

Practicing in a Pandemic
How to Keep Your Practice Afloat

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What We Will Cover



Government Subsidies and Programs Available

Wage Subsidies

- How to Qualify
- Eligibility Periods
- What do I do if I don't qualify

Bank Initiatives

- 40k Interest Free Loan



Revenue Strategies

MyVetStore

Telemedicine



Expense Reduction

Zero Based Budgeting

Deferrals

- Loan Interest
- GST
- Income Tax

What We Won't Cover

- What is Urgent Care?
- What Falls Under Urgent Care?
- What Procedures Can I Do?
- Why Can't I Do Certain Procedures?
- When Will This End?
 - Government Programs Available Until June 19th*

*legislation left open to allow future periods to be added until September 30th

Government Subsidies for Staffing

- 10% Temporary Wage Subsidy
 - Available to **all** hospitals March 18 – June 19
 - 10% of wages to a max \$1,375 per employee / \$25k per hospital
 - Hold back 10% of employees' **income tax** remittances
 - Must continue to pay EI, CPP
- Wage subsidy is taxable income for hospital
- Must have payroll to be eligible
- Must be an employee on payroll
 - Practice owners incorporated and paid as employee
- Who does not qualify
 - Practice Owners taking draw / paid dividends
 - Independent Contractors
 - Employees not on payroll (laid off)

Government Subsidies for Staffing

- 75% Canadian Emergency Wage Subsidy
 - Available to hospitals **that qualify** March 15 – June 6
 - 75% of wages to a max of \$847/week per employee
 - Apply through CRA Website - My Business Account
 - Available for arm's length employees
 - Non-arms length employees limited to average weekly earnings (Jan 1 to March 15)
 - Pro Tip: Put employed family members on CERB
 - Taxable Income
 - Goes against wages so it's a wash
 - Must Subtract 10% Wage Subsidy from claim

Qualifying for 75% Wage Subsidy

- Qualifying for two periods at a time
 - If you qualify in one period you are eligible for the next period
 - Pro Tip: Make sure Rebates go against Cost of Goods Sold not Revenue

• PERIOD	QUALIFIER
• March 15 - April 11	15% Down in March
• April 12 - May 9	15% Down in March or 30% Down in April
• May 10 – June 6	30% Down in April or 30% Down in May

Qualifying for 75% Wage Subsidy

- New Practices
 - Use Jan Feb 2020 or industry data for comparison
 - Must use same comparison each time you apply
- Call me or Chris Doherty



March

Revenues Down in March

- Dr. DM was down 20% in March
 - Laid off part time staff
 - Eligible for CERB
 - Reduced hours and continue to pay full time employees full wages
 - Qualifies for 75% Wage Subsidy for March and April
 - Holding back 10% of payroll (income tax remittances)
 - Will receive 75% wage subsidy for non-DVM staff
 - March 15 to May 9
 - Has to subtract 10% hold back
 - DVMs will cap out at \$847 / week
 - Subsidy covers roughly 50%
 - Reduces employee costs 35%
- Applies for 40k interest free loan to carry payroll until 75% subsidy kicks in

Revenues Up in March


- Dr. UM was up 10% in March
 - Run on Diets and Meds
 - Expenses Higher
 - Same Hours and Continue to pay full time employees full wages
 - Does Not Qualify for 75% Wage Subsidy March
 - Holding back 10% of payroll (income tax remittances)
 - Reduces Employee Costs 10%

March Comparison

Wage Subsidy Saves the Day

Even for half the month

	March	Down March	Up March
Revenue	114,541	91,633	125,995
Drugs and Supplies	31,728	25,382	38,391
Non-DVM Wages	21,817	21,817	21,817
Wage Subsidy		-8,182	-1,091
Associate Wages	11,018	11,018	11,018
Wage Subsidy		-2,754	-551
Specialists	573	573	573
Rent	5,782	5,782	5,782
Office	1,718	1,374	1,890
Accounting and Legal	0	0	0
Bank Charges	2,291	1,833	2,520
Depreciation	0	0	0
Utilities	1,200	1,200	1,200
Repair & Maintenance	355	355	355
Laboratory	3,093	2,474	3,402
Professional Dues	436	436	436
Other Expenses	109	109	109
Advertising	764	764	764
Equipment Rental	436	436	436
Bad Debt	0	0	0
Vehicle	0	0	0
Grooming Expense	0	0	0
Continuing Education	0	0	0
Insurance	655	655	655
Net Income	32,568	28,361	38,291



April

Revenues Down in April

- Dr. DAA Expects to be down 40%
 - Will Qualify for 75% Subsidy
 - Two teams alternating shifts – working 50% of the time
- Laid off Part Timers and Family Employees
 - Eligible for CERB
- Full Time Tech can't find child care
 - Laid off – eligible for CERB
- All other staff paid full wages
 - Holding back 10% of income tax remittances
 - Will get 75% subsidy when available

Revenues Down in April – but not enough to qualify

- Dr. UhO Expects to be down 40% but is only down 25%
 - Will Not Qualify for 75% Subsidy
 - Two teams alternating shifts – working 50% of the time
- Laid off Part Timers and Family Employees
 - Eligible for CERB
- Full Time Tech can't find child care
 - Laid off – eligible for CERB
- All other staff paid full wages – expected to be down more
 - Holding back 10% of income tax remittances
 - Not eligible for 75% Wage Subsidy

Result Same

Follows same procedures

- Lay off Part timers to get CERB
- Lay off family to get CERB
- Withhold 10% Wage Subsidy
- Obtain 75% Subsidy if Available

	April	Down 40%	Down 25%
Revenue	139,631	83,779	104,723
		0	
Drugs and Supplies	38,678	27,074	32,876
Non-DVM Wages	21,817	21,817	21,817
Wage Subsidy		-16,363	-2,182
Associate Wages	11,018	11,018	11,018
Wage Subsidy		-5,509	-1,102
Specialists	698	0	0
Rent	5,782	5,782	5,782
Office	2,094	1,047	1,571
Accounting and Legal	0	0	0
Bank Charges	2,793	1,117	2,094
Depreciation	0	0	0
Utilities	1,200	1,200	1,200
Repair & Maintenance	355	0	0
Laboratory	3,770	1,508	2,828
Professional Dues	436	436	436
Other Expenses	109	109	109
Advertising	764	764	764
Equipment Rental	436	436	436
Bad Debt	0	0	0
Vehicle	0	0	0
Grooming Expense	0	0	0
Continuing Education	0	0	0
Insurance	655	655	655
		0	
Net Income	49,027	32,687	26,421

Other Programs

- Work Share Program
- Supplemental Unemployment Benefits
- If you are down 30% - not as good as the 75% subsidy
- If you are not down 30% - you need staff

Staffing Strategy

- Lay off part time
- Lay off family members
- Hold back 10% of income tax remittances
- Get 75% payroll subsidy if applicable



Sustaining Revenues

Pet Food

- Use MyVetStore to process curbside transactions
- If you have staff (at home or in the clinic)
 - Call every client who has ever purchased food and offer MyVetStore Autoship
 - “Hi Mrs. Jones. This is Darren from the veterinary hospital. I am calling today to let you know that the food you purchase for Fluffy is available to ship right to your home. By setting it up for automatic reorder, shipping is free. On top of that, the manufacturer will also provide you with a 5% rebate when you sign up for automatic reorder. That means you can get the same food sent to your house every month so you never run out again and you get it for less than you are paying now.”

Parasite Treatment

- CVO has amended its guidance on obtaining recent and sufficient information on an animal during the Public Health Emergency, which allows veterinarians to use telemedicine to prescribe and dispense these medications.
- If you have staff (at home or in the clinic)
 - Call every client and offer their parasite medication through MyVetStore
 - “Hi Mrs. Jones. This is Darren from the veterinary hospital. I am calling to let you know Finchie is due for her parasite medication. To help keep Finchie protected, get her medication and keep everyone safe, we can process the payment on our website and ship the medication to you for free or you can purchase it on-line, come by the hospital and pick it up today. What would you prefer?”

Telemedicine

- For two years, OVMA tried to introduce telemedicine for OVMA hospitals. Unfortunately, clients did not see the value and the fees could not support a telemedicine program. All that has changed.
- Now clients value telemedicine as an alternative
 - Smart.Vet
 - Message / Phone / Video
 - Ecommerce

Telemedicine Scenarios

- Client Calls with Sick Pet
 - Can it be postponed NO
 - Will the client try telemedicine YES
 - Arrange video consult
 - Charge regular exam fee
 - Determine client needs to bring pet to hospital
 - Arrange appointment (curbside drop off)
 - Offer complimentary exam at hospital
- Client wants to speak to a veterinarian about parasite medication
 - Arrange **brief** video consult
 - Charge \$50.70 (50% of exam fee)
 - Determine client needs to bring pet to hospital
 - Arrange appointment (curbside drop off)
 - Credit client \$50.70 and charge normal fees

Annuals

- Use Smart.Vet as a bridge to postponed annual appointments
- If you have staff (at home or in the clinic)
 - Call every client who is due for their annual
 - Offer to postpone the annual
- “Hi Mrs. Jones. This is Darren from the veterinary hospital. Finchie is due for her annual exam and vaccinations later this month but with COVID we are limited to urgent care only. I can put you on a list to call when we can see clients (hopefully soon) or would you prefer a telemedicine consult with Dr. Phoneface so you can speak to the veterinarian sooner?”



Expense Reduction

Reduce Your Expenses

- Zero Based Budgeting
 - Go through every single account and justify every expense
 - If you don't have to pay it, don't pay it - advertising schemes
 - If you can cancel it, cancel it – e.g. cleaners, maintenance contracts
- Monthly Payments
 - Convert annual expenses to monthly payments – e.g. taxes, insurance
- Make Friends with your Banker
 - Apply for 40k interest free loan (Canadian Business Emergency Account)
 - Payroll between \$50k and \$1 million
 - 10k forgivable if paid by 2022
 - Apply for deferred interest or deferred principal payments
 - Only use it if you need to

Reduce Your Expenses

- If you still can't make payroll
 - Defer income tax (corporate tax) to September 1
 - Defer GST to June 30
- Talk to your landlord about a discount
 - *I have never met a landlord that was reasonable but it can't hurt.*

OVMA is Here To Help

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Questions