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# Beginning a Vet Practice in the Beehive State

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There are plenty of attractive reasons to launch or buy a veterinary practice in Utah. The beehive, the official emblem of Utah, is a symbol of diligence and perseverance, and the state's hard work and industry has paid off: In 2023, the US News & World Report ranked Utah the #1 state in the country; Utah was also ranked #1 in the rankings' individual categories of economy and fiscal stability, two areas especially appealing to anyone looking to start or expand a business. In addition, Utahns see the value in paying for medical care that will improve their pet's health. An article in the Salt Lake Tribune noted that, on average, dog owners in Utah are more likely to pay to save their dog's life—even if the medical costs are high—than in other states (article available here).

In navigating the process of opening or acquiring a veterinary practice in Utah, you'll want to think ahead about:

- its openness toward the corporate practice of veterinary medicine.
- the use of independent contractors in your practice.

## **How open is Utah toward the corporate practice of veterinary medicine and what are the licensing requirements?**

As we've discussed in other articles, rules differ greatly from state to state when it comes to the nuanced intersection between delivering quality patient care and commercial interests. Some states follow the doctrine (borrowed from human medical care) that veterinarians may not be employed by non-licensed persons, including business corporations and limited liability companies. This doctrine is intended to prevent corporate interests from affecting veterinarians' judgment and independence as licensed professionals. Other states are more flexible, allowing the corporate practice of veterinary medicine to varying degrees, or fully allowing it.

Utah does not follow the Corporate Practice of Medicine (CPOM) doctrine. That means an unlicensed person can own a veterinary practice and employ licensed veterinarians. Any non-licensed person or entity managing, owning, or operating one of those practices may not, however, influence the independent medical judgment of the veterinarians working in the practice.

## **What regulations govern the engagement of veterinarians as independent contractors?**

No Utah regulations expressly prohibit a practice from engaging veterinarians as independent contractors. In the right circumstances, using

independent contractors can lower costs, increase scheduling flexibility, and reduce risk. If a veterinarian independent contractor commits malpractice, an owner would not be subject to discipline by the Board of Veterinary Medicine so long as they did not engage in unprofessional conduct or violate the minimum standards of practice. However, this doesn't mean an owner would be shielded from a medical malpractice claim under Utah agency law. Moreover, even if independent contractors are used, it's a wise strategy to also employ supervising veterinarians to help insulate owners from unlawful and unprofessional conduct. It's also crucial to:

- fully vet all candidates before hiring any supervising veterinarians.
- train the supervising veterinarians on policies and procedures that address unlawful and unprofessional conduct under Utah law.
- appropriately delegate day-to-day management authority to supervising veterinarians.
- ensure that the veterinarians engaged as independent contractors meet the various state and federal tests to be properly classified as independent contractors.

### **Conclusion**

Utah's openness to the corporate practice of medicine, its booming economy, and its fiscal stability makes it an appealing place to start or purchase an existing practice. Utah law provides entrepreneurs and corporate practices with flexibility to structure their operations for growth and eventual exits so long as a few basic rules are followed.

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