats and dogs; and, Post-operative follow-up. The Town does not cover and is not responsible for additional services requested by the*

*adopter/rescue/owner (client), including but not limited to pre-anesthetic blood panel, laboratory tests, tooth extractions, pain medications after surgery, e-collars, additional vaccinations, or boarding. The participating veterinarian may provide additional services requested by the client and bill the client directly. It is the responsibility of the veterinarian providing services to advise the client of any additional charges prior to performing the surgery.*

It was determined that annual increases were not defined in the current agreement. The proposed amendments to the existing fee for Professional Veterinary Services - Spay/Neuter Surgeries exceeds \$10,000 per year in payments to any single provider of spay/neuter services, but are not expected to exceed \$50,000 per year/provider. Staff is proposing to streamline the fee table, provide an overdue increase for services at 2.5% per year (2012-2016), and separate the payment schedules for spay/neuter surgeries related to Licensing Vouchers and pet adoptions, including rescues from the Town's Municipal Shelter.

Staff believes that the proposed increase can be absorbed by implementing structured reductions in or postponement of less critical animal services for the remainder of Fiscal Year 2015-16. Staff is also supporting a recommendation to establish a set value on all spay/neuter vouchers, similar to the County of San Bernardino. The County of San Bernardino offers \$50.00 vouchers to their residents to assist with spay/neuter fees. Staff is proposing that AVAS Licensing & Designated Spay/Neuter Vouchers accepted by participating veterinarians be valued at \$75.00 for canines and \$50.00 for felines and the payment schedule for spay/neuter surgeries on animals leaving the shelter be based on the adopted table (*Shown above*) with a 12.5% increase. Pet owners would be required to pay any costs charged by participating veterinarians that exceed the value of the AVAS Spay/Neuter Voucher. AVAS will advertise veterinarians accepting the full value of the vouchers as full/partial payment from Town pet owners.

#### **FISCAL IMPACT:**

In Fiscal Year 2014-15, the total expenditures for professional veterinary spay/neuter services on adopted/rescued animals was \$76,083.02 and \$48,261 for surgeries using AVAS Licensing Vouchers. The estimated year-end expenditures for spay/neuter surgeries in Fiscal Year 2015-16 based on the increase is \$85,593 for adopted/rescued animals and \$58,125 for AVAS Licensing Vouchers. This would represent an increase of approximately \$19,374 for Fiscal Year 2015-16 in spay/neuter surgery expenditures. Final expenditures could increase based on the numbers of animals adopted/rescued from the shelter or AVAS Licensing Vouchers used by their Apple Valley pet owners. Revenues to offset some of the costs for spay/neuter surgeries paid by the Town are generated through adoption/rescue fees and annual licensing fees for unaltered dogs.

#### **ATTACHMENTS:**

1. Proposed Apple Valley Animal Services Licensing and Designated Spay/Neuter Vouchers
2. Proposed Apple Valley Animal Services Rate for Spay/Neuter Surgeries (2 Options)

**APPLE VALLEY ANIMAL SERVICES LICENSING AND DESIGNATED SPAY/NEUTER VOUCHERS**

The proposed Apple Valley Animal Services Licensing and Designated Spay/Neuter Vouchers Fee Table reflects a set rate for the payment of vouchers honored by participating veterinarians at \$75.00/dog and \$50.00/cat. Veterinarians that honor the voucher at the established rate will be listed on the voucher provided by AVAS (subject to when vouchers are ordered and printed for the Town).

**PROPOSED APPLE VALLEY ANIMAL SERVICES LICENSING AND DESIGNATED SPAY/NEUTER VOUCHERS**  
**PARTICIPATING VETERINARIANS MUST SUBMIT AN AVAS LICENSING & DESIGNATED VOUCHER FOR PAYMENT AS INDICATED BELOW**

Species/Weight	0-24lbs	25-39lbs	40-59lbs	60-74lbs	75-89lbs	90lbs+
<b>Canine OVH/Neuter Surgery</b>	<b>\$75.00*</b>					
<b>Feline OVH/Neuter Surgery</b>	<b>\$50.00*</b>					
<b>*ESTABLISHES A FLAT RATE THAT WILL BE REIMBURSED BY AVAS TO PARTICIPATING VETERINARIANS FOR EACH VOUCHER            ANIMAL OWNER MAY BE CHARGED ADDITIONAL FEES - PERFORMING VETERINARIAN TO ADVISE CLIENT BEFORE SURGERY</b>						
<b>Canine/Feline OVH/Neuter Surgery Fees over \$75.00</b>						
<b>Canine/Feline OVH: In-heat/Enlarged/Obese/Pregnant*</b>						
<b>Canine/Feline Neuter-Inguinal Cryptorchid*</b>						
<b>Canine/Feline Neuter-Abdominal Cryptorchid*</b>						
<b>*Animal Owner is Responsible for Fees Exceeding Approved            Voucher Reimbursement Amount</b>						

There would be no changes to participating veterinarian's billing structure for voucher payments. Payments for accepted AVAS vouchers will continue to be made to the veterinarian after the surgery is performed and the voucher is submitted with the billing statement. Further, AVAS Licensing and Designated Spay/Neuter Vouchers are still restricted to the person they were issued to and for the pet designated on the form. AVAS Spay/Neuter Vouchers cannot be transferred to another person or animal.

Animal Services Voucher Spay/Neuter will be updated and will read:

**Town of Apple Valley  
 Apple Valley Animal Services  
 Licensing & Designated Spay/Neuter Voucher.**

The pet owner is required to schedule their pet's surgery with a veterinarian of their choice and should provide the number listed on the Spay/Neuter Voucher when making the appointment. **It will be the responsibility of the participating veterinarian to advise the animal owner (client) prior to surgery if/when additional charges may apply.** The Town will only reimburse participating veterinarians the established flat rate for spay/neuter services upon receipt of the billing invoice and the yellow copy of the issued AVAS Licensing and Designated Spay/Neuter Voucher, as follows:

- \$75.00 for an individual Canine OVH/Neuter Surgery.
- \$50.00 for a Feline OVH/Neuter Surgery.



**APPLE VALLEY ANIMAL SERVICES RATE FOR SPAY/NEUTER SURGERIES**

The following Proposed Apple Valley Animal Services Rate for Spay/Neuter Surgeries reflects a 12.5% increase of all fees shown on the current schedule. Two options are being presented for the fee table related to spay/neuter surgeries on animals leaving the Town's shelter. After receiving feedback from participating veterinarians, a final decision will be made on which option will be implemented.

**PROPOSED OPTION 1: APPLE VALLEY ANIMAL SERVICES RATE FOR SPAY/NEUTER SURGERIES**

\*\*\*AN AVAS KENNEL CARD OR ADOPTION AGREEMENT IS USED TO TRACK THESE SURGERIES\*\*\*

	0-24lbs	25-39lbs	40-59lbs	60-74lbs	75-89lbs	90lbs+
Canine OVH	\$61.87	\$68.62	\$81.00	\$93.38	\$105.75	\$111.38
Canine Neuter	\$61.87	\$68.62	\$81.00	\$93.38	\$105.75	\$111.38
Feline OVH	\$43.88					
Feline Neuter	\$37.13					
<b>VETERINARIAN MUST CALL AVAS BEFORE PERFORMING ANY PROCEDURE NOT INCLUDED ON THIS SCHEDULE</b>						
Canine/Feline OVH: In-heat/Enlarged/Obese/Pregnant	<b>\$28.13</b>					
Canine/Feline Neuter-Inguinal Cryptorchid*	<b>\$28.13</b>					
Canine/Feline Neuter-Abdominal Cryptorchid*						

*The following option is a proposed alternative that would streamline the above fee schedule using an average of spay/neuter cost for the weight categories indicated for canines and for felines. The goal would be to simplify billing and invoicing for spay/neuter services on animals leaving the Town's Shelter.*

**PROPOSED OPTION 2: APPLE VALLEY ANIMAL SERVICES RATE FOR SPAY/NEUTER SURGERIES**

\*\*\*AN AVAS KENNEL CARD OR ADOPTION AGREEMENT IS USED TO TRACK THESE SURGERIES\*\*\*

Species/Weight	0-59lbs	60-89lbs	90lbs+
Canine OVH	\$70.00	\$99.00	\$112
Canine Neuter			
Feline OVH	\$40.50		
Feline Neuter			
<b>VETERINARIAN MUST CALL AVAS BEFORE PERFORMING ANY PROCEDURE NOT INCLUDED ON THIS SCHEDULE</b>			
OVH: In-heat/Enlarged/Obese/Pregnant	<b>Not to Exceed \$30</b>		
Canine/Feline Neuter-Inguinal Cryptorchid*			
Canine/Feline Neuter-Abdominal Cryptorchid*			

Animals coming from the Town's Municipal Animal Shelter will have an **Apple Valley Animal Services Kennel Card or Adoption Paperwork** for billing purposes. These animals will be delivered by Town Staff to your facility or by an approved party the morning of the surgery. The animal will be picked up after surgery by a responsible party listed on the accompanying paperwork or a staff member. **The Town will pay the agreed upon rates upon receipt of the billing invoice that documents the Animal Identification Number and approved spay/neuter services performed.** If additional services are approved by AVAS an approval number will be issued and should be listed on the billing invoice. Failure to obtain approval prior to performing additional spay/neuter services may result in delays in payment or denial of payment for unauthorized procedures.