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PODIATRIC ECONOMICS

PM's 38th Annual Survey

Keeping What You Earn: DPMs' Latest Challenge

Net income dropped
pre-COVID-19 amid lower
patient numbers
and increases in key costs.

BY STEPHANIE KLOOS DONOGHUE

The year 2019 proved to be a financially challenging one for the average podiatrist, according to the near-record 1,042 doctors responding to *Podiatry Management's* (PM's) 38th Annual Survey. For solo practitioners, expenses cut deeply into their median net income, which fell 13 percent to \$114,750—despite only a 2 percent drop in gross revenue.

The data indicated that mode of practice made a big difference on the bottom line. While solo doctors reported the double-digit percentage income drop, partnership/group doctors fared much better. Their median net income dropped only 1 percent from PM's previous survey but was more than 23 percent *higher* than their solo colleagues, at \$141,250.

Respondents in all practice types saw 5 percent fewer patients, which may be why they invested more in paid advertising during our survey period. Their patient base was comprised of a higher percentage of patients requiring wound care (diabetic and non-diabetic), perhaps leading to the more than double expense for bio/pathology lab supplies.

Other areas in which doctors boosted spending included staff salaries and pensions, likely in response to the booming economy in 2019 (our survey period) and keen competition for top talent. Respondents also paid more for computer service maintenance and the internet, perhaps to improve efficiency as well as enhance data security. Historically low interest rates may have prompted respondents to increase fixed equipment purchases despite a lower gross revenue.

In PM's latest survey questionnaire, practitioners were asked specifically for 2019 (pre-COVID-19) data for every question. This set of financial and business practice data will provide a baseline with which to compare 2020. What follows is a breakdown of the data collected along with a discussion of some factors that may have influenced DPM responses. In addition, frequently throughout this article, we take a preliminary look at how COVID-19 may shape future data.

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Survey (from page 55)

CHARACTERISTICS OF RESPONDENTS & TRENDS

New York Still on Top, Followed by California

The largest percentage of respondents to our most recent survey came from New York, at 16.7 percent of the total pool. California DPMs comprised 9.2 percent of those surveyed, while 7.7 percent came from Florida, 6.3 percent practiced in Pennsylvania, and 6.1 percent were from Illinois. The most dramatic shift from our previous data was that the

Texas response rate fell from second to seventh place.

Our state breakdown mirrors, at least in part, the U.S. population as a whole, according to data from the U.S. Census Bureau (USCB). In addition, the top five also matched the U.S. Bureau of Labor Statistics' (BLS') "Employment by Podiatrists, by State, May 2019."

According to the USCB, states leading in population size in 2019 were California, Texas, Florida, New York, and Pennsylvania—an order unchanged from the previous year. The greatest population growth vs. 2018 was recorded in Texas, Florida, California, North Carolina, and Washington.

Shifting populations may change the mix of top states in future surveys, as podiatrists start practices or relocate to areas of potential high growth. Conversely, we may see lower DPM response rates from states that are

shrinking in population or have an emerging unfavorable business climate. In California, for example, high taxes, an escalating cost of living, and lack of affordable housing were cited by multiple news outlets for a recent exodus out of the state. New Yorkers' tax burden is blamed for driving residents and businesses to other areas.

A United Van Lines' 2019 National Movers Study indicated that the top five states with outbound moves were New Jersey, Illinois, New York, Connecticut, and Kansas. The top five with inbound moves were Idaho, Oregon, Arizona, South Carolina, and Washington. In upcoming surveys, we will see whether these shifts have an effect on where doctors practice.

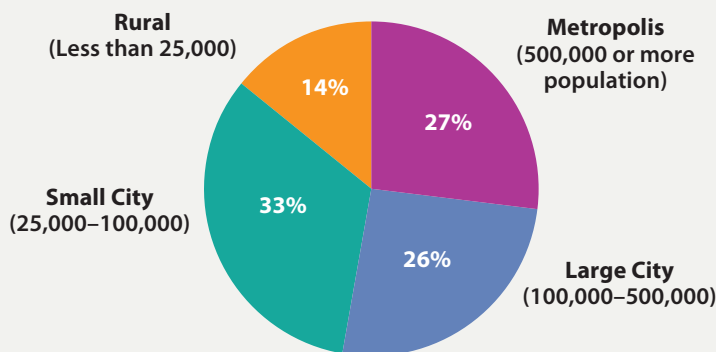
Small Cities Remained Top Community Type

Thirty-three percent of those surveyed practiced in a small city (population of 25,000-100,000). That was up from 30 percent in our prior survey. Next by percentage were doctors in a metropolis (population of more than 500,000), with 27 percent practicing there (down from 28 percent). Twenty-six percent worked in a large city (population of 100,000-500,000)—unchanged from our last report—while the segment of rural doctors dropped from 15 percent to 14 percent.

Small cities have taken the top

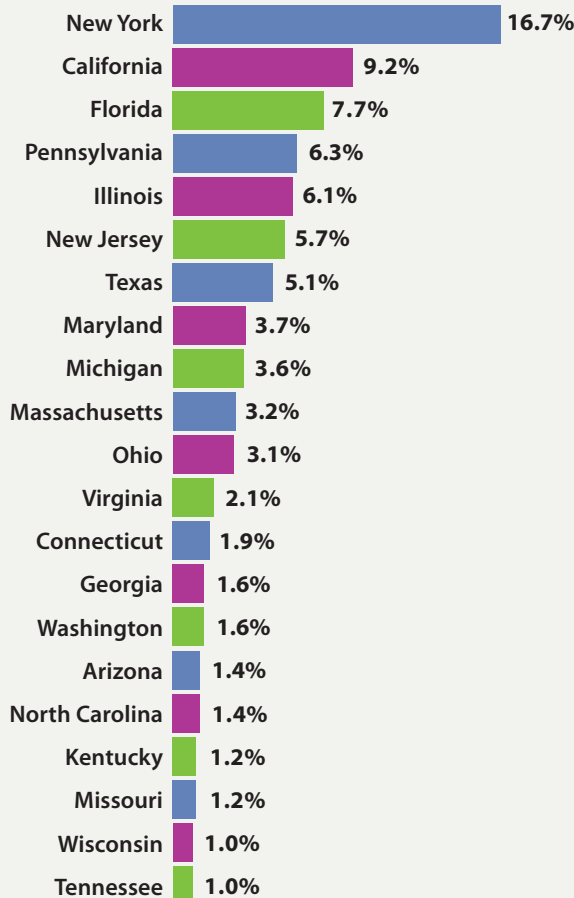
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Community Size



State of Practice

Distribution of respondents—top states



Note: Chart numbers may not equal 100% due to rounding. In addition, the amounts in charts spanning multiple years have not been adjusted for inflation.

Survey (from page 56)

spot in *PM's* survey for more than 20 years. Benefits of these areas over larger cities include a lower cost of living, which is a plus for both staff and doctors; more affordable rents and other business costs; less competition; and shorter commute times. Small cities may also have access to more qualified employees than rural areas. Often small cities are near university centers, which may attract huge, daytime populations from surrounding towns and provide a qualified applicant pool for practice jobs.

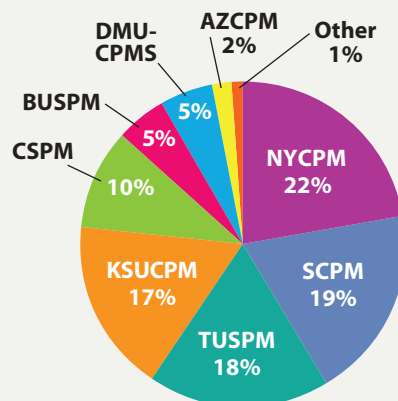
Data we collect for 2020 and beyond may show an exodus from highly dense, urban areas due to COVID-19. DPMs may follow the significant populations that left big cities for sub-

those who were in practice more than 30 years rose from 31 percent to 35 percent.

Our older-doctor data reflected national retirement trends. According to an April 2019 report by Transamerica Center for Retirement Studies, 69 percent of Baby Boomers surveyed (born 1946 to 1964) either expected to or already were working past age 65 or did not plan to retire. Forty-two percent envisioned a phased transition into retirement.

According to "Physician Retirement: Why It's Hard for Doctors to Retire" (*Medical Economics (ME)*, February 13, 2019), one reason physicians were working longer was that

Podiatric College Graduates



practices had closed as a result of the pandemic. On the other hand, some may delay retirement even longer than expected due to COVID-19's impact on their personal finances. According to a poll by Kiplinger in partnership with wealth management firm Personal Capital, 35 percent of those surveyed (age 40-74) planned to work longer because of the pandemic and its financial impact. Forty-three percent said that they were somewhat or far less confident that they will have enough income to retire comfortably because of the pandemic.

Solo Practice Continued Its Gains

Last year, we reported a rebound in the percentage of respondents in solo practice (either self-employed or in a professional corporation (P.C.)). That trend continued, with the proportion of doctors in solo practice

rising from 39 percent last year to 43 percent in our most recent survey. The only other gain was among employed DPMs, which edged up from 5 percent to 7 percent.

The segment of doctors in partnership/group practice dropped from 38 percent last year to 35 percent.

Continued on page 59

Often small cities are near university centers, which may attract huge, daytime populations from surrounding towns and provide a qualified applicant pool for practice jobs.

urban and rural areas due to their new ability to work remotely. We may also see urban DPMs establishing satellite offices to serve relocated patients, even on a short-term basis.

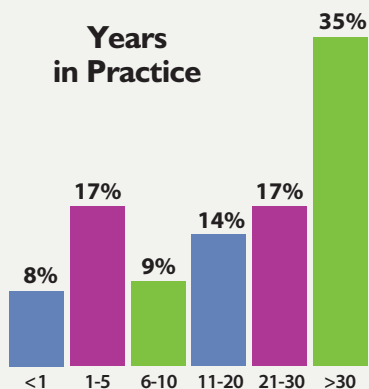
Respondents in Practice Longer

The data indicated that respondents in our latest survey were in practice longer than those in our previous report. Notably, the percentage of doctors in practice less than a year dropped from 11 percent to 8 percent, while the proportion of

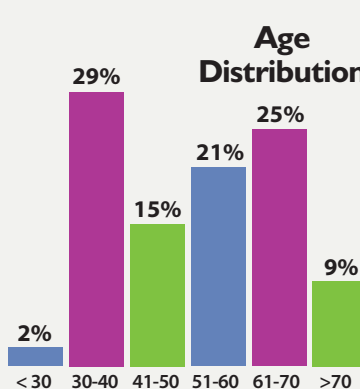
they started their careers later, with fewer years in which to accumulate enough retirement savings while paying for mortgages and children's college educations.

Looking ahead: COVID-19 may result in two different shifts. We expect to see more doctors closing practices and retiring sooner than expected given the risks of patient contact and the need to learn unfamiliar technology. In fact, a 2020 survey by the Physicians Foundation (PF) reported that 16,000 medical

Years in Practice



Age Distribution



Survey (from page 58)

All-DPM practices were the most popular form of this arrangement, with 21 percent (down from 22 percent). Multidisciplinary partnership/group practices were next, with 8 percent (down from 9 percent), followed by those in a P.C. with other podiatrists at 6 percent (down from 7 percent). Twenty-four percent hired other DPMs, down from 25 percent last year.

Hospital-based podiatrists—a breakout category we added a year ago—remained steady at 9 percent. Those in Federal service (Veterans Administration or Indian Health Services) dropped from 3 percent to 2 percent. Only a handful of military respondents answered the survey, dropping their response rate to well below 1 percent, down from 1 percent last year.

Cross-tabulations by sex indicated that men were more likely to be in solo practice than women. Our data indicated that 48 percent of the men surveyed were in a solo practice compared to 30 percent of women. Women were in partnership/group practice instead (39 percent of women vs. 33 percent of men) or were employed by another DPM (14 percent of women vs. 5 percent of men).

Looking ahead: COVID-19 may result in growth of multidocor practices. According to the aforementioned PF survey, 59 percent of physicians agreed that COVID-19 will lead to a reduction in the number of independent physician practices in their communities. “COVID-19 has imposed severe economic strains on many private practices that may not be as equipped to sustain them as are hospital systems, academic medical centers and large, multi-facility medical groups,” according to the report. “On top of the many administrative, reimbursement and compliance challenges private practice physicians face, the pandemic may represent ‘a bridge too far’ for many, contributing to the decline of this traditional practice style.”

Slightly Higher Percentage Had Satellite Offices

Twenty-eight percent of those surveyed reported having one or more satellite offices, a 1 percent increase from our previous survey. The majority had one office (56 percent), 21 percent had two offices, 12 percent had three offices, and 11 percent had four or more offices. Comparing this breakdown to last year, there was a lower proportion of doctors with satellite offices. This may have contributed to the overall decline in net income, as multioffice practices can take advantage of economies of scale.

Regionally, respondents in the Northeast were most likely to have one or more satellite offices, followed by doctors in the South, Midwest, and West.

Our expectations in the area are twofold. First, we anticipate potential satellite office closures due to COVID-19. Alternatively, a segment of DPMs may take advantage of office rental deals, anticipating an enormous economic rebound post-pandemic. Or, as previously mentioned, a portion of this group may open satellites to serve patients who left densely populated, urban areas.

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Survey (from page 59)

No Change in Percentage of Women Respondents

Twenty-seven percent of those surveyed were women, which was identical to last year's results.

Female participation in *PM's* survey may increase in the future as more women enter the profession. Graduation data for 2019 from the American Association of Colleges of Podiatric Medicine indicated that 40.6 percent of graduates were female. Enrollment data showed annual 1 percent or higher increases in female podiatry school enrollment between 2016 and 2019 (all U.S. podiatry schools combined), which could result in even higher female-to-male ratios in our datasets.

Other factors that may shift results include the total female population, which was 50.8 percent in 2019, according to the USCB, and female enrollment in medical schools, which hit 50.5 percent in 2019, according to the Association of American Medical Colleges.

Average Weekly Patient Number Dropped 5 Percent

Doctors surveyed saw an average of 82.7 patients per week, down 5 percent from 87.1 patients in our previous report. There is an obvious connection between the shorter workweeks and patient numbers, but the root causes may be a combination of factors. As previously mentioned, more than a third of doctors surveyed were in practice more than 30 years. Perhaps these DPMs reduced hours

and number of patients seen as they approached retirement.

Data analysis indicated that the percentage of those seeing 50 or fewer patients per week grew from 22 percent to 26 percent. Even high-volume practices seemed to see slightly fewer

Men saw an average of 86.3 patients, while women saw 73.3 per week.

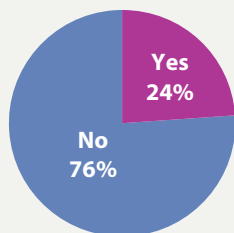
Cross-tabulating number of years in practice by number of patients revealed peak patient numbers at 11-20 years in practice (92.2 per week). Notably, doctors in practice more than 30 years saw 16 percent fewer patients than doctors in practice 21-30 years (76.7 vs. 91.4 patients per week).

With a 5 percent drop in patients but only a 2 percent

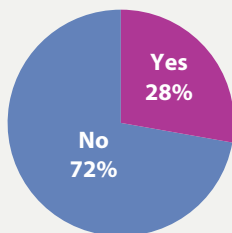
decline in revenue, some practices may have cut out low-paying managed care organization (MCO) plans and/or discovered that *more* does not necessarily mean *better*. According to Jon A. Hultman, DPM, MBA, in "Optimization Versus Maximization" (*PM*, February 2020), "For every practice, there is an optimum number of patient visits and services which achieve the highest quality and profit—a point of optimization

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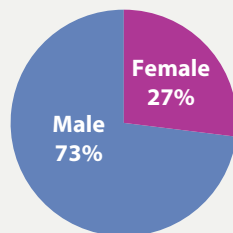
Do You Employ Other DPMs?



Do You Have Satellite Offices?



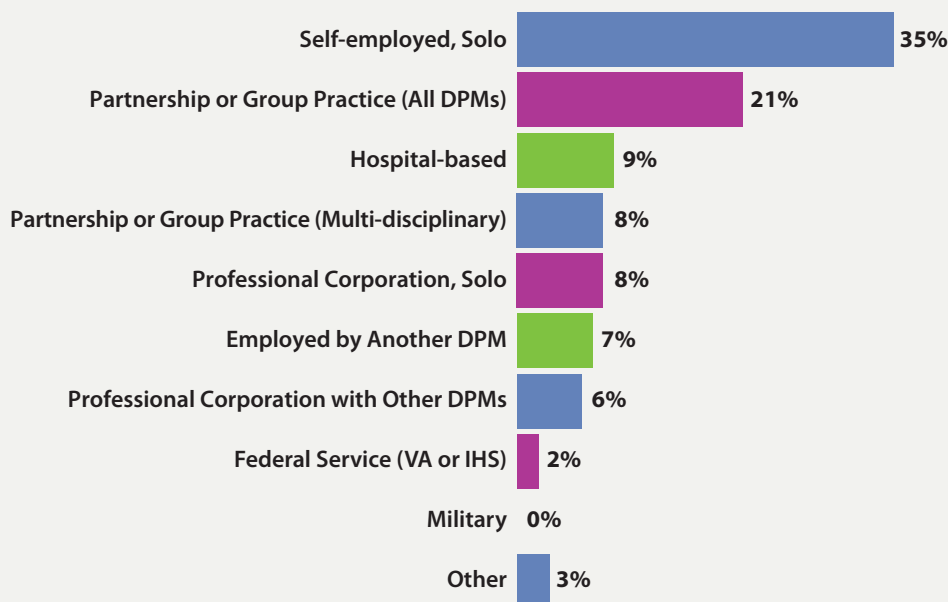
Distribution by Sex



patients. Last year, 5 percent of practices saw more than 160 or more patients per week, compared to 3 percent of this year's respondents.

Regionally, DPMs in the Midwest saw the most patients at 86.3 per week. Western doctors saw the fewest, at 79.1 patients per week. Among communities lists, rural practitioners saw the most patients, averaging 92.1 patients per week. Doctors in a metropolis saw the fewest, at 78.5 per week.

Type of Practice



Survey (from page 60)

rather than one of maximization. This is what you want to strive for when you realize that you are working more and more for less and less.”

Shorter Workweek Reported

Corresponding to the drop in patients was the slight decrease in number of hours worked. Eighteen percent of doctors worked less than 25 hours per week, up from 15 percent last year. The percentage of doctors with the longest workweeks—more than 55 hours—dropped from 7 percent to 5 percent. Among the ranges listed, the 36-40-hour range remained the most popular, with 21 percent of respondents reporting this schedule.

One reason for the downward shift in hours may have been the higher percentage of doctors in practice 30 years or more, as previously discussed.

For the first time, we cross-tabulated the type of practice by number of hours worked. Hospital-based DPMs

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reported the longest average workweek at 41 hours. Federal Service doctors were next longest at 40.5 hours. Practitioners in multidisciplinary partnership/group practices averaged 37.6 hours, employed DPMs worked 37.5 hours, and doctors in all-DPM partnership/groups averaged 37.1 hours. Both solo categories worked the fewest hours: 35.7 hours for solo P.C. doctors, and 34.4 hours for solo, self-employed respondents.

Here’s an interesting data point about solo, self-employed doctors uncovered by this new tabulation: There seemed to be less consistency in the number of hours worked for this group. For example, the vast majority of those who worked *less than 25 hours* per week were solo practitioners. At the same time, the vast majority of those who worked *more than 55 hours* were solo DPMs.

Also of note: While rural doctors saw the most patients, and doctors in a metropolis saw the fewest, there was little to no difference in the number of hours worked among the four community sizes. Perhaps this indicates the potential for added capacity in lower-volume practices by incorporating more efficient patient-management techniques.

Men surveyed worked an average of 36.7 hours per week, while women worked 35.2 hours. Men’s hours dropped 1.6 hours from our previous survey compared to a 1.2 hour decline in women’s hours.

The 91st Annual Physician Report in *ME* (May 2020) covering 2019 data indicated that physicians surveyed worked an average of 50 hours per week, down from 52 hours in *ME*’s previous report.

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Survey (from page 61)

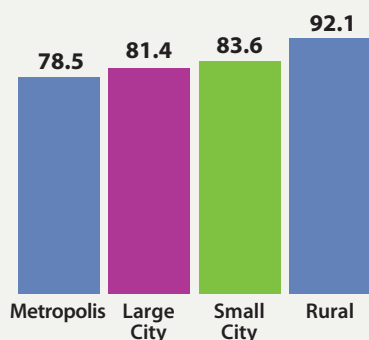
Little Change in Operating Room Time

The amount of time spent in the operating room varied only slightly from our previous data. The only notable change was the minor increase in the percentage of those who spent *no time* in the operating room during our survey period: 27 percent, up from 25 percent.

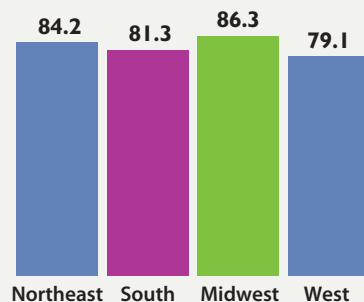
Again, the larger percentage of doctors in practice 30 years or more may have affected responses. These DPMs may not have had the same surgical training as younger colleagues and/or may not have had a surgical focus in their practices.

COVID-19 may impact operating room time considerably in our next survey due to the delay of elective

Average Number of Patients per Week by Community Size



Average Number of Patients per Week by Region



surgeries from March 2020 onward. If the vaccine reaches herd immunity in mid-2021, we may see a distinct rise in surgeries from pent-up demand.

Meanwhile, technology will play an increasing role in the operating room, according to multiple published reports, which potentially will impact podiatric surgical training and practitioner interest. In “Autonomous Robots Are Coming to the Operating Room” (*Wall Street Journal* (WSJ), September 10, 2020), author Sara Castellanos described the use of robotics to assist surgeons. “Automating mundane and repetitive tasks, such as suturing, could allow surgeons to focus on more critical complex parts of operation,” she wrote. Castellanos indicated, howev-

er, that a fully autonomous robot surgeon—which will be particularly useful in rural areas, when surgeons are scarce—is still years off due to technical, regulatory, and safety hurdles.

Other surgery-related technologies reported in the *WSJ* include 3D modeling to plan procedures; better operating room lighting; new limb preservation techniques; augmented reality goggles that allow surgeons to help visualize procedures; and germ-zapping robots that sanitize operating rooms between surgeries.

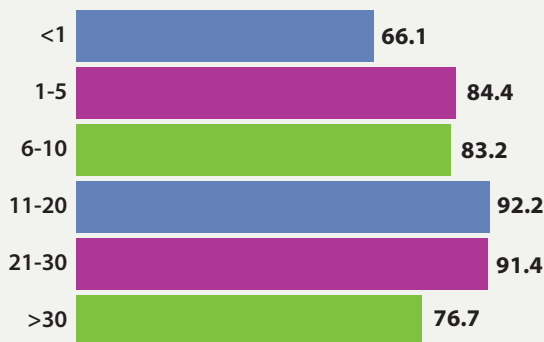
Stable Percentage of Diabetic Patients; COVID-19 May Impact Future Data

While the percentage of diabetic patients was generally similar to our previous data, there was a slight increase in the proportion of doctors reporting that *more than half* of their patients were diabetic.

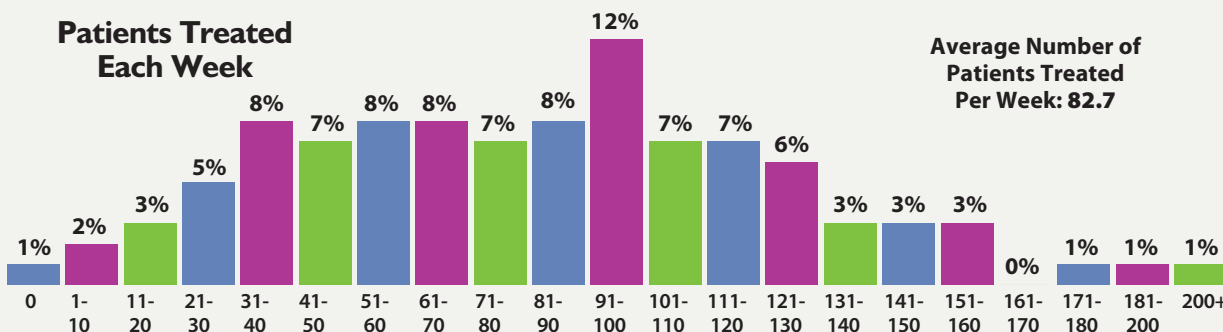
Regionally, doctors in the South reported the highest proportion of diabetic patients at 36.2 percent of

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Average Number of Patients per Week by Years in Practice



Patients Treated Each Week



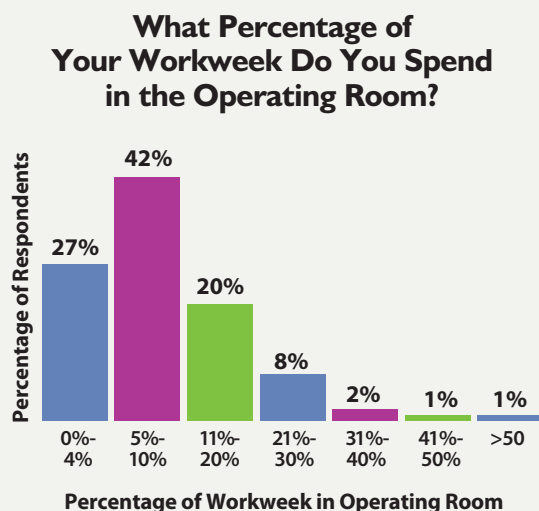
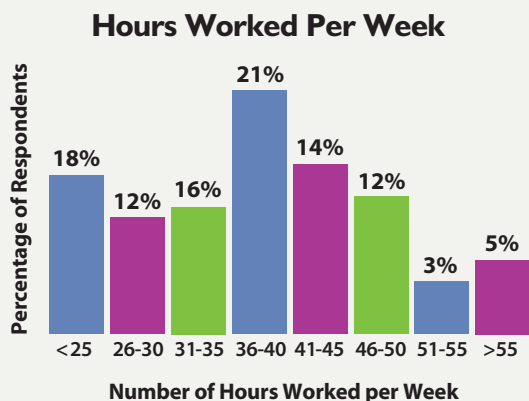
Average Number of Patients Treated Per Week: 82.7

Survey (from page 62)

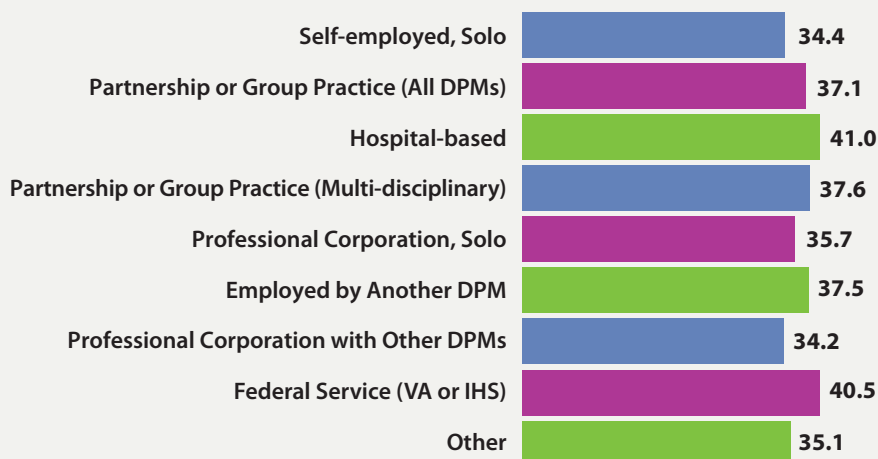
their total patient base. This reflects national data on Type 2 diabetes from both the Centers for Disease Control and Prevention (CDC) and the American Diabetes Association. The West was next by percentage, at 35.1 percent, followed by the Northeast (33.2 percent) and the Midwest (31 percent).

The CDC's "National Diabetes Statistics Report 2020: Estimates of Diabetes and Its Burden in the United States" indicated that 34.2 million people in the U.S. (10.5 percent of the population) had diabetes. This number included 26.9 million who were diagnosed and 7.3 million who were undiagnosed. The report, which was based on the latest data available (2018), indicated that 88 million people age 18 years or older had prediabetes (34.5 percent of the adult U.S. population), while 24.2 million people age 65 years or older had prediabetes. *PM* provides in-depth coverage of the diabetic patient in each November/December issue.

Looking ahead: Starting



Average Numbers of Hours Worked Per Week by Type of Practice



next year and beyond, we anticipate seeing dramatic, negative consequences of COVID-19 on the diabetic population. Undiagnosed or prediabetes patients may have avoided checkups and bloodwork during lockdowns or ignored dangerous symptoms. Diabetic patients may have missed or delayed visits, treatments, and procedures due to office closings, limited hours, and/or a long queue to get an appointment. With the high unemployment rate during 2020, patients may have lost their health insurance and/or feared that they could not afford the cost of doctors' visits. The potential result: more diabetic ulcers, potential amputations, and other lower extremity issues. "COVID-19 and Diabetics" (*PM*, November/December 2020) outlined the challenges faced by diabetics and the clinicians providing their care during the pandemic.

In addition, there have been reports of blood glucose spikes among COVID-19 patients who are diabetic. Uncontrolled glucose levels significantly increase the risks of COVID-19 complications. A CDC study entitled "Characteristics of Persons Who Died with COVID-19—United States, February 12–May 18, 2020" provided some evidence to this cause and effect: Of the 2,681 people under the age of 65 who had died from COVID-19, 49.6 percent had diabetes.

A recently released study in *The Lancet* ("6-month consequences of COVID-19 in patients discharged from hospital: a cohort study") examined the long-term health issues affecting those who had been discharged from the hospital in Wuhan, China. Researchers found that 63 percent of their study

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Survey (from page 64)

enrollees experienced ongoing exhaustion and muscle weakness. This may impact diabetics in particular, who may find it difficult to maintain a healthy, active routine after they recover from COVID-19.

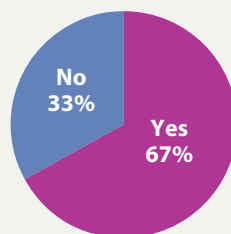
The journal *Diabetes Care* featured several articles in 2020 on the impact of COVID-19 on diabetics with a focus on ulcers and lower-extremity amputations. Early studies covered China and Europe. We expect to see more reports as the long-term impacts of the pandemic on diabetics are collected and analyzed.

Related to diabetes data is the

percent of respondents were exercising less often than usual than they had pre-pandemic, 17 percent said they were exercising more often than usual. Strava, an internet service for tracking human exercise, reviewed data from more than 73 million users in 2020 and saw surges in walking, hiking, and indoor cross-training activities such as yoga and weight lifting, among other physical pursuits.

The proliferation of exercise apps, Zoom classes, and the like have pro-

Refer Patients to Wound Care Centers/Clinics?



have rewarded employees with incentives for steps or biked miles to keep them moving regularly while they work remotely.

An unfortunate twist to this new surge of activity—especially among those who were previously inactive—has been more foot and ankle injuries, according to various reports.

This may impact future patient numbers as they seek care via telehealth or in person.

Slightly More Wound Care

Survey data revealed a slight increase in the percentage of patients (diabetic and non-diabetic) who required wound care. In addition, 67 percent of respondents said they referred patients to wound care centers/clinics, up from 66 percent in our previous survey.

Regionally, data indicated that doctors in the Northeast were most likely to refer patients to wound centers, followed by the South, Midwest, and West.

More freestanding clinics, a plateauing number of new hospital-based facility openings, and new business models at private centers are some of

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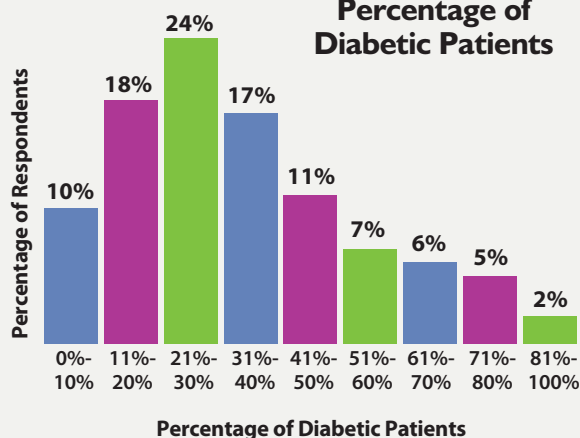
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potential increased prevalence of obesity during the pandemic. The impact of the so-called “COVID-15”—those 15 pounds many have gained during lockdowns and quarantines in 2020—may have a deleterious effect in the long term with an increase of Type 2 diabetes and other related health issues.

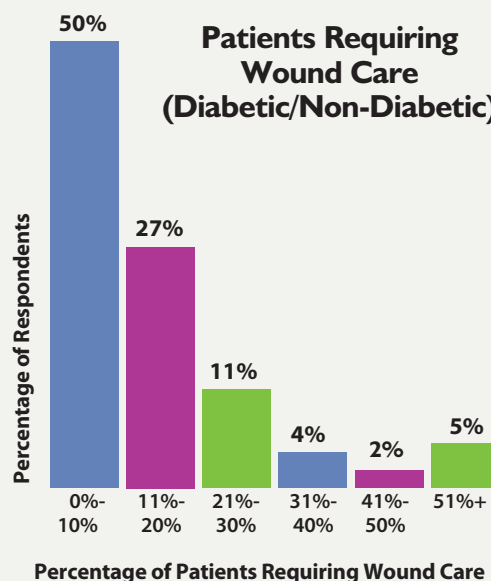
While COVID-19 may be impacting some patients’ health negatively, others have found new ways to keep moving. A Statista survey conducted in April 2020 indicated that while 27

vided a more convenient array of exercise options. In December 2020, Apple introduced Apple Fitness+, which launched with 10 workout types. AARP introduced the “Get Moving Wherever You Are” video series to help homebound people age 50+ stay in shape. Equipment such as exercise bikes, treadmills, and rowing machines saw a boom in sales as consumers attempted to replicate the gym experience at home. Some companies

Percentage of Diabetic Patients



Patients Requiring Wound Care (Diabetic/Non-Diabetic)



Survey (from page 66)

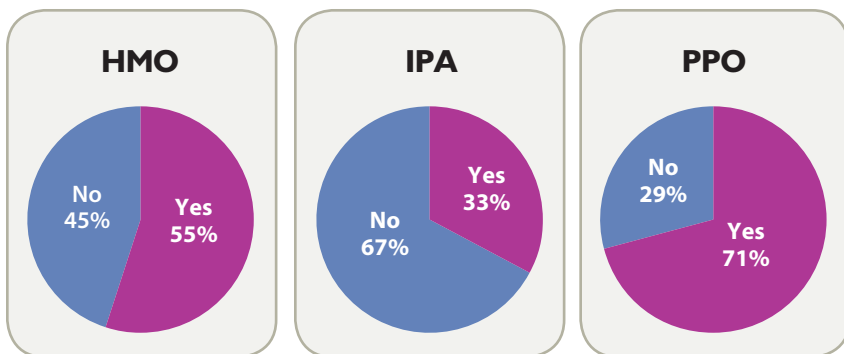
the trends expected in 2021, according to a discussion from *Today's Wound Clinic* (TWC). Rafael Mazuz, managing Director of Diligence Wound Care Global, Chairman & CEO of Advanced Wound Care Global and editorial board member on TWC, discussed the increase in private, free-standing wound clinics that we are starting to see. "They are able to adopt technologies and products much faster because they don't have the value analysis committees the hospitals have," he said.

The demand for these centers is expected to increase. According to an industry report entitled "Advanced Wound Care Technologies 2020-2030" by Nadia Tsao, Ph.D., populations with risk factors such as diabetes, patient age, and obesity "will rise drastically in the next 10 years, especially in comparison to the last 10 years. Thus, the incidence of chronic wounds...is expected to rise with the increasing elderly population, as well as the increase in obesity and diabetes."

Technology will continue to offer new wound care treatment options. Dr. Tsao's report includes discussions of ultrasonic probes for debridement, smart beds and shoes for ulcer prevention, sensors for compression pressure monitoring, point-of-care imaging devices for bacterial management, bioelectronic devices for improving healing rates, negative pressure wound therapy with instillation, and 3D wound imaging cameras. Electronic skin patches for the monitoring of wound status were covered as well.

A useful resource for practitioners interested in this specialty is the Academy of Physicians in Wound Healing, which provides education and networking focused

MANAGED CARE GROUP PARTICIPATION



on wound care. This topic is also covered in depth annually in *PM's* August issue.

With the closure of wound care centers during the pandemic, DPMs who treat wounds have likely seen an influx of patients, especially those who wanted to avoid emergency rooms.

Slightly Lower Participation in the Medicare Diabetic Shoe Program

Forty-eight percent of DPMs surveyed participated in the Medicare Diabetic Shoe Program. That was down slightly from 49 percent in our previous survey.

In October 2019, the American Board of Multiple Specialties in Podiatry announced a new American National Standard to improve the reliability and predictability of clinical outcomes for diabetic shoe inserts: ABMSPSDO 001 – 2018, Inserts for Diabetic Footwear. The new standard, which was discussed at length in "New American National Standard for Therapeutic Shoe Inserts

for Diabetic Patients" (*PM*, March 2020), "will help assure that patients prescribed diabetic shoes with inserts receive inserts held to a new and broad standard of consistency, credibility, efficiency, quality, security,

and accountability," according to the article's authors.

The paperwork burden has long been discussed in reference to this program. For a recent update on therapeutic shoes, see "Therapeutic Shoe Update" on page 35 in this issue.

Perhaps the suspension of therapeutic shoe audits in early to mid-2020 affected the percentage of doctors who participated in 2020, which will be covered in our next survey. However, in August 2020, the Centers for Medicare & Medicaid Services (CMS) announced that audits that had been suspended due to the public health emergency would restart, according to "Therapeutic Shoe Audits Are Back" (*PM*, January 2021).

More DPMs in Nursing Homes

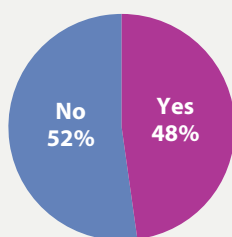
Twenty-four percent of doctors surveyed worked in one or more of the nation's 15,600 nursing homes in 2019, which was 3 percent higher than our previous survey.

While some DPMs may be reluctant to work in these facilities, citing poor reimbursement, additional paperwork, and malpractice concerns, these visits can supplement income—especially when there is a drop in patient numbers. Plus, seeing patients in nursing homes potentially improves patient outcomes and reduces hospital readmissions, according to a report in *Skilled Nursing News* (April 1, 2019).

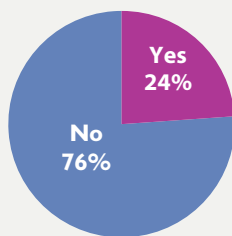
Assisted living communities offer another opportunity for DPMs to treat elderly patients where they live. According to the National Center for Assisted Living, there are approxi-

Continued on page 70

Do You Participate in Medicare Diabetic Shoe Program?



Work in Nursing Home



Survey (from page 68)

mately 28,900 assisted living communities with nearly 1 million licensed beds in the U.S. More than two-thirds are located in the West and the South, and 14.3 percent have a dementia care unit, wing or floor that provides Alzheimer's disease or other dementia-specific programs.

The burgeoning number of independent living and other 55+ communities provide additional opportunities for podiatric care. The building boom, combined with new venture capital interest in this area, may result in even faster growth in adult-focused developments.

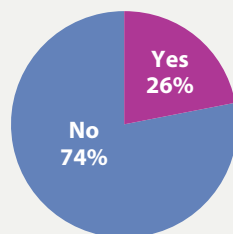
Looking ahead: In our next report, the percentage of DPMs working in nursing homes is likely to plummet due to COVID-19 and restrictions related to doctor access to patients in these facilities. A recently released *Wall Street Journal* (WSJ) review of data indicated that more than a third of COVID-19 deaths worldwide were in nursing homes and other long-term eldercare sites, and the death toll tied to these facilities topped 125,000 in the U.S. According to the Covid Tracking Project, less than 1 percent of America's population lived in long-term care facilities as of mid-January 2021, yet this tiny fraction accounted for 37 percent of U.S. COVID-19 deaths.

These numbers may be low estimates, as some deaths (especially

in early 2020) may have been COVID-19-related but undiagnosed.

Occupancy levels at U.S. nursing homes have also dropped in part due to fear of infection and may be another factor that shapes future PM data. A report entitled "Skilled Nursing Occupancy Hits New Low in August 2020" from Bill Kauffman at the National Investment Center noted that occupancy fell 10.5 percent from August 2019 to August 2020. Occupancy fell across all four payor types (Medicare, managed Medicare, Medicaid, and private) and population density (rural to urban).

Patients in Managed Care Programs



New Data on Telemedicine

In preparation for a 2019-2020 comparison of data, we asked respondents whether they used telemedicine in their practices pre-COVID-19. Twenty-two percent reported using both telephone and video, 11 percent used telephone only, and 4 percent used video only.

Although we do not have comparative podiatry data in this area, an American Medical Association (AMA) study illustrated some trends. According to "AMA Digital Health Study, 2019," use of telemedicine among physicians doubled from 2016 to 2019. Top factors that

The burgeoning number of independent living and other 55+ communities provide additional opportunities for podiatric care.

Once the pandemic is no longer a threat, the need for skilled nursing care will likely increase due to the aging population. Between 2018 and 2019, the U.S. population grew by 0.8 percent, while the 65-and-older population grew by four times that, at +3.2 percent.

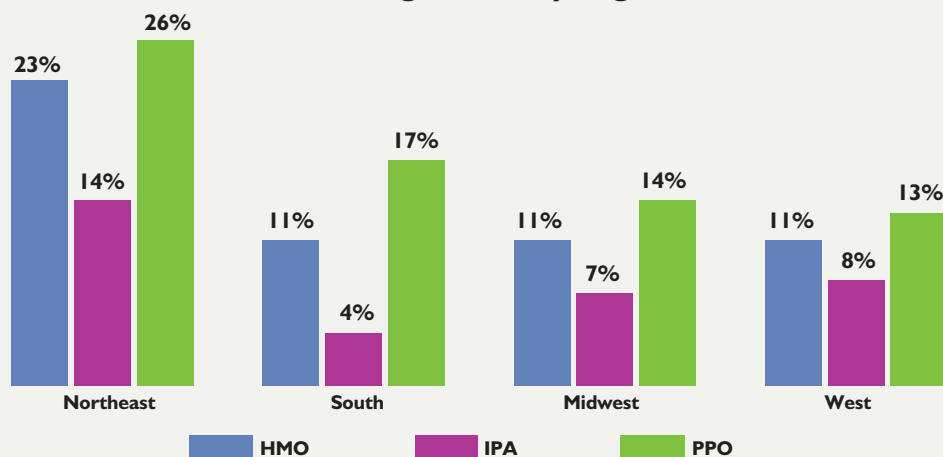
doctors found either "very important" or "somewhat important" included "improves resource allocation for staff" (69 percent), "allows me to provide care to my patients remotely" (68 percent), and "demonstrates awareness of the latest technologies" (63 percent). Practice setting influenced virtual visit

use, according to the data: 33 percent of doctors in hospitals used telemedicine followed by 32 percent of those in multispecialty groups, 23 percent of physicians in single-specialty groups, and 25 percent of solo practitioners.

Looking ahead: We expect the percentage of DPMs using telemedicine to skyrocket with next year's survey

Continued on page 72

Managed Care by Region



Survey (from page 70)

results. CMS expanded telehealth early in the crisis and may extend it in rural areas. It became a vital tool to reach vulnerable populations such as elderly and diabetic patients, who may have self-quarantined for months, even after offices reopened. According to a CDC report in early 2020, there was a 154 percent increase in telehealth visits in the U.S. during the last week of March 2020, compared with the same period in 2019. Study authors said this dramatic increase may be related to pandemic-related telehealth policy changes and public health guidance.

As smart homes become more widespread nationally, telemedicine becomes an obvious adjunct—especially for those aging in place. Homes of tomorrow will include myriad sensors, GPS-enabled devices, robotics, and artificially intelligent gadgets. Health privacy laws may be shaped in the future by public sentiment as well, putting less emphasis on individual privacy rights and more on public health, according to “Health Data

After COVID-19: More Laws, Less Privacy” (WSJ, September 10, 2020).

The long-term utility of telemedicine continues to be debated. “While telemedicine has proved to be an invaluable tool during the COVID-19 Public Health Emergency, certain telemedicine services can be provided year-round,” wrote Jeffrey Lehrman, DPM, in “Telemedicine Options” (PM, June/July 2020). To assist practices new to the technology, some tech vendors have waived setup and monthly fees at the onset, allowing DPMs to become familiar with the technology without an additional financial burden. That, too, may impact the telemedicine usage numbers we see next year—and beyond, now that doctors have become familiar with the coding, compliance, and documentation guidelines.

While telemedicine for the elderly offers many benefits, a study by researchers at University of California San Francisco (USCF), reported in *JAMA Internal Medicine* (August 3, 2020), found that more than one-third of adults over age 65 faced potential difficulties seeing their

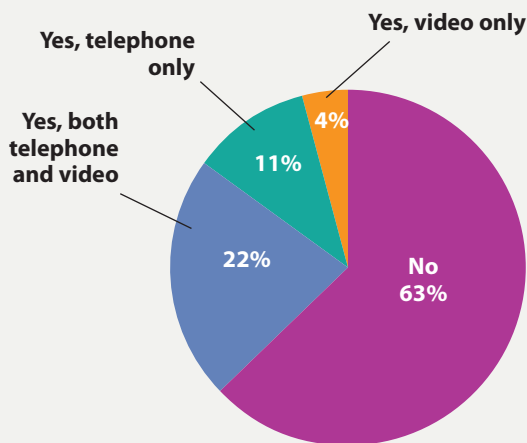
doctor via telemedicine. “These visits require patients to have the knowledge and capacity to get online, operate and troubleshoot audiovisual equipment, and communicate without the cues available during a personal visit,” according to Scott Maier of USCF. The report noted that those with the greatest challenges were low-income men in remote or rural areas, especially those with disabilities or poor health. This may impact DPMs whose patient base is comprised of older seniors.

Podiatrists have experienced some of these challenges first hand, and indicate that telemedicine use may be limited in the long term. In the article “Change, Change, Change” (PM, August 2020), Gideon J. Lewis Jr., DPM, said, “While most of my patients are younger than 65 and somewhat tech savvy, it’s still difficult to use a computer or phone to show me their foot or Achilles tendon and communicate at the same time.” Robert Teitelbaum, DPM, added, “We deal with nail issues, wounds, and nerve compressions that often cannot be treated remotely.” Telemedicine’s potential was discussed further in “Telemedicine Considerations for Podiatry Practices” (PM, January 2021).

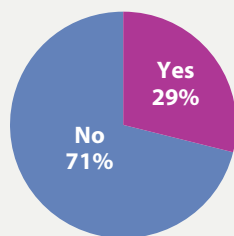
It’s important to note that this technology will likely improve quickly given that venture capital investment in telehealth soared last year to meet pandemic-driven demand.

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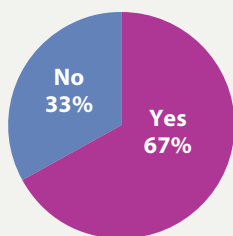
Did You Use Telemedicine in Your Practice Pre-COVID-19?



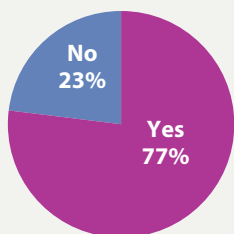
Are You a Participant in an Accountable Care Organization?



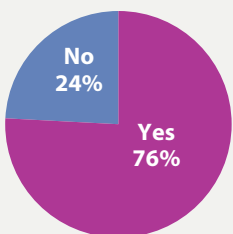
In Favor of Podiatrists Obtaining MD or DO Degrees



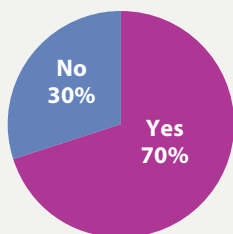
Board Certified



Membership in APMA



Do You Grind Nails?



Survey (from page 72)

In a separate *PM* Quick Poll late in 2020, 28 percent of doctors surveyed indicated that they expected to continue suitable telemedicine visits post-pandemic.

Less Income from MCOs

Data indicated increased participation in two out of three MCO types: health maintenance organizations, rising from 53 percent to 55 percent, and preferred provider organizations, increasing 4 percentage points to 71 percent. Participation in independent practice associations dropped from 34 percent to 33 percent of respondents. Doctors joined in an average of 4.3 programs, down from 4.5 in our previous survey. Twenty percent of those surveyed said they were on eight or more MCO panels.

DPMs in multidisciplinary partnership/group practice indicated the highest average number of programs

at 5. All-DPM practices reported an average of 4.8 programs, while self-employed, solo doctors and those in a P.C. with other DPMs tied for third place at 4.5 programs.

Cross-tabulations by region showed that doctors in the Northeast were more likely than any other region to belong to any of the three MCO types listed.

A deep dive into MCO-generated income data showed that doctors in practice 21-30 years reported the highest percentage of income from these patients (30.8 percent of their income), while DPMs in practice less than a year earned the least from MCO patients (20.1 percent of their income).

Doctors reported that 26 percent of their patients came from MCOs, which was 2 percent less than our previous survey.

On average, doctors reported that 26 percent of their patients came from MCOs, which was 2 percent less than our previous survey.

Income generated from MCOs dropped from 24 percent to 22 percent. In our previous survey, 18 percent reported that the majority of their patients came from MCOs. This year, that percentage dropped to 14 percent.

Many DPMs' written responses regarding MCOs were generally negative, including "necessary evil," "not worth the paperwork," "very frustrating dealing with them," and "poor reimbursement." Summarized one respondent: "Can't say anything good about them."

A few doctors pointed out silver linings. "Lousy pay, but a good way

Continued on page 75

Survey (from page 74)

of getting others doctors to know who you are,” wrote one DPM. Another noted that income from MCOs “is more dependable than in the past.”

Twenty-nine percent of respondents participated in an accountable care organization (ACO), up slightly from 28 percent in our previous survey. There were 559 Medicare ACOs across the U.S. in 2019, a drop from 649 in 2018, according to the National Association of ACOs. Around 12.3 million Medicare beneficiaries—20 percent of all Medicare beneficiaries—participated in an ACO during our survey period.

Percentage of Uninsured Continued to Rise

According to the USCB’s report “Health Insurance Coverage in the United States: 2019,” 8 percent of people, or 26.1 million, did not have health insurance at any point during 2019. The percentage of those uninsured was an increase over 2018 levels for those ages 0-64. Private health insurance was more prevalent than public policies, covering 68 percent and 34.1 percent of the population at some point during the year, respectively. Employment-based insurance was the most common subtype.

During this period, the percentage of people without health insurance decreased in one state and increased in 19 states.

Coverage differed across race and ethnic groups, according to the USCB. Uninsured rates for non-Hispanic whites and Asians were 5.2 percent and 6.2 percent, respectively. For Blacks and Hispanics, the uninsured rates were 9.6 percent and 16.7 percent, respectively.

We anticipate an upsurge in the percentage of uninsured in future surveys as a result of the high unemployment rates during 2020 and beyond. While the Biden administration could reverse the trend of increasing uninsureds, it is too soon to tell if covered population levels will reach the peaks they did during the Obama administration.

Mergers and acquisitions may impact health insurance rates as well, with UnitedHealth Group, the largest publicly traded health insurer, announcing a recent deal to buy health technology startup Change Healthcare. Meanwhile, insurer Centene announced its plan to acquire mental-healthcare specialist Magellan. Huge companies controlling multiple aspects of healthcare delivery may mean fewer competitors and higher prices in the long run.

Lower Percentage of APMA Members

The percentage of respondents who were members of the American Podiatric Medical Association (APMA) dropped from 80 percent to 76 percent. Overall, some practitioners may have dropped membership as a cost-cutting measure, especially the larger segment of older DPMs.

APMA member benefits have continued to evolve based on the profession’s needs. They include detailed information about the Merit-based Incentive Payment

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Survey (from page 75)

System and recent coding trends along with compliance guidelines and practice marketing materials. APMA provides online continuing education contact hours, webinars, a podcast, and a Find a Podiatrist search function. In addition, the Young Physicians Program provides practical resources for podiatrists graduated from podiatry school within the past 10 years.

APMA membership had an impact on the bottom line, as members reported higher net earnings than nonmembers (see Net Income section).

The APMA also has proven to be a major practice ally during the COVID-19 crisis. It provided a plethora of resources, including sections on financial assistance for practices, CMS updates, provider relief funds, and strategies for reopening practices and working in nursing homes. It also offered a robust list of frequently asked questions and links to other sites, such as relevant U.S. Department of Labor information and details on the CARES Act. What's more, it worked to get a change made to the Federal government's identifier of DPMs in the "Guidance on the Essential Critical Infrastructure Workforce." The APMA's Health Policy and Legislative departments were able to modify "physicians" to "physicians (MD/DO/DPM)."

Board-Certified Percentage Dropped from Peak

After hitting an all-time high in our previous survey, the percentage of Board-certified doctors dropped 2 percentage points to 77 percent of respondents. Again, this slight drop may be attributed to the larger segment of doctors nearing retirement and the group of solo practitioners that may have lacked the time to attain certification.

Board certification is often a requirement to join MCO panels, and is

Online Board review packages are available from several vendors and allow DPMs to prepare for Board exams from the convenience of their home or office. Doctors can download apps that give them access to tools and features as well as study guides and Board review practice questions.

Degree Change Favor Rose Again

The percentage of doctors in favor of podiatrists obtaining MD or DO degrees rose from 62 percent to 67 percent. This is the highest favor-

The percentage of doctors in favor of podiatrists obtaining MD or DO degrees rose from 62 percent to 67 percent.

often a factor that potential patients look for when choosing providers. It also can have a positive impact on net income (see Net Income section).

The editorial by Barry Block, DPM, JD, entitled "Time for a Single Podiatric Medical and Surgical Certifying Board" (*PM*, October 2019) sparked a slew of opinions in various degrees of agreement and dissent. "Should There Be a Single Podiatric Medical/Surgical Certifying Board, and Should There Be Separate Residency Programs for Surgical and Non-Surgical Podiatry?" (*PM*, March 2020) presented these opinions at length.

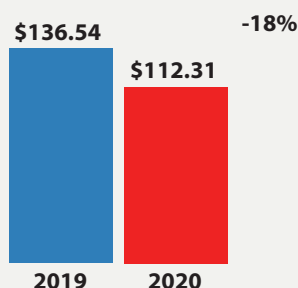
able percentage we've seen in nine years, and is a topic often debated in *PM News*.

Recently, New York College of Podiatric Medicine announced it will join with Touro College and University System and New York Medical College. The transaction is expected to close on July 1, once it is approved by the U.S. Department of Education, the New York State Department of Education, other regulators, and relevant accreditors. This may be a first step toward a dual DPM/DO degree program.

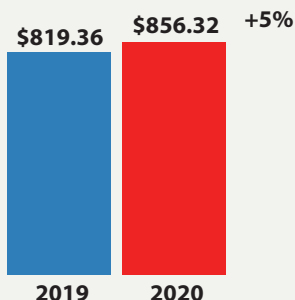
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FEES

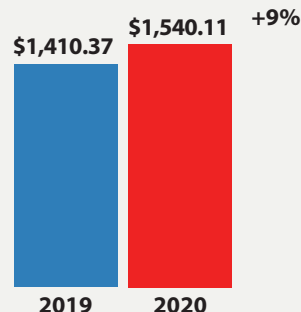
Injection, Small Joint/Bursa (20600)



Hammertoe Surgery (28285)



Bunionectomy with Osteotomy (28296)



Survey (from page 76)

Higher Percentage Grind Nails

Seventy percent of doctors surveyed said they grind nails, up from 64 percent. Over the decade during which we've asked this question, this percentage has fluctuated between 64 percent and 74 percent.

Much has been written in *PM News* and this magazine's "Letters to the Editor" regarding potential health concerns with inhaling nail dust. The topic emerged anew with COVID-19, with discussion of potential aerosols that might carry the coronavirus. We expect this discussion to continue until clinical studies reveal the effect of COVID-19 patients' nail dust on physicians. The survey percentage may drop as well out of added caution and due to the reduction in onsite visits.

FEES, MEDICARE & AUDITS

Fees for nearly all procedures listed were higher in our recent survey than they were in our last report. X-rays rose the most by percentage, up 23 percent to \$80.20. The fee for radical bunions rose 9 percent to \$1,540.11, while other fees listed increased from less than 1 percent to 5 percent. Only injection's fee dropped, down 18 percent to \$112.31.

Some doctors in employed practice did not know the fees charged. Responses from those who did are reflected in the charts. Note that the fees listed in the charts were the average amounts doctors charged and were not necessarily what they were paid. Wrote one respondent: "Of course, I get nothing close to these fees from insurances." Another explained that "I take assignment on most insurance plans. What I charge is irrelevant; I get what plans pay, not whatever I charge."

One respondent highlighted surgical fees in particular. "[Fees are] way too low. We are being underpaid, especially for surgeries. DPMs need to fight for surgical reimbursements."

Since respondents, on average, saw fewer patients, higher fees may have helped shore up the gross revenue they reported.

Pricing transparency—looking at the topic from both the patient and practice standpoint—was discussed in "The Pros and Cons of Pricing Transparency" (*PM*, April/May 2020). Grace Torres-Hodges, DPM, is quoted at the conclusion of the article that "it is hard for me to believe any physician would not consider price transparency as a good thing for medicine, for physician quality and for a fair and honest practice standard for our patients. We all promised to 'first, do no harm'—that should mean not only clinically, but financially. Podiatrists can be leaders in this effort."

Medicare Participation and Audits

Ninety-three percent of those surveyed accepted Medicare assignment, up from 91 percent in our previous survey.

Continued on page 78

Survey (from page 77)

The number of Medicare patients continues to rise with the aging population and medical advances that have helped people live longer. Meanwhile, doctors struggle with Medicare fees, changing guidelines, regulations, and administrative hassles. Recently reported lower Medicare reimbursements for some procedures have prompted some doctors to opt out of Medicare.

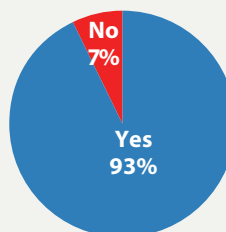
Early in the pandemic, CMS and Congress took action to mitigate the financial impact on U.S. healthcare providers. In March 2020, CMS accelerated Medicare payments to hospitals and advanced payments to physicians and other providers to minimize the effects of revenue shortfalls. According to the Kaiser Family Foundation, a nonprofit organization focusing on national health issues, “Money that providers received through the Accelerated and Advance Payment

programs in the spring of 2020 likely served as a lifeline for many providers that were facing dramatic drops in revenue due to delays in non-emergency procedures.”

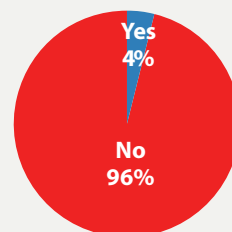
Medicare’s new remote patient monitoring (RPM) program may offer some income potential to podiatrists. RPM uses digital technologies to collect medical and other forms of health data from individuals in one location and electronically transmit that information securely to healthcare providers in a different location for assessment and recommendations. According to “A Guide to Medicare’s New Remote Patient Monitoring Program” (PM, October 2020), “A successful

RPM program has the potential to improve the health of hundreds of patients in each practice and creates an opportunity for most offices to earn

Do You Accept Medicare Assignment?



Have You Been Audited by Medicare?



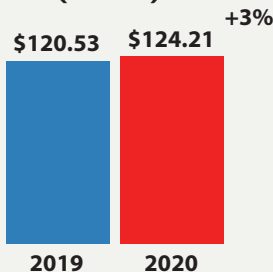
\$100,000 or more,” wrote author Josh White, DPM, CPed.

Four percent of those surveyed were audited by Medicare, a per-

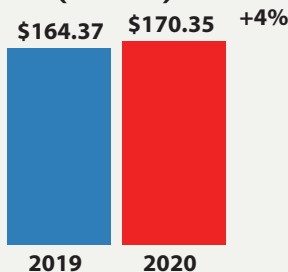
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FEES

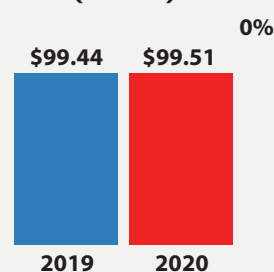
Initial Exam (99203)



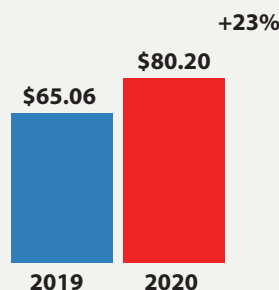
Initial Exam (Level 3)



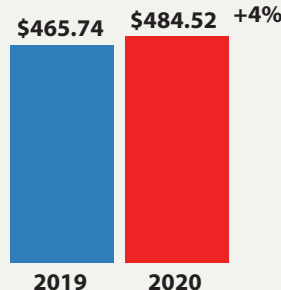
Subsequent Visit (99212)



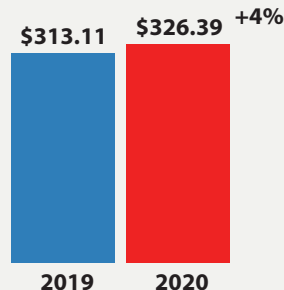
X-Rays (1 Plate) 2 Views (73620)



Orthoses (Including Casting, Fabrication and Dispensing) (L3000x2)



Matrixectomy, Partial Permanent (11750)



Survey (from page 78)

centage that was unchanged from our previous report. The vast majority (80 percent) of doctors audited were ordered to pay back \$1,000 or less. Sixteen percent paid back \$1,001-\$10,000, and 4 percent were required to pay between \$10,001 and \$100,000. These percentages indicate that payback amounts were slightly lower than those reported last year.

Looking forward, we anticipate that the suspension of audits and site inspections in 2020 due to COVID-19 may reduce the incidence of audits reported by practitioners in our next survey.

GROSS INCOME

The median gross income for solo practitioners was \$246,000, down 2 percent from our last report. As previously mentioned, this minor reduction is surprising given the significant drop in net income and patient numbers.

There was a slight dip in the percentage of doctors who grossed more than \$500,000 (down from 18 percent to 16 percent). There was a concurrent increase in percentage of those whose practice revenue was \$125,000 or lower (up from 22 percent to 23 percent).

Partnership/group doctors' median gross income (the respondent's

share of total revenue) dropped by only \$500 to \$187,000.

Regionally, respondents in the West reported the highest median gross income at \$223,500, up 13 percent from our previous survey. Doctors in the East were next, at \$208,500 (up 8 percent), followed by the South at \$206,000 (up 2 percent) and the North Central region

EXPENSES & TRENDS

While the BLS reported a 2.3 percent inflation rate for the survey period, some expenses listed below grew at a higher rate. Here is a breakdown of some of these categories and the

The vast majority (80 percent) of doctors audited were ordered to pay back \$1,000 or less.

at \$186,000 (down 11 percent). Note that these figures were for all practice types combined.

For the first time, we cross-tabulated median gross income by community size. Those in a rural area reported the highest revenue, at \$216,000, followed by respondents in a small city (\$211,500), metropolis (\$203,500), and large city (\$203,000).

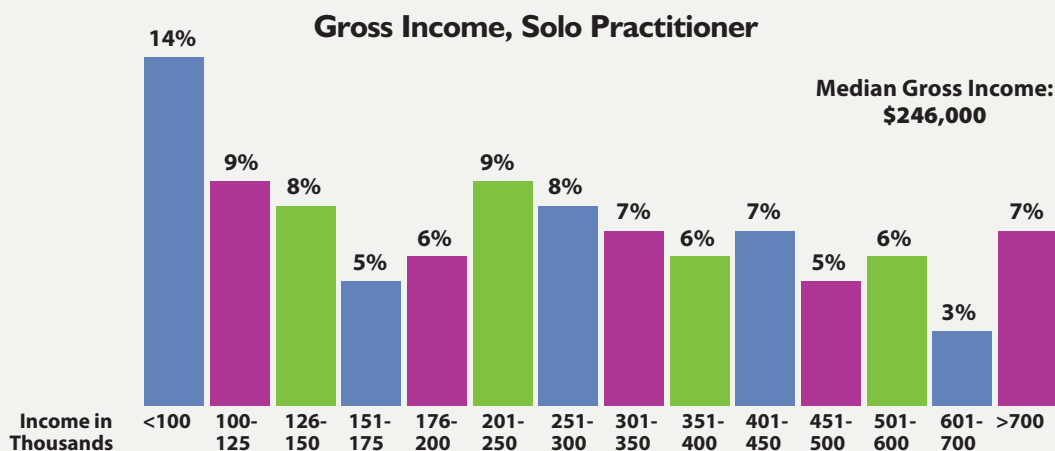
Gross revenues will likely be lower in our next report due to COVID-19. Some doctors incorporated payment plans for patients who were hard-hit by the pandemic and/or reduced office capacity. Other factors impacting revenue include the area of the country (some offices were closed longer than others), capacity limits, use of telehealth, and whether they dispensed products.

trends that may have shaped the data. In addition, we explore COVID-19-related impacts.

- **Gross Salary Payments**—The total amount spent on staff salaries increased 5 percent to \$102,333. This increase was well above the inflation rate as well as higher than the 3.5 percent increase in medical assistants' median pay during our survey period as reported by the BLS. One factor contributing to the increase may include the makeup of our respondent pool, with solo doctors unable to split this cost with other owners.

Also, as mentioned at the beginning of this report, competition was fierce for qualified medical assistants in 2019, which may have driven up

Continued on page 82



Cumulative Gross Income, Solo Practitioner



Survey (from page 80)

average salaries. The BLS estimates that medical assistant salaries will rise much faster than average between 2019 and 2029 at a projected 19 percent compared to 4 percent for all occupations combined.

New cross-tabulations by region showed that doctors in the West spent the most, on average, for salaries with an average of \$160,492. Midwest DPMs spent \$104,440, while doctors in the Northeast spent \$89,218, and DPMs in the South spent \$76,549.

Looking ahead: In next year's report (covering 2020), this category will likely be impacted by the Paycheck Protection Program (PPP), which provided U.S. Small Business Association loans to small businesses to keep their workforce employed during the COVID-19 crisis. This may have been a lifeline for some practices, reducing the need to furlough employees. Additional funds were made available later in 2020 and in early 2021, which will likely have an effect on this practice expense for some doctors in 2021 as well. A separate *PM* Quick Poll of 1,180 respondents early in 2020 indicated that more than 75 percent of DPMs had applied for PPP loans to date.

"How Many Employees Are Optimal?" by Dr. Hultman (*PM*, August 2020), discussed reassessing staff ratios in light of COVID-19. He recommended "redesigning processes and workflows so that current staff members are able to utilize their time efficiently and effectively is an alternative to constantly hiring more personnel." In conclusion, he noted that "achieving an optimum [staffing] ratio is not only good for doctors, it is also good for staff—especially those who desire long-term careers that are both secure and rewarding."

- **Office Space**—The cost of office space fell 3 percent to \$25,587 per respondent. This was surprising given the higher percentage of solo doctors. Factors that may have affected this drop include historically low mortgage interest rates, a glut of available retail space, and a

Continued on page 84

Survey (from page 82)

lower percentage of doctors located in more expensive urban areas.

For the first time, we cross-tabulated office space cost by region. Doctors in the West paid considerably more than DPMs in any other region, reporting an average cost of \$44,967 in 2019. Doctors in the Midwest spent \$24,449, those in the Northeast paid \$22,105, and DPMs in the South averaged \$16,956.

Looking ahead: Office vacancies as a result of COVID-19 make 2020-2021 and later a lessee's/buyer's market. Doctors signing new leases will likely report lower average annual expenditures in this category. Practitioners who purchase buildings may have similar bargaining power due to the massive number of office and retail closures. DPMs with existing leases have reportedly been able to negotiate with landlords and banks during COVID-19-related office closures, including deferring payments, spreading out deferrals over the life of the lease, getting past-due payments forgiven, and other arrangements. The combination may result in a lower office space cost next year.

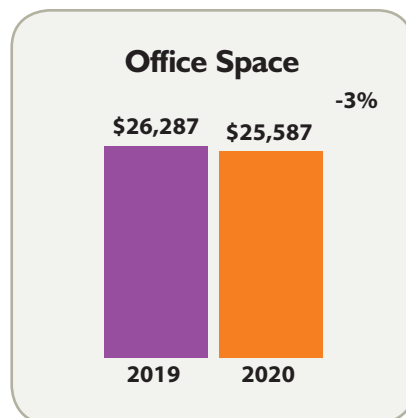
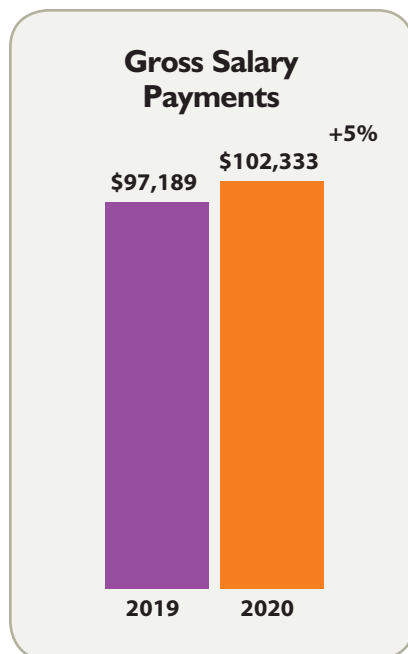
Office size will also become a hot topic in the future, as doctors examine the practicality of their office space square footage. In some practices, patients may be less inclined to use waiting rooms, eliminating the need for these spaces. For others, the waiting room space may have proven to be inadequate for social distancing, with larger and more open space required.

• Fixed Equipment Expenses—

Doctors surveyed paid significantly more for fixed equipment compared to our previous survey. It rose 32 percent to \$4,358.

Diagnostic and treatment equipment doctors may have invested in include digital x-ray equipment, laser systems (for pain management, skin lesions/warts, nail fungus, etc.), ultrasound devices, peripheral artery disease and vascular screening devices, microwave therapy systems, surgical power equipment, extracorporeal shock wave therapy equipment, oxygen wound therapy devices, and scanners (for custom orthotics, braces,

YOUR OVERHEAD EXPENSES



Doctors likely looked to improve their electronic health record interfaces in order to improve efficiency.

Broadband prices, equipment fees, taxes, and other costs for internet service continue to creep up during our survey period due to loose regulation by the Federal Communications Commission. As consumers and businesses dropped cable television service (see the Advertising section for a full discussion) and looked for internet-only pricing, some providers have been recouping costs with internet service rate hikes.

Looking ahead: We anticipate a huge surge in this category in next year's report due to the abrupt switch to telemedicine in 2020. System upgrades, software enhancements, and more secure, stable, and faster internet connections have been required. Doctors have wrestled with cybersecurity and privacy concerns, which may impact the costs in this category.

In addition, DPMs who haven't already may move to cloud computing for its speed, sequential backup, and ability to handle the growing demands of electronic health records. This has become even more important during the pandemic, while doctors may be practicing remotely, distanced from their office servers. Future reports may include the cost of setting up a cloud system.

At press time, some internet companies were beginning to implement data caps as more customers went online during the pandemic. That might result in higher internet costs in future surveys

Continued on page 86

es, diabetic inserts, etc.). They may have added new accessories as well, such as LED lighting and seating.

When asked whether they have incorporated digital x-ray technology into their practices, 69 percent said yes, down from 70 percent last year. Another 13 percent said they planned to incorporate this technology into their practices within the next two years.

Doctors may have spent more on computers, iPads, and other devices. During our survey period, iPads were used in some practice waiting rooms as an adjunct to printed materials and to provide patient education information. Respondents may have also incorporated cloud-based scanning to capture 3D scans using iPads and company-supported software and apps.

We expect buying to continue as doctors examine equipment's capability to provide new services and generate additional revenue.

• Computer Service/Maintenance and the Internet—

Computer-related costs continued to rise, with doctors reporting \$5,866 for these expenditures, up 8 percent from last year's report. Efficiency and security were top issues pre-COVID-19, with well-publicized malware attacks of physician networks.

Survey (from page 84)

for doctors who continue doing a large number of telehealth visits.

• **Utilities**—The cost for utilities dropped 16 percent compared to last year, averaging \$4,688 among survey respondents.

Given that a higher percentage of respondents was in some form of solo practice—in which the respondent pays the total amount, as opposed to splitting it between owners—this drop is somewhat unexpected.

One major contributing factor to the lower utility cost is the fact that 2019 was the third hottest year on record (and, until 2020, was second hottest). This undoubtedly resulted in lower heating costs—a major expense for respondents, especially the high percentage of those from the North.

In addition, data from the U.S. Energy Information Administration indicated a 0.5 percent reduction in electricity usage from December 2018 to December 2019. It also reported a slight decrease in cost per kilowatt hour for commercial establishments for 2019 compared to 2018 (10.67 cents to 10.66 cents).

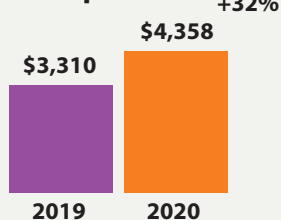
Telephone bills may have been lower due to competition among service providers for businesses, with companies offering cost-saving service bundles. According to “Business Phone Systems: A U.S. News Guide” in *U.S. News & World Report*, most modern telephone systems are based in the cloud, so upfront costs are lower than traditional systems. Most cloud-based companies use Voice over Internet Protocol (VoIP) technology that can connect to the internet using an Ethernet cable, Wi-Fi, or your phone’s cellular connection. Doctors switching from traditional landline systems may have seen huge monthly cost savings with these VoIP systems.

The reported jump in wireless taxes and fees during 2019 may have been offset by nonstop competition. Some cell phone providers offered lower service rates and generous deals on new phones to entice businesses to switch carriers. Doctors may be following the general consumer market that is waiting longer to upgrade, saving on the cost of new cell phone for themselves and their employees. Some DPMs may be waiting to upgrade until 5G—which boasts quicker downloads, much lower lag, and connectivity benefits designed to make businesses more efficient, among its many features—becomes more widely available. Experts are already talking about 6G, which telecom-

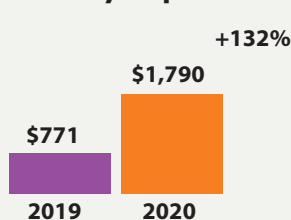
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YOUR OVERHEAD EXPENSES

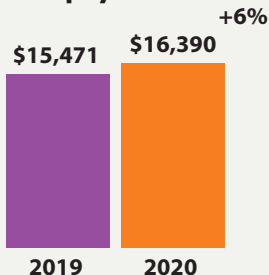
Fixed Equipment Expenses



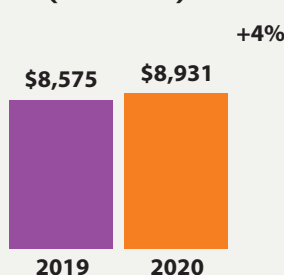
Bio/Pathology Laboratory Expenses



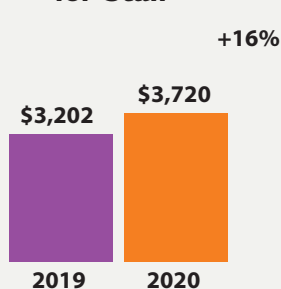
Student Loan Repayment



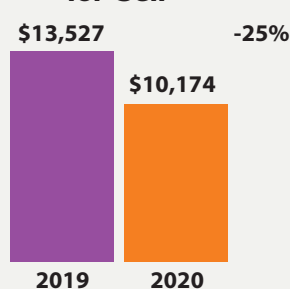
Laboratory Expenses (Orthotic)



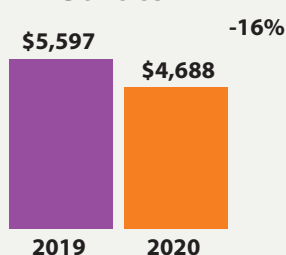
Pension Contribution for Staff



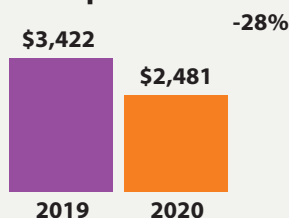
Pension Contribution for Self



Utilities

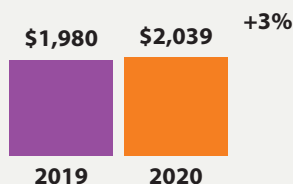


Educational Expenses

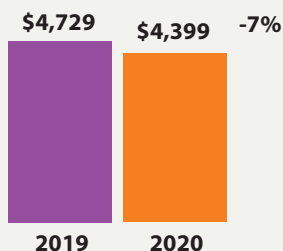


YOUR OVERHEAD EXPENSES

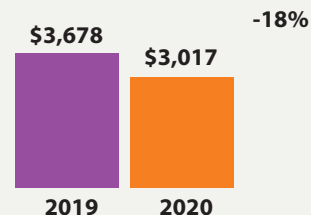
Professional Dues



Office Supplies (Non-Medical)



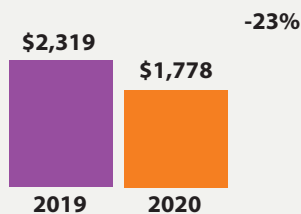
Non-Malpractice Insurance



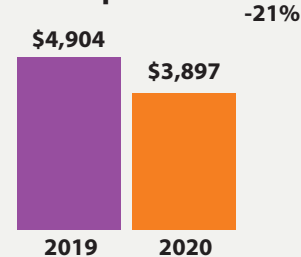
Disposable Medical Supplies



Cleaning & Office Maintenance



Legal & Accounting Expenses



Survey (from page 86)

munications specialists envision will be 10 times faster than 5G.

Lastly, water cost is the one area that continues to increase in cost. The average water and sewer bill in 50 cities jumped 3.6 percent in 2019, marking the eighth consecutive year of increases, according to a study from Bluefield Research. Since 2012, water bills have surged 31 percent, outpacing inflation. Issues that will impact water costs over the next decade and beyond include infrastructure improvements (including lead pipe mitigation in certain areas); watershed protection; and water scarcity in certain parts of the country, especially California and the far West.

- **Educational Expenses**—Doctors spent 28 percent less on educational expenses, for an average of \$2,481 per respondent. This cost included continuing medical education (CME), practice management-related instruction, professional development, and other education/training for both doctors and staff.

One contributing factor to this decrease was likely the large segment of doctors in practice 30 years or more, some undoubtedly near retirement. The larger pool of solo doctors may not have had the time to pursue out-of-town educational opportunities. In addition, economical online offerings

may have actually been an uptick in coursework while the total expenditures in this category dropped. Some organizations offered free or relatively low-cost online education, especially in early to mid-2020, and/or made available subscriptions that reduced the per-credit cost considerably.

Trends we expect to see include the increase in online offerings, a continued movement toward interdisciplinary education, [and] hybrid learning experiences.

had gained some momentum, even pre-COVID-19. Some onsite offerings that were held in 2019 became more targeted and shorter in duration, reducing the cost of attendance.

Looking ahead: We anticipate a dramatic drop in educational spending in next year's report due to the cancellation of nearly all onsite events due to COVID-19 and the modification of CME requirements. With travel expenses reduced and DPMs with more time to fulfill CME requirements, there

Trends we expect to see include the increase in online offerings, a continued movement toward interdisciplinary education, hybrid learning experiences (a combination of hands-on/in-person and remote offerings), and more customized learning experiences that focus on the needs of individual practitioners. The Federal report, "Continuing Education, Professional Development and Lifelong Learning for the 21st Century Health

Continued on page 90

Survey (from page 88)

Care Workforce,” recommended interprofessional learning activities, flexible learning modalities, as well as learner-driven curricula that provide more personalized CE experiences. “Our nation’s CE system must become more integrated, interprofessional, and cohesive to meet the health care demands of the 21st century,” according to the report’s summary recommendations. “CE must be integrated into the [continuing professional development] and lifelong learning of a health care professional by adapting to the rapid growth of clinical knowledge as well as the varying settings, schedules, and practice configurations.”

- **Professional Dues**—The cost for professional dues rose 3 percent to an average of \$2,039 among surveyed DPMs. One contributing factor may be the older respondent pool, since the APMA, for example, has a range of fees

Doctors surveyed may have saved on premiums due to, at least to some degree, better documentation and record keeping as well as improved patient communication.

for its membership, depending up on number of years in practice. Other organizations, such as some state societies, offer no-charge or reduced fees for recent graduates and residents. With more full-pay practitioners in our recent survey, the average expenditure may have increased.

The pandemic may spark new interest in professional organizations, especially those that offer timely online benefits to members and/or have provided practice assistance during this health crisis.

- **Professional Liability**—Doctors surveyed spent 10 percent less on malpractice insurance in our latest survey, averaging \$9,046. That’s good news considering that more than 25 percent of medical professional liability premium rates increased—for the first time since 2006—according to data from the 2019 Medical Liability Monitor Annual Rate Survey.

Doctors surveyed may have saved on premiums due to, at least to some degree, better documentation and record keeping as well as improved patient communication, areas covered in-depth in *PM* each month. In addition, some doctors may have taken advantage of the risk management training provided by medical malpractice insurers.

We will watch closely to see the impact of COVID-19 on premiums in our next survey.

- **Non-Malpractice Insurance**—Doctors spent 18 percent less on non-malpractice insurance, which included general liability, fire, theft, flood, practice-related automobile, and business interruption, and related coverages. This \$3,017 figure may be a correction after the 52 percent

spike in our last report, yet is surprising given the larger segment of solo doctors surveyed.

Premiums for some lines actually rose during this period. *Continued on page 92*

Professional Liability

**Change in Professional Liability
2019 to 2020: -10%**



Survey (from page 90)

riod. For example, property/casualty premiums rose 3.6 percent, according to the Insurance Information Institute. Doctors may have taken advantage of online comparison tools to bundle coverages for some cost savings.

During 2020, several automobile insurers dropped rates by as much as 15 percent due to the reduction of miles driven during the pandemic. However, natural disasters, such as wildfires, hurricanes, floods, and the like continued unabated and may result in a spike of future rates, especially in affected areas.

• Legal and Accounting Fees—

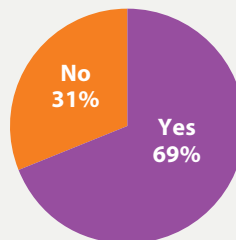
The amount spent on lawyers and accountants fell 21 percent to \$3,897. A lower percentage of new practitioners may have meant fewer start-up expenses in this category, including payroll and accounting setups, equipment and property lease signings, and other aspects involving an accountant and/or lawyer.

Looking ahead: Due to the

complexity of COVID-19-related accounting issues, such as the handling of PPP loan repayments, staff furloughs, etc., we anticipate a huge jump in accounting costs in the next few reports. In addition, new leasing rules in 2020 will require changes that might increase accounting costs as well. (For more information, see “Smaller Bottom Lines for Those Who Lease,” *PM*, August 2020.)

Legal expenses are expected to rise, as doctors take advantage of the soft commercial real estate market to purchase properties and sign new leases. They may also restructure existing agreements, as previously mentioned, to improve cash flow. Patient messaging, employee handbooks (such as adding a section on remote work) and practice contracts may all

Do You Incorporate Digital X-ray Technology into Your Practice?



need a fresh legal review in light of the pandemic. The topic of COVID-19 liability waivers emerged in 2020 (see “‘The Waiver’ and COVID-19,” *PM*, September 2020), and DPMs may seek legal advice on this issue. Other legal areas of concern may be virtual hiring, onboarding, and furloughing.

• Pension Contributions—

Doctors surveyed spent 25 percent less on their own pensions, averaging \$10,174, compared to our previous survey. However, they spent 16 percent more on staff pensions at \$3,720 per respondent.

Doctor pensions were likely impacted by lower revenues. We expect an even bigger hit to doctors' pension plans in our next survey due to the economic impact of COVID-19.

As previously mentioned, higher staff pensions in 2019 may have been used to attract qualified staff. In our next report, we expect lower amounts due to anticipated reduced revenues.

• Student Loan Repayment—

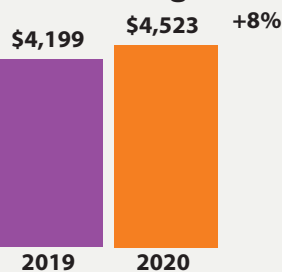
The amount spent on student loans grew 6 percent over last year's figure, reaching \$16,390. This increase is surprising given the percentage of doctors near retirement as well as the lower percentage of new DPMs. With a looming threat of higher interest rates after the 2020 election, some doctors may have increased principal payments during our survey period.

Looking ahead: Given that this category is the third largest among those listed, we will watch closely to see COVID-19's impact on this expenditure. Already we anticipate lower repayments due to the Federal government's student loan portion of the CARES Act. In March 2020, all Federal student loan interest rates were set to zero and borrowers were automatically entered into administrative forbearance, allowing them to defer payments without financial penalty. At press time, this Federal student

Continued on page 93

YOUR OVERHEAD EXPENSES

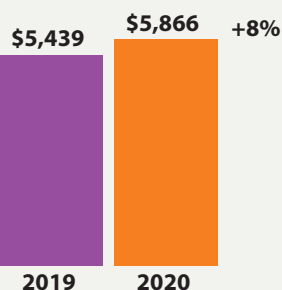
Advertising



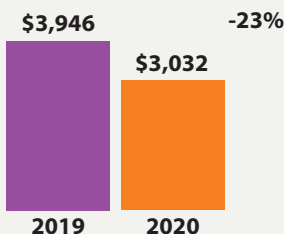
Type of Advertising

	2019	2020
Internet	55%	56%
Yellow Pages (Print)	16%	14%
Mailings	10%	12%
Newspapers	14%	11%
Yellow Pages (Web)	10%	10%
Radio	5%	5%
TV Cable	4%	3%
TV Network	4%	3%
Other	11%	9%
Do Not Advertise	24%	25%

Computer Service Maintenance & Internet



Products for Sale



Survey (from page 92)

loan relief had been extended to January 31, 2021. The impact on repayments may be twofold: Next year's report may reflect lower overall payments due to the zero percent interest rate, or doctors may have suspended payments during the forbearance period, resulting in a lower overall amount spent in this category. Our current data will become a baseline for comparison.

• **Bio/Pathology Lab Expenses and Disposable Medical Supplies**—The amount spent on lab expenses more than doubled from 2018 to 2019: up 132 percent to \$1,790. Historically, the amounts reported in this category have zig-zagged up and down from one year to the next. Given that it is the smallest category by dollar amount that we tally, even small fluctuations in amounts result in double-digit (or more) percentage shifts. The wound care data reported by respondents may have contributed to higher lab expenses, as previously mentioned.

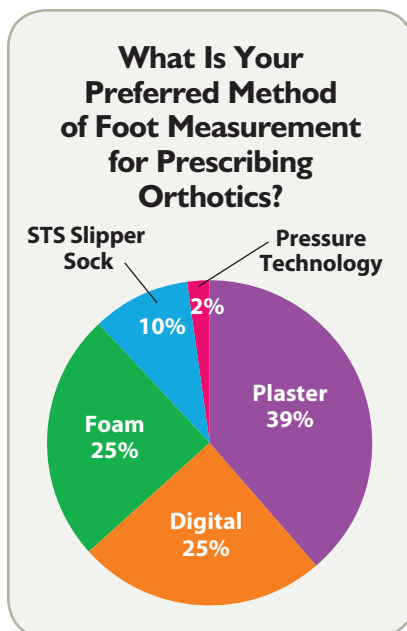
The cost for lab expenses in our next survey may fall due to fewer patient visits during 2020. This may be partially offset by the additional patients being seen as a result of wound center closures during the pandemic.

Disposable medical supplies cost respondents \$10,397, a drop of 1 percent from our previous survey. We would have expected an increase here due to the larger percentage of solo doctors, who cannot benefit easily from economies of scale.

Looking ahead: Medical supply expenditures will likely skyrocket in our next report. In the battle to protect patients and staff from COVID-19, practices have spent huge amounts on personal protective equipment (PPE). Product shortages early on prompted doctors to stockpile items if they could find them, regardless of cost. Solo doctors were particularly hard hit as they had to bear the burden of these costs alone. Doctors varied in their opinion as to whether patients should be charged a PPE fee, as discussed in *PM News* and this magazine's "Letters to the Editor." Regardless, we anticipate some additional expenditures in this category being borne by doctors' practices.

Lab expenses, on the other hand, may see a decrease

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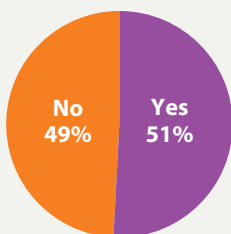
Survey (from page 93)

in our next survey due to fewer patient visits during 2020. This may be partially offset by the additional patients being seen as a result of wound center closures during the pandemic.

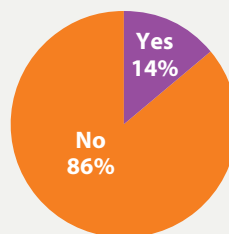
- **Orthotics**—Doctors surveyed spent 4 percent more on orthotics, averaging \$8,931 in our latest survey. This is the highest amount paid by DPMs since 2015. DPMs sent 2.6 pairs of true custom orthotics to an outside lab per week (down from 2.7), and they dispensed 5.8 pairs of prefabricated orthotics weekly (up from 3.4).

When asked their preferred method of foot measurement for prescribing orthotics, plaster remained the top choice at 39 percent, up 2 percent from last year. Tied for second place at 25 percent were foam and optical or laser digital methods. Popularity of foam rose from 22 percent, while the percentage using digital means dropped from 26 percent. STS slipper sock was preferred by 10 percent (up

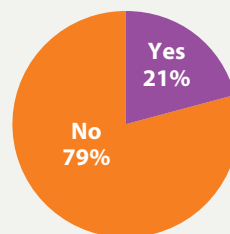
Is Your Practice Listed on Facebook?



Does Your Practice Use Twitter?



Does Your Practice Use LinkedIn?



ber 2020), author Cindy Pezza noted the economic impact of prescribing custom orthotics. “People (patients) will spend money where they find value, and so the dollar amount associated with your custom orthotics is a representation of your time and expertise,” she wrote. “In prescribing and dispensing custom orthotics, you are not only arriving at a diagnosis and treating a patient’s current symptoms, you are also identifying the underlying causes of the condition and providing solutions that improve and maintain healthy and active lifestyles.”

long before us, but it is our biomechanical expertise that lets us determine the etiology of a foot deformity and helps us select the optimal procedure to perform,” he wrote. “Then, with the correct type of orthotic, we can address the forces that could lead to recurrence of the deformity. This is what sets us apart as a medical specialty.”

- **Office Supplies (Non-Medical)**—The cost for non-medical office supplies (ink/toner, pens, paper, etc.) dropped 7 percent to an average of \$4,399 during our survey period.

This drop reflects the continued transition away from paper charts and increased use of electronic devices for billing, patient management/education, etc. Online comparison pricing allowed doctors and staff to cut costs as well. While solo doctors tend to spend more on office supplies, this overall decrease may indicate smarter shopping practices including inventorying frequently used items purchased at a discount.

Our next report should reflect an even larger decline in spending here, as offices around the country were closed for months in 2020. Even when open, practices reported reduced patient volumes. According to industry research company IBISWorld, revenue for the office supply store industry was estimated to decline 11.6 percent in 2020 due to the poor economic climate and supply chain disruptions.

- **Products for Sale**—Doctors surveyed spent 23 percent less on products for sale than they did in our previous survey. They paid \$3,032 on such items as creams, lotions, shoes,

Continued on page 95

Compliance, outcomes, and patient satisfaction generally are improved when DPMs can dispense products directly to patients.

from 9 percent), while pressure technology was used by 2 percent (down from 5 percent).

For performing offloading procedures, the majority of doctors (76 percent) chose post-op shoes/boots/walkers, up from 71 percent. Next popular was TCC at 12 percent (down from 17 percent), followed by modifying existing footwear at 11 percent (down from 12 percent).

On a monthly basis, respondents prescribed the following ankle foot orthoses: 3.2 gauntlet-type, 2.9 solid, 2.7 functional-hinged (Richie type), and 2.3 dorsiflexion-assist.

PM covers the clinical, functional and practice management implication of orthotics and biomechanics annually in its September issue. In “Let’s Talk About Orthotics Today” (*PM*, Septem-

Looking ahead: DPM expertise in keeping patients active will prove to be more important than ever as we emerge from the pandemic. Given the increase in outdoor activity due to COVID-19, we anticipate more patients presenting with foot and ankle issues in our next survey—with some potentially requiring orthotic solutions. However, many patients may have opted to ignore issues or self-prescribe due to reduced access (whether real or not) to podiatric services. Thus a COVID-19 increase may not be seen until well into 2021.

PM’s editor, Barry Block, DPM, JD, summed up the importance of orthotics in podiatric practice and particularly during the COVID-19 era in his September 2020 editorial. “Orthopedists have been doing foot and ankle surgery

Survey (from page 94)

socks, insoles, splints, medicated nail polishes and removers, and neutraceuticals.

When asked whether they dispensed over-the-counter (OTC) items from their practices, 64 percent respondent affirmatively, which was unchanged from our previous survey. Another 11 percent indicated that they planned on dispensing OTC products within the next 12 months.

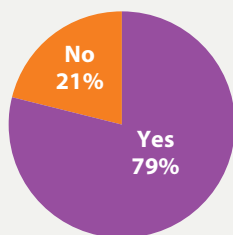
The vast majority of respondents (85 percent) indicated that OTC products accounted for less than 10 percent of their income. With declining patient numbers, in-office product sales may be one way to boost income. Experts contend that patient education is key to successfully implementing in-office dispensing. Recommended dispensing tips include making displays highly visible both in-office and on the practice website; educating patients with explanations and brochures; and providing samples (if appropriate) so patients can be shown their proper use before leaving the office. Companies provide such tools as kiosks, sample shoe displays, and counter racks.

Products for sale offer benefits for both doctors and patients. Compliance, outcomes, and patient satisfaction

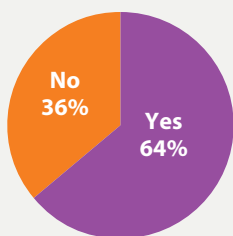
generally are improved when DPMs can dispense products directly to patients. Some vendors even provide such practice-building items as personalized instruction sheets. While COVID-19 may have reduced onsite sales of products in 2020, some vendors have created virtual dispensing programs through which practices received a percentage or fee. Continuation of product dispensing during the pandemic not only ensured patients used the product(s) recommended, but also provided an income stream while offices were closed.

- **Advertising**—Doctors surveyed spent \$4,523 on advertising, which was 8 percent more than last year's respondents. As previously mentioned, more DPMs may have turned to advertising to

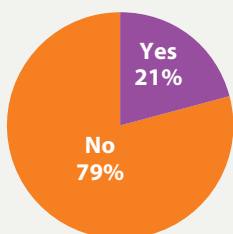
Do You Have a Practice Website?



Do You Dispense OTC Products from Your Office?



Do You Dispense Rx Products from Your Office?



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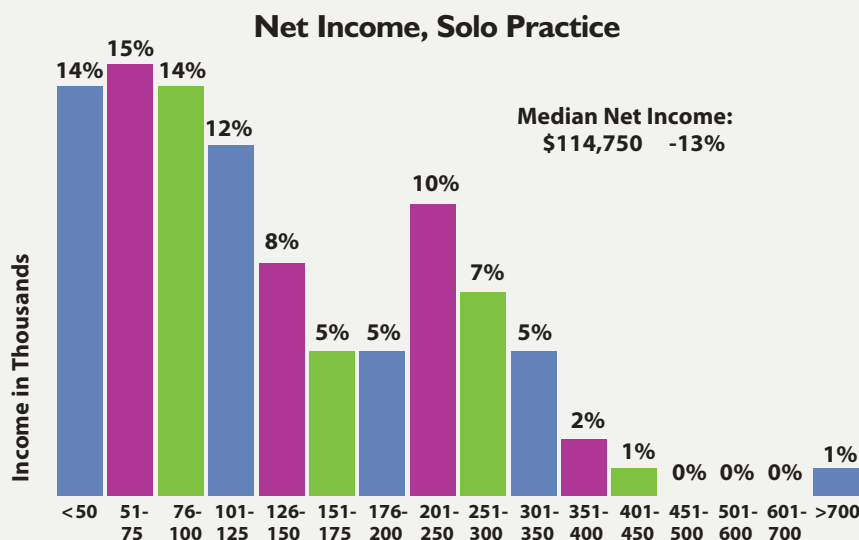
Survey (from page 95)

bolster their waning patient numbers. Here is a rundown of the different media used.

- *Yellow Pages (print and web)*—The popularity of paid advertising in printed *Yellow Pages* continued to decline. Only 14 percent of DPMs surveyed used this method, down from 16 percent last year. The percentage of doctors advertising in online *Yellow Pages* remained the same at 10 percent.

With the decline of land-line numbers nationally, the printed *Yellow Pages* have lost much of their value. In addition, the Better Business Bureau has warned small businesses about directory scams ranging from buying ads from a nonexistent directory, ads that are never placed or ads that are placed in directories that do exist but are never distributed. This advertising medium will likely continue to drop in popularity as practices cut costs during the pandemic.

- *Internet*—Advertising on the internet edged up 1 percentage point since our previous survey, used by 56 percent of respondents who advertised. This category has risen in popularity over the years, with only 8 percent using internet advertising



20 years ago. We expect even more practitioners to use online media in the future given that healthcare advertising as a whole—a category that included doctors' practices—rose 15.4 percent during our survey period, according to eMarketer. In addition, more patients (and prospective patients) are relying on online sources for their healthcare information.

The vast majority of doctors surveyed (79 percent) had a practice website, unchanged from our last report. Fifty-one percent of practices were on Facebook, up from 49 percent, while 21 percent used LinkedIn (unchanged) and 14 percent used

Twitter (down from 15 percent).

Some doctors noted that they used pay-per-click advertising and invested in content marketing, including targeted e-mails and/or YouTube videos of success stories, which they linked to their website.

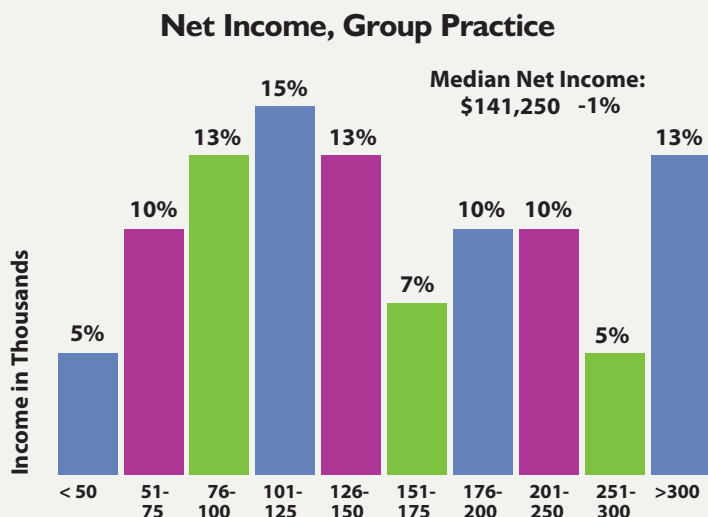
- *Newspapers*—Eleven percent of doctors who advertised did so in newspapers, down from 14 percent in our previous report. This percentage may reflect the expanding list of newspaper closures, which topped 2,000 since 2004.

Despite fewer newspapers to choose from, this medium remains a strong choice for those reaching a primarily age 65-and-older age group. According to a 2017 study from the American Press Institute, adults in this group who paid for news were five times more likely to buy print than digital (72 percent vs. 14 percent). The study also found that the majority of print-oriented subscribers said they used the coupons (51 percent), and a similar number (55 percent) were saving copies of the paper for use later.

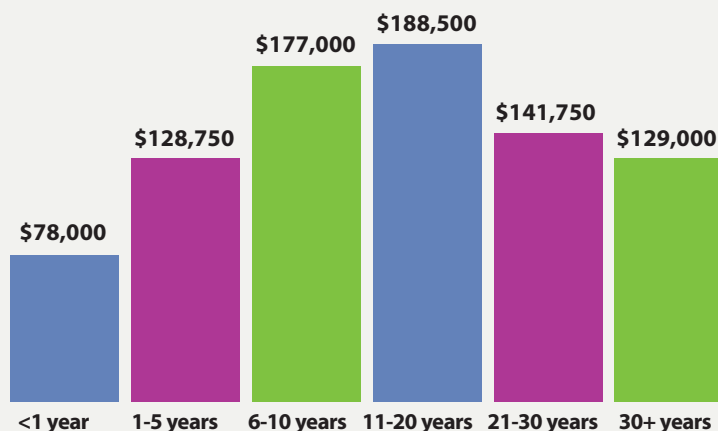
The loyal following of local weeklies—which feature hyperlocal news, school sports, and local business profiles—may make them a good choice for doctors looking to reach young families.

We anticipate a more dramatic drop in newspaper advertising in our

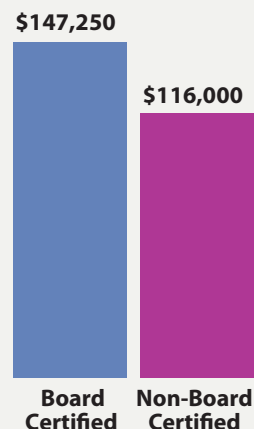
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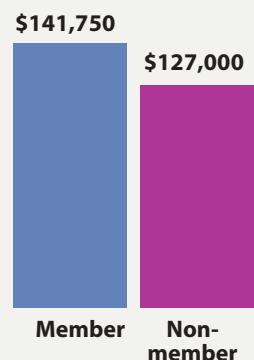
Median Net Income Years in Practice



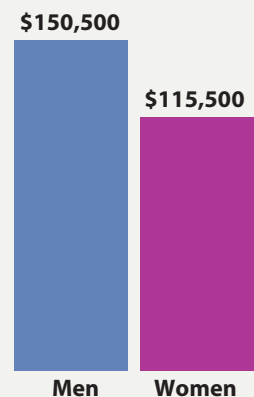
Median Net Income Board Certified



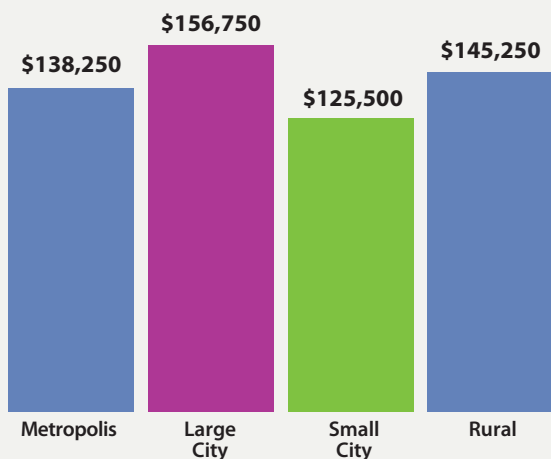
Median Net Income APMA Member



Median Net Income Comparison by Sex



Median Net Income by Community Size



Survey (from page 96)

next report. Daily and weekly newspapers alike have been hard-hit by COVID-19. Many small businesses temporarily or permanently closed, negatively impacting ad revenue in an industry that was already struggling from online competition.

- **Mailings**—The use of mailings rose from 10 percent to 12 percent. Undoubtedly, DPMs are fine-tuning their approach to these items and are combining them with online marketing.

Given the appeal of newspaper

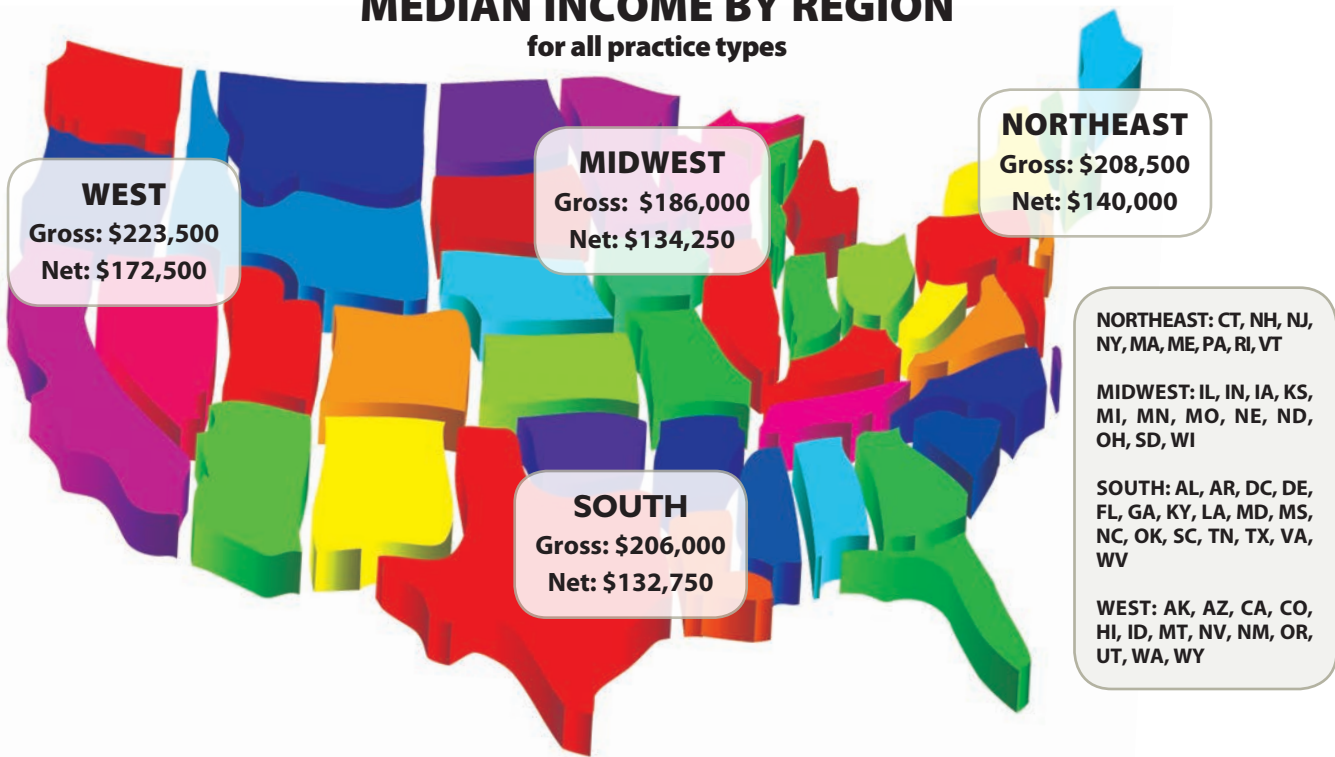
coupons as mentioned above, mailers such as ValPak and others are effective for some practices in reaching their target audience. A study from the U.S. Postal Service (USPS) released in 2019 noted that 42.2 percent of direct mail recipients either read or scanned the mail they received, and recipients purchased 28 percent more items and spent 28 percent more money than people who didn't get that same piece of direct mail.

COVID-19 has had conflicting effects on the mailing category, which will be reflected in future surveys.

Many doctors stopped sending mailings when offices were closed or when they were providing limited in-office services. USPS issues emerged, such as slower-than-usual mail times due to illness among postal employees. Meanwhile, patients and prospective patients restricted their out-of-home activity, providing doctors with a captive audience for personal letters, newsletters, coupon packs, and the like.

Continued on page 101

MEDIAN INCOME BY REGION
for all practice types



PRESCRIBING & DISPENSING

Analgesics (Oral)

	2020	2019
Ibuprofen	16%	15%
Tylenol	12%	15%
Advil	12%	8%
Norco	11%	9%
Hydrocodone	8%	10%
Aleve	8%	9%
Percocet	8%	9%
Motrin	6%	5%
Tylenol #3	5%	5%
Ultram	5%	4%
Vicodin	2%	3%
Lortabs	1%	—
Others	1%	1%
Prescriptions per week	5.0	5.1

Antifungal (Oral)

	2020	2019
Lamisil	80%	82%
Diflucan	4%	4%
Gris-PEG	1%	1%
Others	1%	1%
Prescriptions per week	3.9	3.5

Steroids (Topical)

	2020	2019
Betamethasone	25%	21%
Triamcinalone	22%	22%
Hydrocortisone	15%	13%
Topicort	6%	6%
Lotrisone	5%	8%
Lidex	4%	5%
Kenalog	4%	2%
Temovate	3%	3%
Medrol	3%	3%
Diprolene	1%	3%
Aristocort	1%	1%
Desonate	1%	1%
Others	1%	1%
Prescriptions per week	3.1	2.7

Enzymatic Debriding Agents

	2020	2019
Santyl	60%	62%
Medihoney	6%	6%
Accuzyme	2%	3%
Amerigel	2%	3%
Kerasal	2%	1%
Panafil	2%	1%
Elastase	1%	1%
Others	1%	1%
Prescriptions per week	3.2	2.7

Topical Dressings for Matrixectomies

	2020	2019
Amerigel	19%	22%
Bacitracin	15%	14%
Neosporin	11%	8%
Silvadene	11%	11%
Bactroban	7%	6%
Triple Antibiotic	7%	9%
Cortisporin Otic	5%	5%
Betadine	4%	4%
Band-Aid	2%	2%
Gauze	2%	2%
Gentamicin	1%	2%
Others	3%	3%
Prescriptions per week	5.2	5.1

Topical Pain Relievers

	2020	2019
Voltaren Gel	46%	32%
Biofreeze	14%	19%
Lidocaine	9%	14%
Capsaicin	4%	4%
Lidoderm	4%	4%
Emla Cream	2%	2%
CBD Clinic	1%	—
Solaraze Gel	1%	1%
Ben Gay	1%	2%
Flector Patch	1%	2%
Others	5%	7%
Prescriptions per week	5.5	4.7

Survey (from page 98)

- **Radio**—The percentage of respondents who used radio remained steady at 5 percent of those who advertised.

Research by Statista covering 2019 indicated that radio reached more than 90 percent of adults during our survey period, and there were more than 15,500 radio stations in the U.S. Online radio was a popular choice during our survey period as well.

With drive-time radio a key time slot for radio advertisers, we may see a drop-off in advertising for this category next year. Remote work and school ended commutes for many. What's more, radio now competes with music streaming services (some without commercials), podcasts, audiobooks, and even self-improvement apps such as language lessons and guided meditation.

- **Television**—Three percent of doctors who advertised used network television, down from 4 percent. The same decrease was reported among those advertising on cable television (down from 4 percent to 3 percent).

The list of subscription services (Netflix, Hulu, Amazon Prime Video, Apple TV+, etc.) has grown dramatically over the past two years. Networks have even emerged with their own paid services (Peacock, CBS All Access, etc.). This com-

Continued on page 102

PRESCRIBING & DISPENSING

Anti Inflammatories (Oral)

	2020	2019
Ibuprofen	19%	17%
Meloxicam	18%	19%
Naprosyn/Naproxen	11%	12%
Advil	11%	8%
Aleve	7%	8%
Diclofenac	7%	4%
Mobic	6%	11%
Duexis	3%	3%
Motrin	3%	3%
Voltaren	3%	2%
Celebrex	2%	2%
Relafen	1%	1%
Feldene	1%	1%
Others	2%	2%
Prescriptions per week	7.3	8.2

Survey (from page 101)

bination has eroded network television viewership and will likely continue.

Cable television has faced a similar plight. The number of cable “cord cutters” has grown over the years, especially with the proliferation of lower-cost options such as Sling TV, YouTube TV, etc. (combined with the subscription offerings above). While cable bundles were once touted as a

“bargain”, their recent price tags in the \$200-\$300 range have led shoppers to seek low-cost alternatives. The rise in unemployment during 2020 may exacerbate the cord-cutting trend, as well. Doctors may instead choose more direct promotional vehicles such as the internet and direct mail.

- *Other advertising*—Practitioners listed a myriad of other media, including billboards, calendars, bus shelters,

church bulletins, newsletters, magazines, and sports team sponsorships. Some also spoke at local events to promote their practices.

Looking ahead: Our next survey may reflect a continued investment in promotion even during lockdowns and as practices saw reduced patient loads. The focus thus far has been on educating patients on telemedi-

Continued on page 103

PRESCRIBING & DISPENSING

Antiseptics/ Topical Antibiotics

	2020	2019
Bactroban	19%	17%
Bacitracin	15%	18%
Betadine	13%	10%
Neosporin	10%	10%
Silvadene	9%	6%
Triple Antibiotic	7%	7%
Mupirocin	6%	9%
Amerigel	5%	5%
Povidone-Iodine	3%	2%
Gentamicin	3%	3%
Iodosorb	2%	2%
Polysporin	1%	1%
Others	1%	1%
Prescriptions per week	5.8	5.3

Graft Products (for Wounds)

	2020	2019
EpiFix (Mimedx)	14%	14%
Apligraf	7%	10%
Dermagraft	5%	5%
Grafix	5%	5%
Integra	5%	6%
Oasis	5%	4%
Acell	3%	2%
Graft Jacket	2%	2%
Kerecis	2%	2%
Neox	1%	—
Primatrix	1%	3%
SkinTE	1%	—
Amnioexcel	1%	1%
Others	6%	6%
Prescriptions per week	2.5	2.9

Antifungal (Topical) (Skin)

	2020	2019
Lamisil	18%	17%
Lotrisone	13%	10%
Lotrimin	11%	11%
Naftin	10%	10%
Loprox	8%	8%
Clarus (Bako)	6%	5%
Spectazole	5%	6%
Formula 3/Formula 7	5%	6%
Fungi-Foam	3%	3%
Nizoral	2%	5%
Oxistat	2%	2%
Luzu	1%	1%
CLO-1 Antifungal Foam	1%	—
Cidacin	1%	1%
Ecoza	1%	1%
Ertaczo	1%	2%
Others	7%	7%
Prescriptions per week	5.9	6.6

Antibiotics (Oral)

	2020	2019
Cephalexin	33%	29%
Augmentin	20%	22%
Keflex	12%	11%
Bactrim	8%	7%
Doxycycline	8%	11%
Amoxicillin	4%	4%
Clindamycin	3%	3%
Duricef	2%	3%
Cipro	2%	1%
Omnicef	1%	2%
Levaquin	1%	1%
Ceftin	1%	—
Dicloxacillin	1%	—
Others	1%	1%
Prescriptions per week	4.1	4.3

Survey (from page 102)

cine options, as well as letting referring physicians, urgent care facilities, and emergency room personnel know their ability to provide foot and ankle care. Social media posts, emailed newsletters, videos, and website updates were among the tactics listed by DPMs in various articles in *PM's* special section “Dealing with the Pandemic” (June/July 2020).

- **Cleaning and Maintenance**—

The cost for cleaning and maintenance dropped by 23 percent year-to-year, totaling \$1,778 in our most recent survey.

We expect a significant jump in this category in our next report due to the additional disinfection protocols as a result of COVID-19. Combined with the PPE expenditures previously mentioned, these costs will be a heavy burden on practice owners—especially those in solo practice—and are likely to cut into net revenue for 2020.

- **Other Expenses**—Doctors surveyed listed other practice costs,

including business-related taxes; health insurance; licensing fees; payroll fees; food, transportation, and lodging for offsite conferences and seminars; automobile expenses; billing service fees; streaming subscriptions (Netflix, Disney + , etc.); landscaping; answering service fees; credit card fees; equipment maintenance and repair; lunches for staff; and gifts and donations.

NET INCOME

As mentioned in the beginning of this report, the median net income for DPMs in solo practice dropped 13 percent to \$114,750. This was the lowest level since 2014, and the biggest percentage drop in at least two decades.

Two factors seemed to pull down this amount. First, there was a decline in percentage of doctors on the high end of the earning chart, with 9 percent netting more than \$350,000 in our previous survey compared

to only 4 percent of our recent respondents. What's more, 43 percent said they took home \$100,000 or less compared to 36 percent in our previous report.

The earning gap between men and women widened. Men reported a median net income of \$150,500,

or 2 percent lower than our previous survey. Women's median net income dropped 5 percent to \$115,500. Thus women earned 76.7 percent of men, down from 79.1 percent. Despite this disparity, the aforementioned *ME* practice survey covering the same

Continued on page 104

Survey (from page 103)

time period indicated that the percentage difference between men and women physicians was even greater than in podiatry, with women netting only 75.3 percent of what men earned.

Regionally, for all practice types combined, doctors in the West reported the highest median net income at

the North Central region (72.2 percent), East (67.1 percent), and South (64.4 percent).

Continued on page 105

Board certification and membership in the APMA continued to make a difference in median net income as they did in previous surveys.

\$172,500. This was considerably higher than the other regions and an 11 percent increase from our previous survey. Doctors in the East netted \$140,000 (up 3 percent), those in the North Central region cleared \$134,250 (down 17 percent), and DPMs in the South earned \$132,750 (down 5 percent).

Western doctors netted the highest percentage of their gross income (77.2 percent), followed by DPMs in

PRESCRIBING & DISPENSING

Wart Medications

	2020	2019
Cantharidin/Cantharone	22%	21%
Salicylic Acid/Sal Acid Plaster	14%	15%
Aldara	8%	8%
Duofilm	5%	8%
Compound W	5%	5%
Efudex	5%	4%
Mediplast	4%	7%
Canthacur	3%	4%
Verucide	3%	2%
Vircin	2%	3%
Virasal	1%	1%
Wartpeel	1%	1%
Formadon	1%	1%
Durasal	1%	1%
Lazerformalyde	1%	1%
Others	5%	2%
Prescriptions per week	3.9	3.3

Most Prescribed, Recommended and/or Dispensed:

1. Cantharidin/Cantharone
2. Salicylic Acid/
Sal Acid Plaster
3. Aldara

Drying Agents (for Odor)

	2020	2019
Drysol	33%	30%
Betadine	15%	15%
Certain Dry	9%	12%
Clean Sweep	4%	4%
Bromi Lotion	4%	4%
Tineacide Shoe Spray	3%	3%
Lazerformalyde	3%	3%
Formadon	2%	4%
On Your Toes	1%	1%
Others	3%	5%
Prescriptions per week	3.2	2.8

Most Prescribed, Recommended and/or Dispensed:

1. Drysol
2. Betadine
3. Certain Dry

Emollients/Moisturizers

	2020	2019
AmLactin	26%	24%
Urea 40%	13%	8%
Lac-Hydrin	10%	12%
Eucerin	8%	8%
Kera-42 (Bako)	6%	6%
Aquaphor	5%	3%
Carmol 40	3%	5%
Kamea	3%	3%
RevitaDerm	3%	1%
Cerave	3%	4%
Foot Miracle	2%	3%
Amerigel	2%	3%
Kerasal	1%	2%
Gormel	1%	1%
Flexitol Heel Balm	1%	1%
Fungi-Foam	1%	—
Others	4%	5%
Prescriptions per week	6.4	7.2

Most Prescribed, Recommended and/or Dispensed:

1. AmLactin
2. Urea 40%
3. Lac-Hydrin

Survey (from page 104)

For the first time, we cross-tabulated median net income by community size. Doctors in large cities reported the highest median net income (\$156,750), followed by rural DPMs (\$145,250), those in a metropolis (\$138,250), and those in small cities (\$125,500). Looking at the gross-to-net ratio, doctors in large cities kept 77.2 percent of their gross income, those in a metropolis kept 67.9 percent, rural doctors netted 67.2 percent, and small-city DPMs only kept 59.3 percent.

Board certification and membership in the APMA continued to make a difference in median net income as they did in previous surveys. Board-certified DPMs indicated a median net income of \$147,250 compared to \$116,000 for doctors who were not Board-certified. APMA members earned \$141,750 vs.

\$127,000 for non-APMA members (all practice types combined).

Unfortunately, median net income may further sink amidst COVID-19 challenges. We'll see whether doctors have been able to trim or eliminate key expenses while their practices were at reduced capacity. PPP loans and Federal grants may help with expenses, which we'll cover in next year's report.

PRESCRIBING & IN-OFFICE DISPENSING

For the 29th year in a row, *PM* tracked the pharmaceuticals, by brand name, that respondents prescribed, recommended, and/or dispensed from their offices, and which

brand primarily from each category (see charts).

When asked whether they dispensed prescriptions from their practices, 21 percent responded affirmatively—up from 17 percent in our previous survey. Another 6 percent indicated that they planned on dispensing Rx products within the next 12 months.

Pharmaceutical TV advertising expenditures rose slightly compared to our last report, reaching \$3.79 billion, according to data from real-time TV ad tracker iSpot.tv. Meanwhile, pharmaceutical digital ad spending grew 15.3 percent over the same period, reaching \$8.34 billion, according to eMarketer. We expect both the TV and digital ad push to continue to drive patients to practices.

Amazon Pharmacy, which was introduced late last year, may pro-

Continued on page 106

Survey (from page 105)

vide new price competition as well as improve compliance due to the convenience of access via the Amazon online store. Amazon Prime members receive free two-day delivery and up to 80 percent savings when paying without insurance, according to Amazon.

The opioid crisis continued during the survey period. In “Mitigating the Opioid Crisis for the Podiatric Physician” (PM, April/May 2020), author Robert G. Smith, DPM, MSC, RPH, suggested, “The utilization of an opioid stewardship program... provides the necessary framework to identify gaps in quality development, and implementation to change the long-standing opioid culture and practice” and recommended that DPMs evaluate, opioid prescribing, monitoring, and patient education

initiatives to mitigate the current opioid crisis. In “The Shadow at the Intersection of the COVID-19 Pandemic and the Opioid Crisis” (PM, September 2020), Dr. Smith further highlighted this issue with a pandemic focus, including how patients with substance abuse issues have been disadvantaged by excessive and prolonged periods of isolation and social distancing.

Looking ahead: As many patients may be unable to see their DPM or postponed visits due to the pandemic, we anticipate a drop in the number of medications prescribed in our next report. That should rebound significantly as COVID-19 vaccinations become more widely available. In the future, patients may be less inclined to procrastinate on getting the treatment they need as well, having gone through the dramatic and sudden loss of freedom

to see their doctors that they experienced in 2020. **PM**

Stephanie Kloos Donoghue of Ardsley, NY, writes and lectures on management, marketing, and economic trends, and has analyzed podiatric and other medical professional data for more than three decades. She is a small business owner and consultant as well as a college instructor focusing on business management and entrepreneurship at Pace University’s Lubin School of Business. Learn more at skloos.com.

Data was compiled and tabulated by **Thomas Lewis, MBA**, of Hartsdale, NY. Lewis is a research professional with extensive experience in the planning and implementation of research programs designed to gauge audience and information delivery across all print media platforms. He currently serves as the editor-in-chief and primary media analyst for the Housing and Urban Development Daily News Brief, TechMIS LLC. His survey research experience includes senior positions at GfK MRI, the leading print media audience research organization servicing all major publishers and media buying agencies.

PRESCRIBING & DISPENSING

Wound/Ulcer (Topical, Non-Graft)

	2020	2019
Amerigel	12%	13%
Bactroban	12%	12%
Santyl	10%	12%
Silvadene	8%	8%
Betadine	7%	8%
Prisma	6%	4%
Iodosorb	5%	4%
Medihoney	4%	3%
Neosporin	4%	2%
Hydrogel	4%	4%
Aquacel	3%	4%
Gentamicin	3%	2%
Regranex	3%	3%
Triple Antibiotic	2%	3%
Silvasorb	2%	1%
Polymem	1%	1%
Helix	1%	1%
Puraply	1%	—
Others	1%	4%
Prescriptions per week	5.0	5.0

Most Prescribed, Recommended and/or Dispensed:

1. Amerigel, Bactroban
2. Santyl
3. Silvadene

Antifungal (Topical) and Keratin Debris Exfoliants (Nail)

	2020	2019
Formula 3/Formula 7	11%	10%
Penlac	11%	13%
Jublia	10%	9%
AmLactin	9%	10%
Tolcylen	8%	7%
Clotrimazole	7%	8%
Urea 40%	7%	5%
Clarus (Bako)	7%	7%
Lamisil	4%	5%
Kerasal	4%	4%
Carmol	2%	1%
Naftin	1%	1%
Kerydin (Pharmaderm)	1%	2%
Nonyx	1%	—
RevitaDerm	1%	1%
Tineacide	1%	1%
Others	4%	2%
Prescriptions per week	6.4	6.7

Most Prescribed, Recommended and/or Dispensed:

1. Formula 3/Formula 7, Penlac
2. Jublia
3. AmLactin

Ad

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ADVERTISERS' INDEX

The companies and organizations listed at the end of this report are the sponsors for this year's Annual Practice Survey. They have made it possible for PM to collect, organize, and disseminate the formidable amount of data used to create this once-a-year analysis of the profession. Please support them by emailing, calling, or visiting their websites.

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MD Buying Group	mdbuyinggroup.com	888-863-5303	45
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Officite	PM.OFCBF.COM	866-627-8642	74
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Tetra	thetetracorp.com		61
Tetra	thetetracorp.com		75
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