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News Release

Bayer-AAFP study finds 78 percent of veterinarians see cat care as key to practice growth, but many are slow to make practices more cat-friendly

Bayer HealthCare teams up with the American Association of Feline Practitioners to improve feline healthcare and strengthen veterinary practices

Shawnee, Kan. / Hillsborough, N.J., January 21, 2013 – A new study conducted by Bayer HealthCare, in collaboration with the American Association of Feline Practitioners (AAFP), reveals that 78 percent of veterinarians believe that better care for cats represents one of the most *significant, missed opportunities* for the profession. The study found that 46 percent of veterinary clinics have recently started taking specific steps to increase visits among current feline patients, attract more cat-owning clients, and make their practices more “friendly” to cats. But there is still much to be done.

Insights from the *Bayer Veterinary Care Usage Study III: Feline Findings* were presented today at the North American Veterinary Conference in Orlando, Fla. This third in a series of studies sponsored by Bayer HealthCare LLC Animal Health Division was presented in partnership with the AAFP and Brakke Consulting. The study’s findings are based on a nationally representative online survey of 401 veterinary practice owners in November 2012.

The purpose of the Bayer Veterinary Care Usage Study is to improve veterinary care of pets by determining why visits are declining and helping veterinarians reverse the trend, according to Ian Spinks, President and General Manager, Bayer HealthCare LLC Animal Health Division, North America. Earlier phases of the study found that cats were less likely to receive regular veterinary care.

“The Bayer Veterinary Care Usage Study III: Feline Findings aims to deliver actionable insights that improve feline healthcare and strengthen veterinary practices,” said Spinks. “Together with the American Association of Feline Practitioners, Bayer HealthCare will

work throughout 2013 to uncover the obstacles to routine veterinary care for cats and find practical solutions to help remove them.”

Practice cat-readiness: perception vs. reality

A key objective of the study was to determine the extent to which veterinary practices recognize the need to improve cat care and what steps, if any, they have taken to increase feline visits. Nearly 70 percent of veterinarians were familiar with the earlier Bayer studies. Of those most familiar, 48 percent indicated they had made specific changes in their practices, most aimed at increasing cat visits. Moreover, 91 percent of veterinarians believe they have available capacity to handle more cat visits without significant changes.

However, despite the fact that most veterinarians recognize that cat owners consider a visit to the veterinarian to be stressful for themselves and their pets, nearly one-third of practices have not trained staff on how to make visits less stressful for cat owners. In addition, relatively few practices have adopted procedures such as: exam rooms used only for cats (35 percent); cat-only waiting areas that are physically and visually separated from dogs (18 percent); and cat-only days and appointment hours (11 percent).

Veterinarians are not all cat people

“To some extent, veterinarians’ own biases may play a role in how they pursue feline patients,” said Dr. Elizabeth Colleran, owner of Chico Hospital for Cats, Chico, Calif., and past president of AAFP. “For example, the Bayer Veterinary Care Usage Study III: Feline Findings found that, while veterinarians are nearly equally likely to own a dog or cat—81 percent versus 70 percent—48 percent prefer dogs, while only 17 percent prefer cats.”

The study further confirmed a preference for dog over cat patients by veterinarians, who indicated: dogs are easier to work with than cats during wellness exams (90 versus 65 percent); cats are more challenging to diagnose than dogs (57 versus 34 percent); and dogs actually enjoy visiting the clinic (79 versus 15 percent). Interestingly, 20 percent of veterinarians with cats report not having conducted a wellness exam on own their cat in the past twelve months.

In addition to understanding and developing solutions to overcome the obstacles to cat care, the partnership between Bayer HealthCare and the American Association of Feline Practitioners aims to foster greater awareness and adoption of the AAFP’s “Cat Friendly

Practice” (CFP) Program. CFP contains multimedia educational resources covering such areas as: understanding cat behavior; pet owner communication; waiting room comfort and handling guidelines. To date, 259 veterinary practices have become CFP-approved, with an additional 530 pending or working towards approval. For further information, visit: <http://catfriendlypractice.catvets.com/>.

Ten-plus things veterinarians can do now to increase cat visits

“Since the Bayer Veterinary Care Usage Study III: Feline Findings confirms that better care for cats is key to veterinary practice growth, 2013 may turn out to be the ‘Year of the Cat’ on many veterinary calendars,” said Cristiano von Simson, DVM, MBA, Director of Veterinary Technical Services at Bayer HealthCare LLC Animal Health Division, North America. “To help increase feline visits, Bayer HealthCare and the American Association of Feline Practitioners offer eleven practical tips.”

1. Find the un-served/under-served cats in your practice by asking about other household pets on every visit and tracking reminder compliance
2. Educate cat owners on carrier use and transporting cats
3. Make your waiting room as cat-welcoming as possible by establishing separate areas for dogs and cats and installing visual barriers, if possible
4. Reserve one or more exam rooms for cats only
5. Train all staff regularly in cat-friendly handling
6. Review and refine feline exam protocols
7. Talk through the exam with cat owners
8. Use and dispense feline-friendly medications
9. Send home an exam report every time
10. Schedule the next exam before the cat leaves the practice
11. Join AAFP and become a certified Cat Friendly Practice

Overall trends: half report revenue growth; pet visits stagnant, but improved

According to the Bayer Veterinary Care Usage Study III: Feline Findings, while 60 percent of veterinary clinics raised fees in 2012, only 45 percent reported growth in revenue. Among those practices that did increase revenue, 23 percent attributed this growth to fee increases, while 26 percent cited their provision of more and improved services as the reason. Among those clinics experiencing lower revenues, 46 percent identified fewer patient visits as the main reason, followed by a poor economy (31 percent) and clients with less income (23 percent). Eighty-one percent of practices said they plan to increase fees in 2013.

Overall trends in pet visits to veterinary clinics are mixed, with 39 percent of respondents reporting an increase and 38 percent reporting a decrease. However, in terms of appointment capacity, only 48 percent of practices reported having 70 or more percent of appointments filled during the first nine months of 2012.

About the Bayer Veterinary Care Usage Study

The first phase of the study focused on the decline in veterinary usage from the pet owners' perspective, identifying six root causes: the economic impact of the recession; fragmentation of veterinary services; the use of the Internet versus office visits; feline resistance; perception that regular medical check-ups are unnecessary; and cost of care.

The objectives of the second phase were to: identify any correlation between clinic revenue and pet visits; identify the use of successful practice tools; and establish the degree to which veterinarians are utilizing services identified in phase one of the study. Results were based on a nationally representative, quantitative online survey of 401 companion animal veterinarians.

About Bayer HealthCare

The Bayer Group is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. Bayer HealthCare, a subgroup of Bayer AG with annual sales of EUR 17.2 billion (2011), is one of the world's leading, innovative companies in the healthcare and medical products industry and is based in Leverkusen, Germany. The company combines the global activities of the Animal Health, Consumer Care, Medical Care and Pharmaceuticals divisions. Bayer HealthCare's aim is to discover, develop, manufacture and market products that will improve human and animal health worldwide. Bayer HealthCare has a global workforce of 55,700 employees (Dec 31, 2011) and is represented in more than 100 countries. Find more information at www.bayerhealthcare.com.

About the American Association of Feline Practitioners

The American Association of Feline Practitioners improves the health and welfare of cats by supporting high standards of practice, continuing education and scientific investigation. The AAFP has a long-standing reputation and track record in the veterinary community for facilitating high standards of practice and publishes guidelines for practice excellence which are available to veterinarians at the AAFP website. Over the years, the AAFP has encouraged veterinarians to continuously re-evaluate preconceived notions of practice

strategies in an effort to advance the quality of feline medicine practiced. The Cat Friendly Practice program is the newest effort created to improve the treatment, handling and overall healthcare provided to cats. Its purpose is to equip veterinary practices with the tools, resources and information to elevate the standard of care provided to cats. Find more information at www.catvets.com.

About Brakke Consulting

Brakke Consulting is the leading consulting firm specializing in the animal health and nutrition markets. Headquartered in Dallas, the firm also maintains offices in Chicago, Omaha, St. Louis, Kansas City and Stuart, Florida, and has affiliate offices in Osaka and Sydney. Established in 1986, Brakke provides a full range of consulting services, including General Consulting, Strategic Planning, Mergers and Acquisitions, Market Research Studies, Technology Licensing, Communications Strategies and New Business Development. Find more information at www.brakkeconsulting.com.

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Forward-Looking Statements

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