

Veterinary Services Incorporated (VSI) History

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One of the more useful and imaginative programs designed by the Alberta Veterinary Medical Association was Veterinary Services Incorporated Ltd. (VSI). The need for this organization developed following the completion of the brucellosis program in the late sixties resulting in the loss of many of the practicing veterinarians from the Peace River area.

In 1965, Drs. W. Bulmer and K. R. Macdonald consulted with Mr. McFee, Director of Insurance for the Province of Alberta and with Dr. J. Kettlewell of the Alberta College of Physicians and Surgeons who was an organizer for Medical Services Incorporated (MSI). The findings and recommendations arising from these meetings were presented by Dr. W. Bulmer to the June meeting of the A.V.M.A. in 1965.

In 1966, briefs regarding the lack of veterinary services were received by the government of Alberta from concerned groups in the Peace River area. Over the years 1966-69, the A.V.M.A. studied extensively the conditions of large animal practice in Alberta. The committees involved included the Committee on New Concepts of Maintaining Livestock Health (Dr. R. B. Miller, 1967), the Economics of Livestock Health (Dr. R. B. Miller, 1968) and the Large Animal Practice Committee (Drs. R. B. Miller & H. N. Vance). In the fall of 1968, the Large Animal Practice Committee proposed that the best solution to the problem would be a two-fold plan consisting of a prepaid veterinary service plan and construction of a veterinary clinic in central location. During the years 1966-69, several briefs on this subject were presented to the Alberta Cabinet. (See Appendix Six).

The committees' proposals were endorsed by the A.V.M.A. at two special general meetings held in Edmonton and Calgary during October 1968. In January the A.V.M.A. presented the proposals to the Alberta Cabinet which subsequently agreed to provide the clinic.

In 1969 the A.V.M.A. proposed that a three year pilot project be carried out at Fairview, Alta. In which a veterinarian would be supplied with a clinic to operate from and would practice under a prepaid veterinary care plan. The funds for the clinic were to be provided by the government of Alberta and for the veterinary care plan by the local governments. Construction of this clinic in Fairview was started in 1969 and the official opening took place on June 6, 1970. Among the government representatives attending were Premier H. Strom, Hon. Henry Ruste (Minister of Agriculture), Dr. E. E. Ballantyne (Deputy Minister of Agriculture), Dr. J. G. O'Donoghue (Director of Veterinary Services) and local members of the Legislature. Dr. James M. Henderson was the first veterinary practitioner to operate out of the clinic. The second aspect of the plan was VSI which was registered as Veterinary Services Incorporated Ltd., a non-profit company in which the Alberta Veterinary Medical Association holds the majority of shares. Shares are also held by the local governments. The board of management is composed of five people, three from the A.V.M.A. and one from each of the participating municipalities and local improvement districts.

Two Municipalities (Fairview & Peace) and five Improvement Districts (Numbers 17, 19, 20, 21 & 22) each contributed four thousand dollars annually to the plan. The funds collected were used to pay professional fees. A farmer using the service paid a "user fee" of \$3.00 for clinic service and \$6.00 plus mileage for service on the farm. VSI paid the balance of the fee. Drugs were not included in this plan. Over the three year pilot project, revenue and expenditures came very close to balancing. While local governments contributed equally during the pilot project, it became evident that they did not receive equal benefit, and that a more equitable premium assessment would have to be made in the future. The three year pilot project started in July 1970 and veterinarians participating initially in the plan were Drs. J. M. Henderson of Fairview, Alta., H. R. Somerville of Grande Prairie, Alta., and G. Brodeur of Grimshaw, Alta.

In October 1973, after serving for a time as Secretary-Treasurer during the formative years, Dr. E. Haworth resigned and Dr. R. Knudsen became the Secretary-Treasurer. At the same Council meeting, Dr. Knudsen reported that five Improvement Districts and two Municipal Districts would contribute a total of \$10,000 in premiums for 1974. It was anticipated that High Prairie would join and the premiums would then be \$12,000. The user fee was increased to \$4.00 in clinic and \$7.00 on farm.

In 1975, Dr. R. Knudsen reported that VSI had operated successfully. VSI decided to follow the suggested fee schedule set forth by the A.V.M.A. Large Animal Practice Committee. The user's fee was increased to approximately 40% of the veterinarian's fee; thus the user paid a more equitable portion of the total cost, particularly on the more expensive procedures. The financial position of VSI was very healthy so

contributions by local governments were cut to a minimum. The Municipal District of Smoky River, Improvement District #16 and the Indian Reserves for the Lesser Slave Lake District had taken VSI contracts. Veterinarians coming under the plan during 1975 were located at Athabasca, Valleyview and Westlock. Dr. Peter Martin was appointed as Secretary-Treasurer of VSI in 1975.

Dr. Martin reported in 1976 that both the areas served and the number of participating veterinarians had expanded substantially in the past two or three years. The operating budget was now about \$35,000 per year. A.V.M.A. representatives were Drs. G. Godkin, J. Rattray and P. K. Martin.

In 1977, Dr. Martin reported that the area around Lac La Biche (defined as that part of I.D. 18 which used to be I.D. 102) and Dr. P. deNooy of Lac La Biche were brought into the program. During 1978 directives were given to the Council and the Large Animal Practice-VSI Committee to prepare a brief for presentation to the Minister of Agriculture. Drs E. Haworth and J. Rattray researched and prepared an excellent submission. The intent of the brief was to extend VSI province wide. It was presented to the Minister from whom the A.V.M.A. received the recommendation to promote its concepts. A number of the copies of the brief were printed for members to give to municipal councils, M.L.A.s and other interested parties. In an A.V.M.A. newsletter printed March 10, 1978 Dr. E. Haworth provided a seven year review of the progress with VSI to that date. The report indicated that at that time, the VSI region had five government clinics located at Fairview, Fort Vermilion, Manning, High Prairie and Valleyview. Six veterinarians served full time, and five practices did some work outside the VSI area. The plan then covered eight Improvement Districts, three Municipal Districts and six Indian Reservations. Despite the considerable efforts made by Dr. A. Bildfell as well as by many other A.V.M.A. members, it was not possible to extend the benefits of VSI province wide.

In 1980, the Secretary-Treasurer, Dr. Ray Fenton, was able to report and \$18,000. surplus from the previous year plus a \$20,000.00 cushion that was maintained to meet unexpected expenses. It was also reported that there were fifteen veterinarians, eight Improvement Districts and three Municipal Districts under contract with VSI. Two other local authorities and the Indian Affairs Branch had expressed an interest in joining the program.

Dr. H. N. Vance was able to report in 1981 that I.D. 15 and MD 133 had joined the program for the first time. The company had a surplus in excess of \$50,000. from previous years' operations. Payments for "Herd Health" were the single largest fee item.

In 1982, the area covered by VSI did not expand but I.D. 18 renewed their contract despite losing their only resident veterinarian (Lac La Biche). The work of herd health had increased fall activity but 70% of all services were still provided in the first half of the year.

In 1983, Dr. G. MacQuarrie replaced Dr. H. N. Vance as Secretary-Treasurer for six months while Dr. Vance was away on a teaching assignment in Malaysia. The M. D. of Spirit River elected to drop out of the program.

Dr. Ralph Shute reported in 1984 that two local authorities had ceased participation. Because of a 14% increase in the number of services in 1984 it was anticipated that an increase in requisitions from the local governments would be necessary.

During the first three quarters of the year 1985, the number of services increased dramatically due to a long hard winter. The situation resulted in a financial strain on the budget of VSI and in turn on the local authorities.

Dr. H. N. Vance retired as the Secretary-Manager in 1986 after several years of service and was replaced by Dr. Roland Breault. Dr. Kevin Breker of Peace River replaced Dr. Ralph Shute as the A.V.M.A. representative to the VSI board.

In 1988, Dr. Breker was able to report that VSI was running smoothly. He predicted that fiscal matters would continue as the primary concern of VSI but suggested that benefits would ensure its future.

Dr. George Long reported in 1989 that an increase in the number of cattle increased usage by producers and a restructured fee schedule led to an increase in demands on VSI funds. He reported that the program had succeeded in encouraging the use of veterinary service but had only partially reached its goal of establishing stable veterinary establishments since many areas were still served by one person practices.

Dr. Roland Breault retired as Secretary-Manager of VSI at the end of 1990 and Dr. Malcolm Gray then assumed this position. Dr. G. Long reported that the past few years had resulted in a gradual reduction in the cash reserves due to increased utilization of the program.

Over the years VSI has been an outstanding success story. It is the first time ever that such a scheme has been attempted. The program has ensured that affordable veterinary services complete with modern clinical facilities were made available for the marginal agricultural areas of Alberta. VSI is an example of what can be accomplished by competent people with good motives. Further it is an example of what can be accomplished with minimal cost when governments at two levels, and an organized profession, combine to achieve common goals. At a time when all levels of government are having great difficulty in managing their resources, the program is an excellent example of what can be achieved with only minimal use of public funds. Much of the credit for the creation and early success of the program is due to Drs. R. B. Miller, H. N. Vance, E. Haworth, J. Rattray, and A. Bildfell. However, there are many other A.V.M.A. members who over the years have ensured continued success by serving as Secretary-Treasurer, or as the A.V.M.A. representative