

# AAEP NEWS

## Ethics: The ethics of agent compensation

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Recently, individuals in the Fédération Internationale de Football Association, the governing body of football/soccer, were indicted for accepting bribes to decide who would get to provide services to FIFA, such as hosting its quadrennial tournament and televising matches.

Such kickbacks are considered fraud and if found guilty, the indicted individuals will be convicted of corruption. Such cases occur with alarming frequency. For example, in June 2015, five New Jersey medical professionals were indicted and charged with accepting bribes and kickbacks for referring patients for imaging services. These charges, if sustained, carry maximum sentences of 20 to 25 years in prison.

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In the April 2015 issue of *Equine Veterinary Education* (Nyrop, K, *The Veterinarian’s Role in Referral of Equine Cases*, EVE, 2015: 27(4): iii-iv), Dr. Karen Nyrop presented the ethical issues surrounding veterinarians and the referral of equine patients. However, non-veterinarians are also often involved in selecting veterinary services. When owners who are absent, or for whatever reason are unable to select their provider of veterinary services, proxy agents such as farm managers, trainers and bloodstock agents often direct where, and by whom, veterinary services will be delivered. When agents request or expect some form of payment, either directly in cash or in veterinary goods and services, for the opportunity to provide veterinary services to the agents’ clients, veterinarians are faced with an ethical challenge.

The outright payment of money from a veterinary practice to an equine entity (farm, training center, etc.) or person in exchange for providing veterinary services is unethical and may be illegal in some jurisdictions. Such payment violates the requirement to deal honestly with clients and colleagues. The client relies upon the advice of the veterinarian on matters of referral and prescribing. All referrals and prescriptions must be based on the skill and quality of the veterinarian to whom the patient has been referred or the quality and efficacy of the drug or product prescribed.

In some instances where third parties are involved, there may be expectations of quid pro quo. For example, in

exchange for working on horses in a training barn, there may be an expectation that the trainers’ personal horse(s) will be treated at a reduced rate. Here, the ethics can be more ambiguous. Veterinarians are certainly free to provide their services at a reduced rate to agents as a professional courtesy as long as the shortfall is not passed on to other clients. When clients know about agreements that may affect their horse or bill, ethical concerns are mitigated as long as the clients are aware and have the option of opting out of them. Cost sharing of veterinary services for horses with multiple owners is ethically acceptable, as long as the client is aware of what proportion of the bill they are paying. If a trainer who is a part-owner has an arrangement with the other owners that they will pay all veterinary fees, that understanding should be put in writing so there can be no misunderstandings.

Arrangements for agents to pay all veterinary charges and individually bill clients with added fees for patient shipping, treatment or bill processing are acceptable as long as the client is fully informed and has the option of directly paying the veterinary fees. The issue of communication between veterinarians, owners and agents can be complicated because the expectations of owners about being kept informed can vary greatly. When there is doubt, a veterinarian should err on the side of over-communication with owners. The veterinarian should communicate adequate information and explanation about the payment arrangement and should provide reasonable alternatives. A third-party payment arrangement should be refused if it prevents the veterinarian from providing professional services that are necessary or if it encourages the provision of professional services that are unnecessary.

In competitive veterinary environments such as the racetrack, big show and performance horse barns, and breeding farms, the temptation to agree to agents’ requests for financial accommodations or payments in return for access to their clients’ veterinary work can be severe, but must be resisted. A better grasp of both the ethical and legal ramifications of such arrangements can help equine veterinarians respond to and withstand those pressures.

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