



Fees for Cystocentesis

Set Them Separately or Set Them at All?

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Fees for services such as cystocentesis (ie, the collection of uncontaminated urine samples with a needle through the bladder wall) varies from practice to practice—from how much is charged for the service to whether the practice charges a separate fee or rolls the expense into other service fees.

According to *Benchmarks 2017: A Study of Well-Managed Practices*, 69% of practice participants charge separately for cystocentesis, with a median fee of \$26.¹ Practices that do not charge separately may include this fee in the urinalysis or culture and sensitivity laboratory fees, which may make clients who compare the different amounts that practices charge for urinalysis feel they are being overcharged. Therefore, charging separately for cystocentesis is a good rule of thumb to avoid this negative perception.

Face the Challenge

Team buy-in is the major challenge practices face when determining appropriate fees. Team members must have a

See related articles, [Acute Kidney Injury](#), page 35, and [Using Cystocentesis to Obtain Sterile Urine Samples](#), page 51

Doing the Math

TRACKING TIME

A time-motion study is best to determine direct labor costs of cystocentesis. Track the time a veterinary nurse and other team members take to obtain the uncontaminated urine sample. Clock the time required to:

- Take the patient from the examination room to the treatment area
- Gather needed supplies (eg, sterile needle[s] and appropriate-sized syringes, cotton balls, alcohol)
- Restrain the patient for the procedure
- Prepare for the procedure, including swabbing the abdomen with alcohol, bladder palpation, needle insertion, drawing the sample into the syringe, labeling the sample, and returning the patient to the client in the examination room

EXAMPLES

This may take 2 veterinary nurses 5 minutes:

$$\begin{aligned} 5 \text{ min} &= 5/60\text{th of an hour (h)} \\ &= 0.083 \text{ h per veterinary nurse} \end{aligned}$$

Because cystocentesis is a labor-intensive task and 2 veterinary nurses were required, then another 5 minutes (0.083) should be added, resulting in a time of 0.166 hours. Taking the ratio of direct to indirect labor into consideration:

$$\begin{aligned} &1 \text{ h indirect labor per h of direct labor} \\ &0.166 \text{ h direct labor} + 0.166 \text{ h indirect labor} \\ &= 0.332 \text{ h total labor} \end{aligned}$$

The median hourly salary for a veterinary nurse with 3 to 5.9 years of experience is \$16³:

$$\begin{aligned} \$16 \text{ (hourly rate)} \times 0.332 \text{ (total time)} &= \$5.31 \\ &\text{(cystocentesis labor cost)} \end{aligned}$$

Using 2016 nonveterinarian wages of 22.5% of gross revenue⁴ to determine an appropriate fee:

$$\begin{aligned} \text{Labor cost} \div \text{the support team payroll as a percentage} \\ \text{of gross revenue} + \text{supply cost} &= \text{Fee} \\ \$5.31 \text{ (cystocentesis labor cost)} \div 0.225 + \$2 \\ \text{(hard costs of supplies)} &= \$25.60 \end{aligned}$$

The support team payroll, as a percentage of gross revenue (ie, 22.5%), is considered in this calculation because a fair fee for this service is being determined based on the hard costs of supplies used and actual labor costs, as a ratio to total payroll, as a percentage of gross revenue. The ratio connects the labor costs to the practice (ie, to what the practice should generate in revenue for that expense).

For every revenue dollar generated in a Well-Managed Practice, 22.5 cents is spent on labor²; therefore, there is a correlation between the fee for a service and the labor costs for that service. The hard cost of supplies (\$2) is the actual amount spent to purchase the supplies (eg, needles, alcohol, syringes), which is added to the ratio calculation.

USING ULTRASONOGRAPHY

If the practice's standard protocol calls for an ultrasound-guided cystocentesis, the fee should be increased. Using \$260 as the median fee for an abdominal ultrasound⁵:

$$\begin{aligned} \$260 \text{ (median fee)} \div 30 \text{ min} \\ \text{(average ultrasound time)} &= \$8.67 \text{ per min fee} \end{aligned}$$

If the veterinary nurses used ultrasonography for 2 of the 5 minutes sample collection took, add \$17.33 (2 × \$8.67) to the original calculation:

$$\begin{aligned} \text{Labor cost} \div \text{the support team} \\ \text{payroll as a percentage of gross revenue} + \\ \text{supply cost} + \text{ultrasound cost} &= \text{Fee} \\ (\$5.31 \div 0.225) + \$2 + \$17.33 &= \$42.93 \text{ fee} \end{aligned}$$

In both examples, 2 veterinary nurses took 5 minutes to collect the sample. Ultrasonography did not reduce the time they took; rather, its use made their technique safer and more accurate.

In the second example, the ultrasound cost is added to the original equation because nothing else changed (ie, the same veterinary nurses, taking the same amount of time, being paid the same wage, and using the exact same consumable supplies). Ultrasonography allowed the veterinary nurses to visualize the bladder; therefore, its cost, which is high, must be added to the fee from the original calculation.

good understanding of the reason for each fee to be able to confidently charge for the services. If team members believe the fees are pulled out of thin air, they most likely will have low confidence in the practice's fee schedule and may miss or remove charges from a client's invoice.

Setting Fees

Considering direct and indirect labor costs is the best approach to setting cystocentesis fees.

- **Direct labor** includes any service provided by a team member that contributes directly to patient or client care (eg, physical examination, laboratory tests, surgery).
- **Indirect labor** includes all other actions that do not directly relate to patient or client care (eg, team meetings, CE, supervision, training, marketing).

In veterinary medicine, one hour of direct labor typically is expended for each hour of indirect labor.² (See **Doing the Math.**)

Overhead costs are captured with labor costs as a percentage of gross revenue factored into the calculation. Overhead is a separate expense from both direct and indirect labor costs and is more appropriately applied to the total revenue generated in a transaction than to individual fees because service fees on a single invoice may overlap in time. A time study for a single service fee item is the focus here.

Conclusion

Using this approach and then sharing the math with team members can go a long way in helping them understand why the practice needs to charge for cystocentesis each time the service is performed. Understanding leads to team member confidence, which is vital when communicating to clients the medical costs involved in the treatment of their pet. ■

References

1. *Benchmarks 2017: A Study of Well-Managed Practices*. Tumblin D, Tassava B, Traub-Werner M, eds. Columbus, OH: WMPB; 2017:26.
2. Oster K. Pricing strategies and decisions. In: Ackerman L, ed. *Blackwell's Five-Minute Practice Management Consult*. 1st ed. Oxford, UK: Blackwell Publishing; 2007:156.

3. *Benchmarks 2017: A Study of Well-Managed Practices*. Tumblin D, Tassava B, Traub-Werner M, eds. Columbus, OH: WMPB; 2017:98.
4. *Benchmarks 2017: A Study of Well-Managed Practices*. Tumblin D, Tassava B, Traub-Werner M, eds. Columbus, OH: WMPB; 2017:86.
5. *Benchmarks 2017: A Study of Well-Managed Practices*. Tumblin D, Tassava B, Traub-Werner M, eds. Columbus, OH: WMPB; 2017:25.



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FUN FACT: In a former life, Brenda hustled on the 9-ball circuit and was once ranked a semiprofessional player by the Women's Professional Billiards Association.

BENCHMARKS

Median Cystocentesis Fees

- Physical examination: \$54
- Cystocentesis: \$26
- Urinalysis: \$51
- Culture and sensitivity with mean inhibitory concentration (MIC): \$174
- Culture and sensitivity without MIC: \$119
- Abdominal ultrasound: \$260

SOURCE: *Benchmarks 2017: A Study of Well-Managed Practices*. Columbus, OH: WMPB; 2017:26.

TAKE ACTION

- 1 Consider separate fees, which may be less confusing for clients, rather than including cystocentesis in charges for other services.
- 2 Include direct and indirect labor costs when setting cystocentesis fees.
- 3 Team member understanding of how charges are calculated is key to confident communication when they explain treatment costs to clients.