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February 23, 2015

To Senate Government Operations Committee Members
From Dr. Virginia Clarke, VVMA VSNIP Task Force Chair

The Vermont Veterinary Medical Association, representing over 340 Vermont veterinarians, would like to provide additional information about the Vermont Spay Neuter Assistance Program (VSNIP). We feel VSNIP provides a valuable assistance, and any restructuring of the program deserves our time and attention as we strive to improve service to those in need.

The Vermont Spay Neuter Incentive Program (VSNIP) was created by the legislature to utilize a portion of the dog license fees to fund spay/neuter surgeries for low-income Vermonters' cats and dogs, and began subsidizing surgeries in 2006. VSNIP has had two previous contracted administrators, but is currently administered by the Department of Children and Families (DCF). The present cost for DCF to administer the program is approximately \$1,000 (dedicated cell phone and copying expenses) annually, with the remaining funds from the dog license fees used to subsidize the surgeries. The previous annual cost to administer the program under contracted services was over \$37,000, deducted from the available dog license fees. (Previous annual administrative costs have been as high as \$56,000.)

The VSNIP program has not been shut down. The program administrator at DCF is working through the waiting list in the order the applications were received, as money becomes available each month from the dog license surcharge. Information about the program has been successfully disseminated over the last few years, resulting in many more applications than the program can fund. The fact that funds are forwarded to the program on a monthly basis, as opposed to being awarded in a lump sum at the beginning of the fiscal year, results in a limited number of vouchers from the waiting list being issued each month.

Animal populations have not drastically increased because of the current administration of the VSNIP program. More vouchers were issued than the DCF had funds for in the early part of its tenure as administrator, but this actually resulted in more procedures being performed (while creating cost overruns and bookkeeping difficulties) rather than less.

Veterinary reimbursement rates were adjusted several years ago after being at an artificially low median reimbursement rate for many years. When this median was recalibrated, the costs jumped to the actual costs experienced by the veterinarians participating. The veterinary reimbursement rates are set according to the rules created by statutory authority, and veterinarians have worked hard to have this rate computed correctly. Veterinarians today would not participate in the program under conditions such as the ones previously in effect, and we need a credible and trustworthy partner, such as DCF, who understands and respects this. Without the willing participation of veterinarians who feel they are being treated fairly, there is no program.

The low rates of reimbursement, combined with a relatively low application rate in the early years of the program, produced a surplus of funds that was gradually expended as the number of surgeries increased.

Recommendation

There is no possibility that the entire demand for low cost pet sterilization can be met under the current VSNIP funding scheme. This has nothing to do with DCF's management of the program. The current program administrators are committed to distributing these services in as fair and consistent a manner as possible with the funds available, and to review the program and make improvements when possible. In discussions with DCF, we have found the program administrators to be both receptive and responsive to the concerns of veterinarians, as well as committed to the success of the program.

Awarding the VSNIP contract to an outside administrator would deplete limited funds available to perform surgeries for the pets of low income Vermonters who need these services. We support efforts to allow DCF to continue to administer VSNIP, along with efforts for additional program funding. Please contact me or the VVMA if you have any questions or if you would like to have more input from veterinarians.