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CONSUMER CONFIDENTIAL

Up a tree over dead cat's health plan

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When Sarah Harper took her cat, Pete, to Banfield, the Pet Hospital, she was encouraged to sign up for one of the company's "optimum wellness plans."

For an enrollment fee of $69.95 and $16.95 in monthly payments, Harper was told, Pete would receive regular vaccinations and exams, as well as discounts on a variety of medical services from the nation's largest chain of veterinary facilities.

"They were talking about 'wellness' and 'healthcare,' " she said. "It seemed like insurance."

It wasn't.

Pete developed epilepsy last year and had to be put to sleep (as they say) in October. Harper subsequently contacted Banfield to terminate Pete's wellness plan. She said she was told she couldn't cancel because she'd agreed to a one-year contract.

So Harper, 29, a Chicago schoolteacher, is now paying $16.95 a month for a dead cat's healthcare.

"Pete was our little guy," she said, the tears starting to flow. "Charging for his healthcare after he's dead? That's just evil."

Banfield says it's all spelled out in the fine print.

"This is an issue we run into once in a while, when a client hasn't read the contract," said Kathy Baumgardner, a Banfield spokeswoman.

Banfield has 655 facilities nationwide, mostly attached to PetSmart pet-supply outlets. The company says it sees an average of 375,000 pets monthly, with about 2 million animals covered by wellness plans.

Banfield sees its wellness plans as a way for pet owners to manage the fixed costs of regular checkups and routine treatments. Payments can be made annually, but the company says most people opt for monthly installments.
"A lot of people couldn't afford everything a pet needs," said Karen Johnson, a vet who also serves as Banfield's vice president and client advocate. "A wellness plan spreads the cost over 12 months of payments."

That sounds straightforward enough, and Banfield's media kit states prominently that "wellness plans are not insurance policies." The materials that consumers see aren't as forthright.

The brochure for Banfield's plans describes the service as "the best preventive care your pet needs to maximize its life."

It lists a wide array of tests and procedures covered by the various plans, which range in price from $11.95 to $29.95 a month. By enrolling, it says, "your pet is on its way to a happier, healthier and longer life!"

There's also no explicit declaration in the customer contract that a wellness plan isn't insurance. But the fine print does make clear that pet owners are on the hook even if a pet goes to that big kennel in the sky.

It says monthly payments could be required "if the total amount of services rendered by Provider prior to cancellation (valued at Provider's full retail prices) exceed the sum of monthly installments retained or recovered by Provider."

That sort of language may sail over the heads of many people.

ConsumerAffairs.com, a popular consumer-advocacy website, includes numerous complaints about Banfield, ranging from overcharging to alleged malpractice. Other sites make clear that the company's wellness plans are often mistaken for insurance.

"My pet was put to sleep due to a terminal illness, and Banfield said I would have to continue to pay the premiums until the end of the contract," one person posted on complaintsboard.com. "Death was not a good reason to discontinue paying the wellness premium."

"SAME THING HERE!" another person replied. "Our puppy got really sick and could not fight the sickness off and passed away the same month we got the wellness plan. They would not let us cancel, or even change the plan to our other dog. We are still paying insurance for a dog we don't have!!"

Banfield's Johnson said the company was aware of the online complaints.

"It's unfortunate that those are out there," she said. "We have 2 million pets on wellness plans. We take good care of them."

Harper said she received little sympathy when she first contacted Banfield after Pete's death.

"I told them my cat had died and they said I couldn't terminate the contract," she recalled. "I said that my cat was dead and didn't need a wellness plan anymore. They said only that I'd signed a legally binding contract."

At my request, Harper called Banfield back the other day and asked more specifically about why she was still being charged. This time, she was informed that the monthly fees were covering more than $350 in veterinary bills run up during Pete's illness.

"Now I see it's just a payment plan, like buying a car," Harper told me. "That's not how it was originally presented."

She and other pet owners might want to look into the real deal. The country's largest provider of pet coverage is Veterinary Pet Insurance, based in Brea. The company insures about 460,000 pets.

Brian Iannessa, a spokesman for VPI, said policies typically cost $25 to
$30 a month -- about the same as a comprehensive Banfield wellness plan -- and reimbursed expenses for most tests and treatments.

If your pet dies, the coverage ends. Period.

"You would notify us that your pet is deceased, and the policy would be terminated a day later," Iannessa said.

Also, unlike Banfield's wellness plans, VPI and similar providers are regulated by the California Department of Insurance.

I related to Iannessa what happened to Harper and the payments she's still making for a dead cat.

There was a brief silence as he considered the situation.

"I can see how that would seem heartless in some pet owners' eyes," Iannessa replied.

Contract terms notwithstanding, it's hard to see it otherwise.

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