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.*

Podiatry Management's 40th Annual Survey

BIG BOUNCE BACK

With the peak of the pandemic behind them, respondents reported record-breaking increases in gross and net income despite higher expenses.

BY STEPHANIE KLOOS DONOGHUE

Survival was the word of the year for 2020, as DPMs fought off both the physical and financial blows of COVID-19. Just one year later, the picture was very different, according to the 738 respondents to *Podiatry Management*'s 40th Annual Survey. An appropriate word to sum up our survey results is *rebound*, as gross revenues surged.

Net income was up as well despite high inflation and huge jumps in nearly every expense category. Gross salary payments rose 27 percent and was the largest dollar amount increase among expenses listed. Respondents invested more in their practices, boosting their fixed equipment expenditures by 38 percent. They also spent more on patient-related costs such as bio/pathology lab expenses and disposable medical supplies. Meanwhile, the cost to clean offices—likely a continuation of heightened disinfection protocols that began in the early days of the pandemic—rose 35 percent year-over-year as doctors spent more time back in their offices.

Respondents apparently took advantage of higher revenues to boost pensions for both themselves and their staff members—with the latter move likely a result of the tight market for top-notch employees.

Here is an analysis of the data collected, including trends that may impact future responses. Also peppered throughout this anniversary edition are "Flashbacks"—date-labeled data points taken from *PM*'s first 25 years of survey reports.

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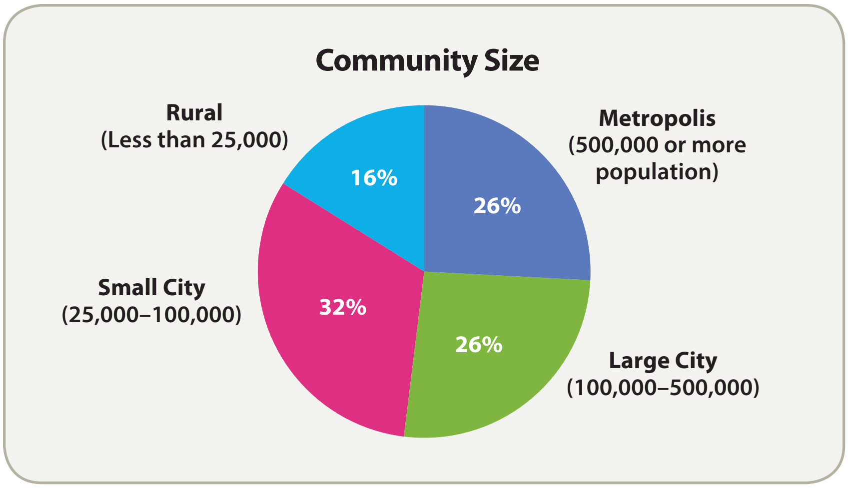
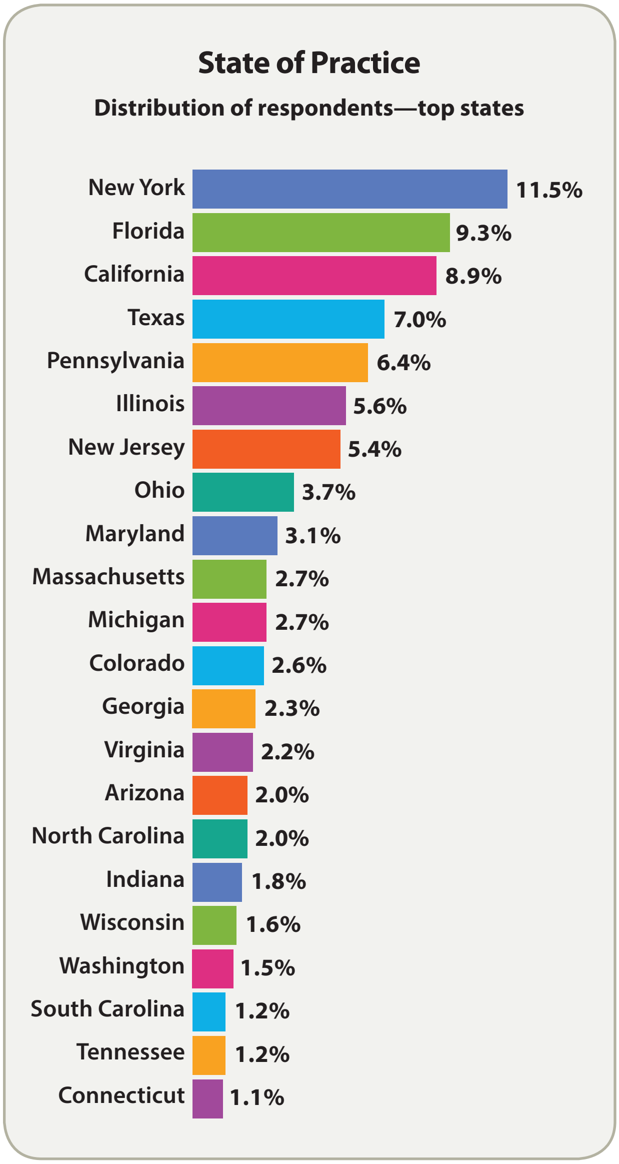
Survey *(from page 65)*

CHARACTERISTICS OF RESPONDENTS & TRENDS



Small Shifts in Where DPMs Practiced

New York remained in the top spot among the states where respondents practiced, with 11.5 percent located there. Florida moved from third place last year to second this year, with 9.3 percent of respondents, while California moved from second to third place at 8.9 percent. Texas jumped from seventh place last year to the number four spot at 7 percent, and Pennsylvania rounded out the top five with 6.4 percent, dropping from fourth place to fifth in our most recent survey.



U.S. Census Bureau (USCB) data for 2021 indicated the same top-five most populous states, but in a different order: California, Texas, Florida, New York, and Pennsylvania. Regionally, the U.S. experienced a migration out of the Northeast and Midwest (lower by approximately 250,000), while the South grew by approximately 1.3 million and the West by around 150,000. Note that the surge in Southern population was reflected in our survey response, with a larger percentage of doctors practicing in Florida, Georgia, Maryland, North Carolina, Texas, and Virginia.

A contributing factor to population shifts may have been lower taxes, especially considering the aging of a population on fixed incomes. States such as Florida and Texas, where there is no state income tax, may be a driver to population growth and an option for podiatrists looking to locate a practice with low costs and increasing demand for services.

No Significant Changes in Community Size; Largest Percentage in Small Cities

Small cities remained the top choice by respondents answering our latest survey, with 32 percent located in areas with a population between 25,000 and 100,000. Twenty-six percent practiced in a metropolis (population of more than 500,000), and another 26 percent practiced in a large city (population of 100,000 to 500,000). The remaining 16 percent of DPMs practiced in rural areas (population of less than 25,000). These percentages were nearly identical to our previous report.

From mid-2020 to mid-2021, rural counties in the U.S. saw a net gain, while an exodus away from medium-size and large cities accelerated, according to USCB data. The trend was most pronounced in the Northeast and the West, with their high concentrations of big cities. For example, USCB data shows that San Francisco lost 6.3 percent of its res-

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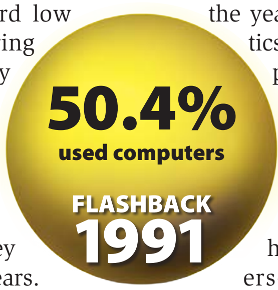
Note: Chart numbers may not equal 100% due to rounding. In addition, the amounts in charts spanning multiple years have not been adjusted for inflation.

Survey (from page 66)

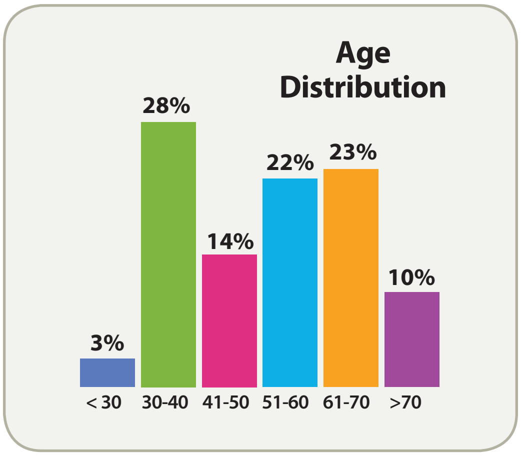
idents, and New York City lost 3.5 percent. While the pandemic shift to remote work in many professions likely set in motion the initial movement to less populated areas, the continued remote and hybrid work alternatives—along with record low unemployment rates during our survey period—may have resulted in temporary moves becoming permanent relocations.

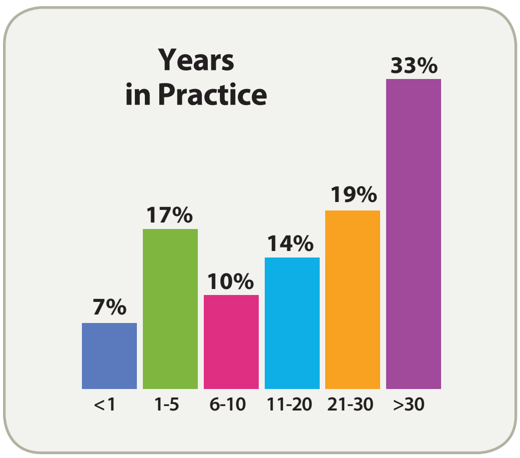
We expect that in future surveys, small cities will remain on top as they have for the past 20+ years. Where we're likely to see growth is in rural areas due to a number of factors, including relative affordability compared to urban areas, the increase in housing options as farmers sell off land to developers, and the lingering options for working at home.



Slightly Older Respondent Pool

An analysis of age distribution and number of years in practice revealed a slightly larger percentage of doctors who were in practice 11 years or more, growing from 63 percent last year to 66 percent in our latest survey. Reviewing the age data separately from the years in practice statistics reflect that a higher percentage of DPMs were working into their 70s than last year's respondent pool.



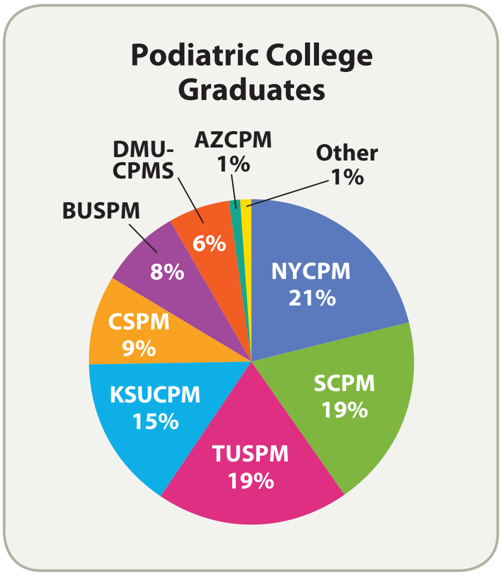


More than 300,000 healthcare providers—including physicians, physician assistants, and nurse practitioners—dropped out of the workforce in 2021, according to a report from data firm Definitive Healthcare. While burnout was cited as a reason for this exodus, retirement was also indicated as a motivation. Despite this trend, there have likely been fewer new DPMs to fill in positions left by retiring podiatrists. Until there is a substantial increase in podiatric college enrollment and graduation numbers, we anticipate that the respondent pool will continue to skew older.

Higher Percentage of Solo, Self-employed DPMs

The percentage of doctors in solo, self-employed practice rose from 31 percent last year to 34 percent in our most recent survey. DPMs in solo professional corporations (PCs) remained steady at 6 percent of respondents. Thus, two-out-of-five (40 percent) respondents were in some form of solo practice, up from a total of 37 percent last year.

Meanwhile, the percentage of respondents in some form of partnership/group practice fell from 45 percent last year to 43 percent in our most recent survey. This category consisted of those in all-DPM partnership/group practices (21 percent), doctors in multi-disciplinary practices (8 percent), those in a PC with other podiatrists (7 percent), and respondents employed by another DPM (7 percent). Among these categories, the only shift of more than a percentage point was in the multi-disciplinary practice category, which dropped 2 percentage points.



There has been an increasing emphasis on partnership/group practice in *PM* and the wider physician community. Benefits include the sharing of fixed costs associated with practice ownership (especially office space, equipment, and staffing); specialization possibilities (e.g., in sports or foot and ankle surgery); greater feasibility to open satellite offices; expansion of appointment schedules; collegiality and the ability to discuss cases in-house; and a potentially higher likelihood of getting on managed care organization (MCO) panels (which may require coverage that is not feasible for a solo doctor). As DPMs continued to grapple with the impact of COVID-19 in 2021, they were likely better able to pivot as needed by working together.

Note, too, that partnership/group respondents earned significantly more than their solo colleagues. (See "Net Income" section for details.)

For doctors looking to join with others in a larger group setting, supergroups are an option covered regularly in *PM*. "Podiatry Super Groups—The Upsides and Downsides" by Andrea Linne (*PM*, January 2022) presented several doctors' experiences with supergroups, covering such

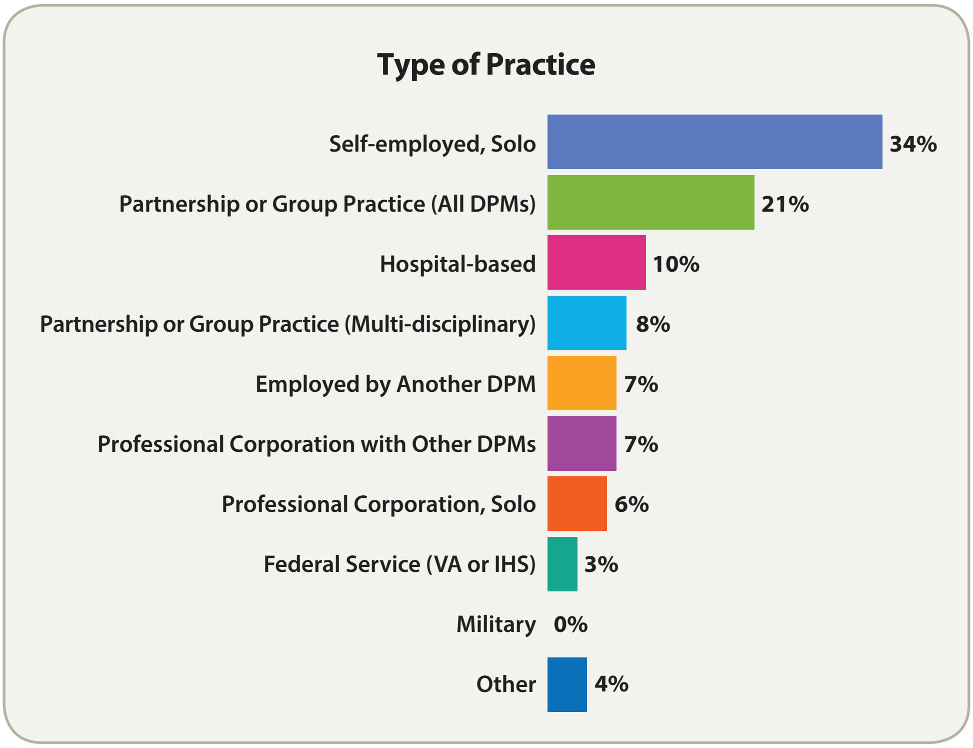
Continued on page 68

Survey (from page 67)

issues as practice expansion, control, costs, staffing, and exit strategy.

Other settings in which respondents practiced included hospitals, at 10 percent (up from 9 percent); Federal service (Veterans Administration or Indian Health Services), at 3 percent (unchanged); and "other", which included modes of practices not listed above, at 4 percent (down from 5 percent). As we see other practice settings listed in our comments section, we will add them to the selections in future questionnaires.

Cross-tabulation by sex revealed that 43 percent of men were in some form of solo practice compared to 33 percent of women practicing in those settings. By contrast, 47 percent of women were in some form of partnership/group setting compared to 42 percent of men surveyed. There was a notable difference in the percentage who were employed by another DPM: 10 percent of women vs. 6 percent of men.

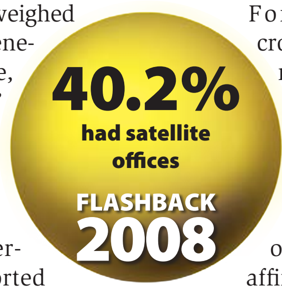


Another Lower Percentage of Satellite Offices

Continuing a trend we reported last year, a lower percentage doctors surveyed had satellite offices: 22 percent vs. 26 percent.

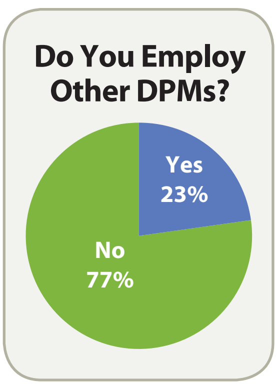
Two factors may have impacted this change. For one, a higher percentage of doctors surveyed were in some form of solo practice, which may have made it difficult or even impossible to manage a satellite location profitably. Also, the proliferation of telemedicine during the 2020 pandemic and extending into 2021 may have weighed negatively on the cost-benefit ratio of a satellite office, with DPMs able to "see" some patients virtually who resided outside of the DPMs' geographic area.

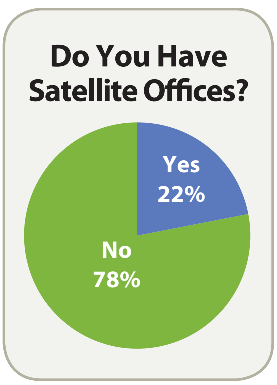
The majority (54 percent) of those who reported having satellite offices had one. There were significant increases in the percentage of those who had two offices compared to our previous report (24 percent, up from 20 percent) and four or more offices (11 percent, up from 7 percent). Eleven percent of doctors who had satellite offices had three of them, down from 14 percent in our previous report.

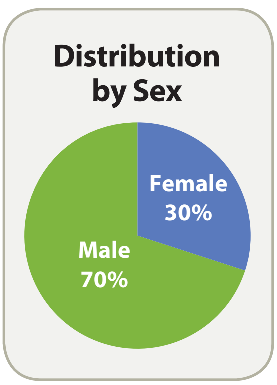


For the first time, we cross-tabulated responses by region and divided yes/no responses *within* each region. Southern doctors were most likely to have one or more satellite offices, with 24 percent of those doctors answering affirmatively. That compared to 23 percent of respondents in the West who had a satellite office, 22 percent of those in the Northeast, and 19 percent of those in the Midwest.

We anticipate that with the aforementioned population migration to the South and West, as well as the soft commercial real estate market (as discussed in the "Expenses" section), we may see an uptick of Southern and Western satellite offices in future surveys.







Lower Percentage of Women Respondents

Thirty percent of respondents to our recent survey were women, down from 33 percent last year. This may reflect the slightly older respondent pool, as there have been increases in female graduates over the past decade

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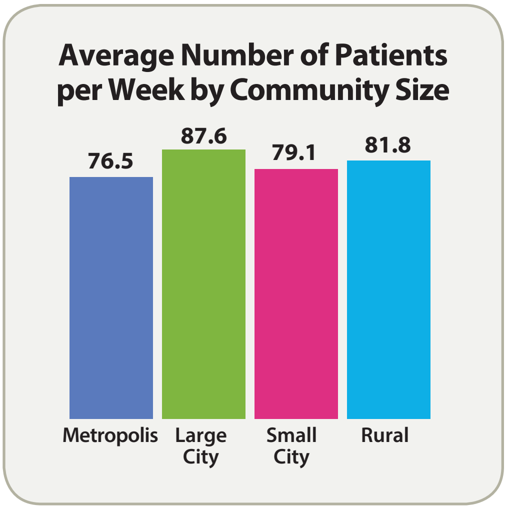
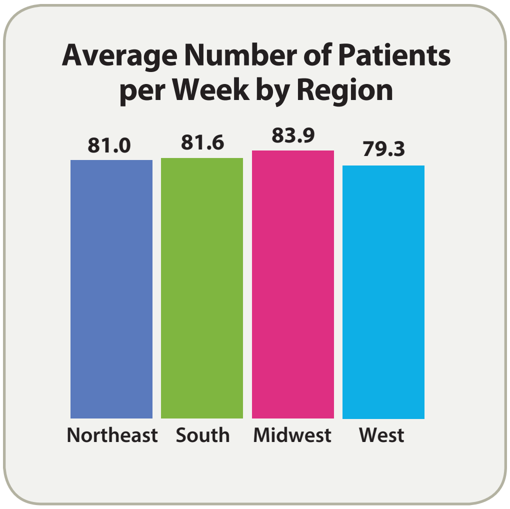
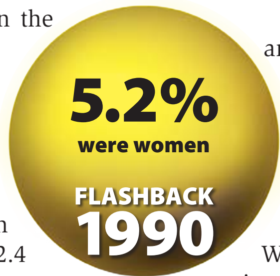
Survey *(from page 68)*





or more. According to 2021 data from the American Association of Colleges of Podiatric Medicine (AACPM), 41 percent of graduates were women, up from 38 percent in 2020. What's more, women made up 54 percent of the applicants and 46 percent of matriculating students in 2021, indicating that the number of female DPMs will continue to rise as these students graduate in the coming years.



Patient Numbers Remained Steady

Respondents saw an average of 81.8 patients per week, down less than a percentage point from 82.4 patients in our previous survey.

Multiple factors likely impacted patient load during the survey period. First, there were more solo practitioners surveyed, who may not have had the same efficiencies in place as their partnership/group colleagues. This might have driven down patient numbers if not for the ability to use telemedicine by all practice types. In addition, the pent-up demand for more complex exams and treatments meant that doctors saw approximately the same number of patients but were able to earn more, on average, from each one, as indicated by the huge difference in revenue between 2020 and 2021.

Cross-tabulations by region and location revealed that doctors in the Midwest saw the most patients per week (83.9 patients), followed by the South (81.6 patients), the Northeast (81 patients), and the West (79.3 patients). Large-city DPMs saw significantly more patients than the other three locations at 87.6 patients per week, followed by rural doctors (81.8 patients), small-city practitioners (79.1 patients), and doctors working in a metropolis (76.5 patients).

The number of years in practice seemed to correlate directly with practice numbers, with totals increasing throughout the respondents' careers until dropping off as they neared retirement. Specifically, those in practice 21-30 years saw the most patients per week (97.2 patients), and those in practice less than a year saw the fewest (65.2 patients). In between

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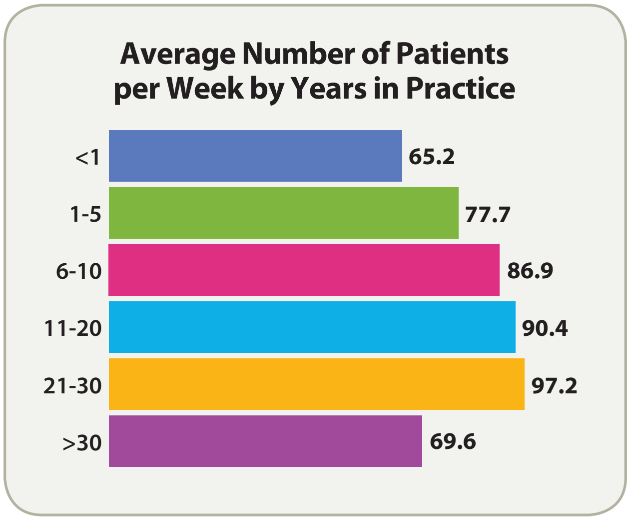

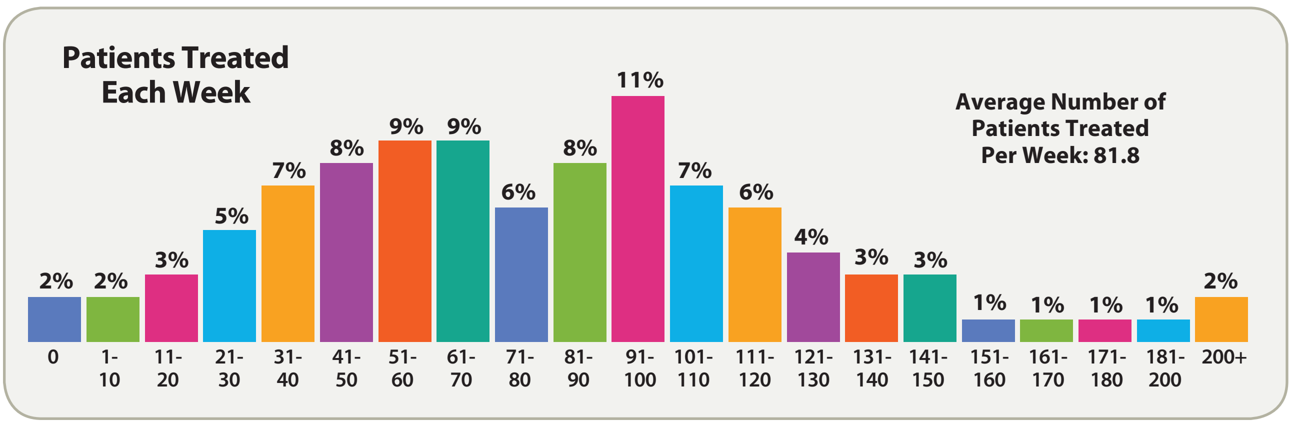

Survey (from page 69)

were doctors in practice more than 30 years (69.6 patients), one to five years (77.7 patients), six to 10 years (86.9 patients), and 11-20 years (90.4 patients). It is likely that had we surveyed a lower percentage of those in practice 30+ years, the patient average would have risen.

Women podiatrists reported seeing fewer patients than male respondents (75.3 vs. 83.4), a disparity we have witnessed since our very first report. However, the average number of patients seen by women *increased* by 1.9 percent year-over-year, while the number seen by male colleagues *dropped* by 1.4 percent over the same period. This may indicate that the gap in patient numbers between the genders is shrinking.

Higher Percentage of DPMs Reported 45+ Hours; Women Worked Longer Hours Than Men for the First Time

Nineteen percent of those surveyed reported working more than 45 hours per week. This compares to 17 percent working these above-average hours in our previous survey. Most notable was the increase in percentage of those who worked more than 55 hours: up from 4 percent to 7 percent in our most recent survey.

The largest percentage of respondents surveyed practiced 36-40 hours per week (22 percent), followed by those practicing less than 25 hours per week (20 percent).

Cross-tabulations by type of practice revealed that those in Federal service had the longest workweeks at 40.4 hours. Self-employed, solo DPMs reported the shortest workweeks, at 34.1 hours.

Practice location data uncovered less of a difference in number of hours worked. Large-city DPMs worked the longest, at 37.1 hours per week, followed by those in a small city (36.1 hours), metropolis (35.8 hours), and rural settings (35.3 hours).

For the first time since we started cross-tabulating hours by sex a decade ago, women worked longer hours than men: 36.8 hours vs. 35.9 hours each week, respectively. Given that our female respondents saw fewer patients, women likely spent more time with each patient; took more time with practice-related functions such as staffing, marketing, networking, etc.; or a combination of these and other factors.

Slight Increase in Operating Room Time

Respondents spent slightly more time in the operating room vs. last year. Seventy-one percent of those surveyed spent at least some time each week in the operating room, up from 70 percent last year. About 10

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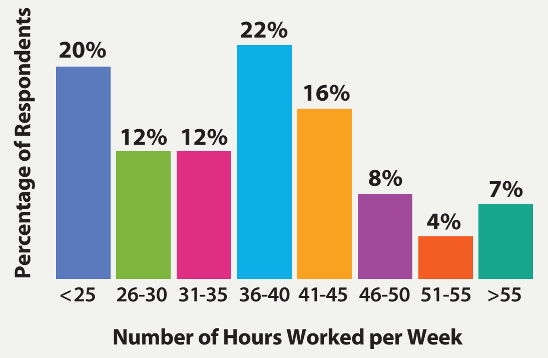
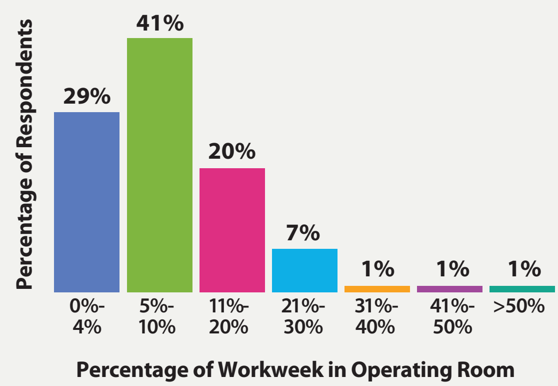
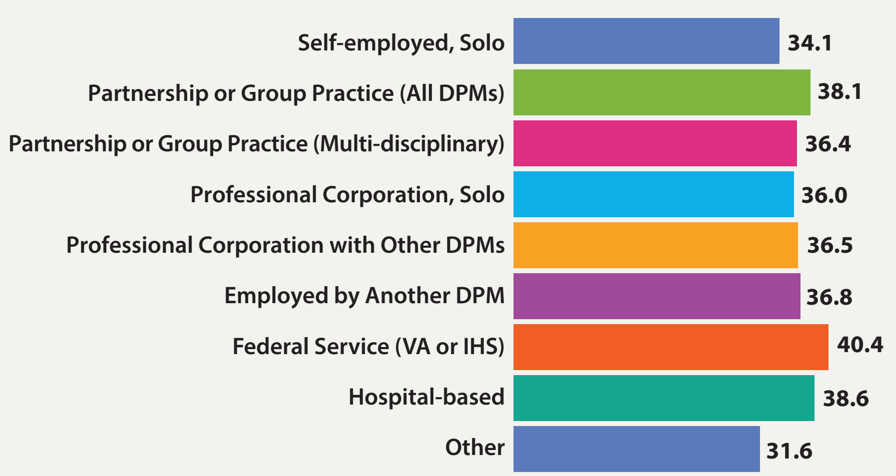
Hours Worked Per Week



What Percentage of Your Workweek Do You Spend in the Operating Room?



Average Numbers of Hours Worked Per Week by Type of Practice



Survey (from page 70)

percent of respondents spend at least a day a week in the operating room, up from 8 percent previously.

21%
used the internet (for any personal or practice function)
FLASHBACK 1997

COVID-19-related reasons for this return to the operating room likely included the drop in infections during the survey period, the increased use and availability of vaccinations and boosters, and the pent-up demand for previously postponed elective surgery procedures. A recent *PM* Quick Poll showed that 24 percent of the 627 doctors surveyed reported that all of their surgeries were done in a hospital or ambulatory surgery center.

The increasing emphasis on surgery in the profession will likely impact future responses, especially as some of the more recent graduates become Board Certified. We expect that technology will play a larger role in the operating room as well and already see its impact. Robotic arms outfitted with miniature cameras, forceps, suturing tools, and other surgical instruments can perform procedures and gather data in hospitals and ambulatory surgery centers. According to Global Market Insights, the U.S. surgical robots market size was $5.3 billion in 2021 and was expected to have a compound annual growth rate of 17.6 percent between 2022 and 2030. Not only will this technology help in areas that are understaffed, such as rural areas with a lack of healthcare providers, but robotics impact the skillset(s) required for DPMs to perform surgery.

As patients returned to doctors' offices for in-person appointments, DPMs used telemedicine less frequently.

Lower Percentage Used Telemedicine

As patients returned to doctors' offices for in-person appointments, DPMs used telemedicine less frequently, as indicated by survey results. The percentage of doctors using some form—telephone only, video only, or a combination of telephone and video—dropped from 60 percent to 51 percent. Note that this percentage is substantially higher than before COVID-19 (based upon 2019 data), when only 36 percent of respondents used some form of telemedicine.

Effective telemedicine depends on a reliable broadband access, and numerous reports indicated that rural areas lagged suburban and urban areas during our survey period. According to a Pew Research Center survey in early 2021, 72 percent in rural areas had broadband, compared to 77 percent in urban areas and 79 percent in suburbs. The 2021 bipartisan infrastructure deal allocated $65 billion to improve broadband access in rural, low-in-

Continued on page 72

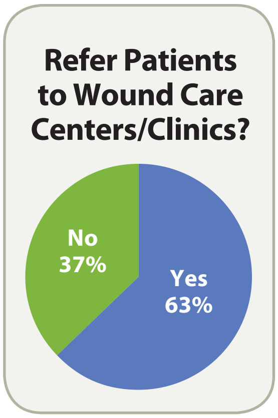
Survey (from page 71)

come and tribal areas, the results of which may become apparent in future reports. In addition, if greater percentages of respondents practice in rural areas, and reimbursement structures remain positive, telemedicine use could again increase.

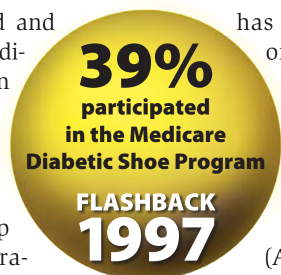
As best practices in telemedicine are shared by experts in *PM* and elsewhere, also emerging are warnings against abuse and misuse, including "A New Telehealth Scheme and You" by Lawrence F. Kobak, DPM, JD (*PM*, October 2022).

Diabetic Patient Numbers May Reflect National Trends

Twenty percent of doctors surveyed reported that the *majority* their patients had diabetes during our survey period. This compares with 17 percent of DPMs previously surveyed.



This increasing prevalence of diabetes is reflected in the national data from the Centers for Disease Control and Prevention (CDC). In 2019 (the latest data available), 11.3 percent of the U.S. population had either diagnosed or undiagnosed diabetes. This included 28.7 million individuals with diagnosed diabetes and 8.5 million undiagnosed individuals. In 2018, 10.5 percent of the population had diabetes, including 26.9 million who were diagnosed and 7.3 million who were undiagnosed. What's more, in 2019, 96 million people aged 18 years or older had prediabetes, up from 88 million in 2018.



The CDC's state map showed highest concentrations of diagnosed diabetes in the South, which was reflected in our survey data. Southern DPMs reported that 39.7 percent of their patients were diabetic, which was several percentage points higher than reported by doctors in the Northeast (33.4 percent), the West (30.3 percent), and the Midwest (30.2 percent).

The CDC map also illustrated major population clusters in West Virginia and Ohio. Other concentrations occurred where New Mexico, Arizona, and Utah abut, as well as in northern Maine.

To assist DPMs in tackling this increasingly large segment of their practices, *PM* covers The Diabetic Foot in its November/December issue annually. It includes current diabetes data, clinical case studies, products related to diabetic foot management, and practical marketing strategies related to diabetes for DPMs to use.

Meanwhile, in the wider medical community, there has been increased attention on tackling risk factors for Type 2 diabetes. A recently released clinical practice guideline on the evaluation and treatment of pediatric obesity from the American Academy of Pediatrics (APA) may help reduce obesity in children and adolescents, perhaps reducing the prevalence of Type 2 diabetes in the short and long term. "The likelihood that a child or adolescent with obesity will become an adult with obesity is significant," according to the APA's policy release. "Therefore, a life course approach is recommended, including early detection and longitudinal treatment in the medical home with ongoing monitoring for emergence and worsening of comorbidities."

Diabetic Shoe Program Use Increased

Nearly half (48 percent) of doctors surveyed participated in the Medicare Diabetic Shoe Program, an increase from 44 percent in our last survey. This is at least partially attributable to the increase in percentage of diabetic patients in some practices.

Paul Kesselman, DPM, covers therapeutic shoes in his regular *PM* column "DME for DPMs," where he delves into coding and billing issues/news,

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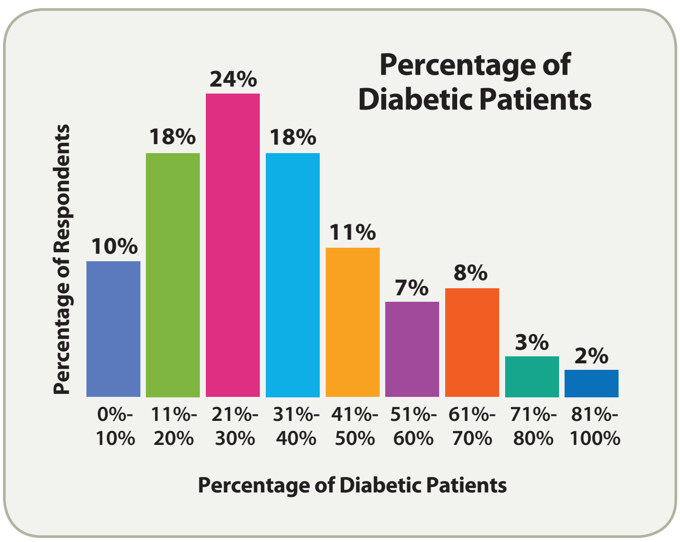
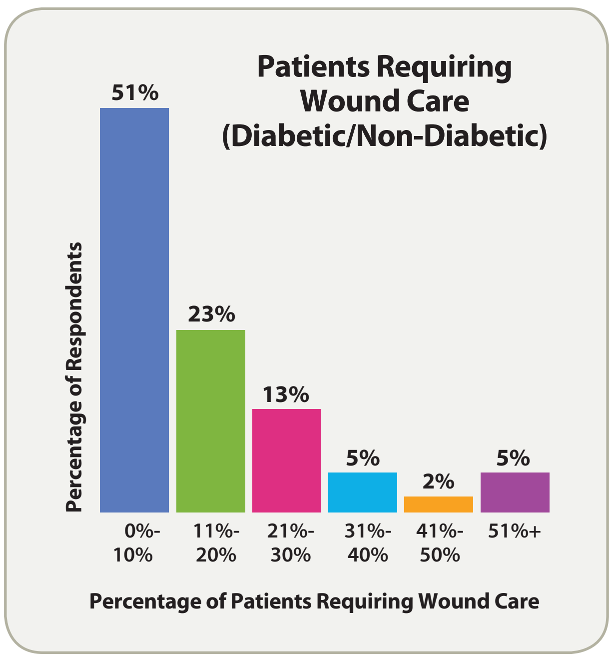
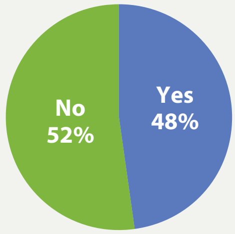




Survey (from page 72)

audits, product discussions, and other related topics. The benefits of participation were further addressed in "Therapeutic Shoes for Diabetics Are Proven to Be Helpful: So Why Aren't They Prescribed More?" by Josh White, DPM, CPED (*PM*, November/December 2022). "As only approximately 500,000 with Medicare received shoes in 2018, there are probably today over 5 million Medicare beneficiaries who would benefit from shoes, covered by Medicare, who are not being fit each year." He concluded that there are resources available "to make shoe fitting and compliance documentation procurement easier," reducing the barriers to adding this participation to DPM practices.

Do You Participate in Medicare Diabetic Shoe Program?



Patients Requiring Wound Care

There was little year-to-year difference in the percentage of patients requiring wound care. More than half of doctors surveyed (51 percent) said that 10 percent or less of their patients (diabetic and non-diabetic) required wound care, up 2 percent from our previous report. Meanwhile, the percentage of doctors who said that more than half of their patient base required wound care rose slightly from 4 percent to 5 percent.

If the diabetic populations continue to increase in the U.S., we may see higher percentages of wound care reported. To help ready doctors for managing even the most complex wounds, *PM* provides an in-depth look at wound care in the August issue and diabetic wound-related coverage in the November/December edition. In addition, other issues of *PM* present case studies and new products focusing on wound care treatments and technologies.

There was no change in percentage of doctors who referred patients to wound care centers/clinics (63 percent). For the first time, we cross-tabulated responses by region and divided yes/no responses *within* each region. Doctors most likely to refer patients to wound care centers were located in the Northeast (70 percent of those in that region), compared to 63 percent of respondents in the Midwest, 60 percent of those in the South, and 58 percent of those in the West.

Nursing Home Data; Trends in Senior Living and Tech

The percentage of respondents who worked in a nursing home continued its downward trend, dropping to 18 percent from last year's 21 percent. This may reflect, at least partially, the high COVID-19 numbers still found in some areas (and residual impact of the death of roughly one in eight nursing home residents from the pandemic), the precautions needed to treat these patients, and the increasing use of nurse practitioners and other healthcare providers in these facilities.

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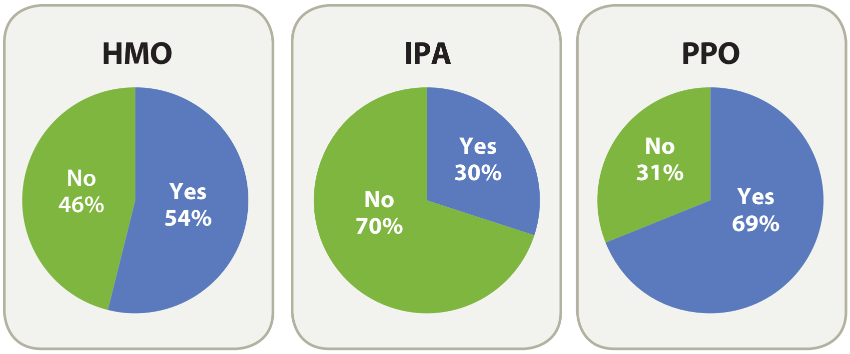
Survey *(from page 73)*

MANAGED CARE GROUP PARTICIPATION



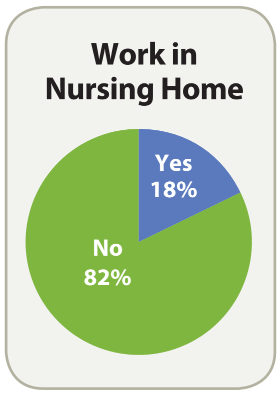
There were also fewer residents in skilled nursing facilities during our survey period, according to Kaiser Family Foundation (KFF). The number of residents in the U.S. dropped from 1.3 million in 2020 to just under 1.1 million in 2021—a more dramatic decrease than had been observed in at least the previous five years. This drop was likely due to the previously mentioned death toll as well as families avoiding these facilities in the wake of the COVID-19 nursing home debacles.

In response to the more than 200,000 deaths of staff and residents in nursing homes as a result of COVID-19, the Biden Administration launched a plan to improve nursing homes' safety and quality of care. The plan aimed to increase accountability of "bad actors" in the nursing home industry, improve the quality of nursing homes and make them safer, according to a White House statement, noting that "these efforts complement the Administration's investments in home and community-based services to prevent unnecessary nursing home admissions and help nursing home residents transition back home when possible."

The aging in place trend could face challenges in the future as the demand for home health aides outpaces the supply of available workers.

An extensive report by McKinsey & Company entitled "From facility to home: How healthcare could shift by 2025" indicates that there is a movement away from skilled nursing care to care at home services and outlines a path to get there. Among the factors it cites for this shift are the increase of virtual care, technological devices, and investment in digital health; family re-evaluation of options for post-acute and long-term care; and the determination that care at home "could create value for payers, healthcare facilities, and physician groups."

As interest in aging in place increases, multiple housing alternatives have emerged. Roughly 700 continuing care communities provide a full range of support, from independent living arrangements to assisted living and skilled nursing care. There is also a construction movement to create "forever homes"—housing designed for all phases of life, so that homeowners can age safely in place—and use "Universal Design", which "enables and empowers a diverse population by improving human performance, health and wellness, and social participation" (Steinfeld and Maisel, 2012; universaldesign.com). A de-stigmatizing of accessibility will likely occur as architects and interior designers draft plans that not only fulfill safety requirements but cater to the tastes of aging Baby Boomers and their families.



What's more, during 2021, a record 11.2 million households owned recreational vehicles (RVs), according to the RV Industry Association. Among RV owners, about 400,000 were considered full-time RVers, many of whom were retired and within the target patient group for podiatrists. This roaming population presents emerging challenges for continuous care and monitoring of chronic conditions.

Aging in Place Challenges and Advancements

The aging in place trend could face challenges in the future as the demand for home health aides outpaces the supply of available workers. According to the Home Care Association of America's *2022 HCP Benchmarking Report*, 85.3 percent of home care agencies had to turn down cases due to caregiver shortages in 2021. The U.S. Bureau of Labor Statistics (BLS) projects a 25 percent growth in employment for home health and personal care aides between 2021 and 2031, compared to an average growth rate for all occupations of 5 percent.

While there are many housing alternatives available to seniors, a rising percentage of Americans 55+ are becoming homeless, according to an aarp.org news report. Inflation, rising house costs, and the lack of affordable housing are contributing to this crisis. The impact on patient care is obvious, as many chronic conditions that could be managed by physicians, including DPMs, may go untreated.

Some municipalities are tackling the dearth of affordable housing by mandating that a percentage of new construction include affordable housing units. In addition, some towns are now permit-

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Survey *(from page 74)*

ting accessory dwelling units—self-contained apartments or small residential units located on a property that has another main residence. This may offer a less costly alternative, especially for seniors who may want to maintain their independence within the proximity of family members.

Technological advancements promise to make aging in place safer and more comfortable. Using smartphone apps, seniors can already manage lighting, adjust thermostats, and more. Smart speakers can control smart devices throughout the home as well. Video doorbells and smart smoke and flood detectors provide added safety and security. Family members and caregivers can monitor activity throughout the home with smart sensors, which send an alert when a senior enters a particular area or crosses a field of view.

New artificial intelligence (AI) tools that use computer vision, the technology behind facial recognition, are expected to be used on athletes, according to "How AI Will Predict—and Avoid—Injuries" (*Wall Street Journal (WSJ)*, June 9, 2022). As such systems become widely available, the ability to predict falls and foot-related injuries could have an impact on DPM practices.

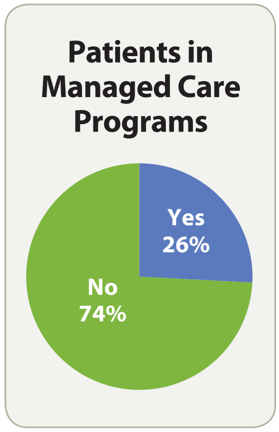
The technological implications of smart devices, especially wearable devices, on health are even more pronounced. In 2020, the Centers for Medicare & Medicaid Services stated that "more than 60 different acute conditions, such as asthma, congestive heart failure, pneumonia and chronic obstructive pulmonary disease, can be treated appropriately and safely in home settings with proper monitoring and treatment protocols."

AARP has recently partnered with several startups that could have a positive impact on seniors' mental and physical health in the home setting. Among them is The Heat Seat by Casana, a toilet seat that measures blood pressure, blood oxygen, and heart rate. Another is the XRHealth telehealth program, which uses a virtual reality (VR) headset to allow patients to enter a 3D world with guided exercises.

Managed Care Participation Steady for HMOs, PPOs and Down for IPAs

The percentage of respondents who participated in health maintenance organizations (HMOs) and preferred provider organizations (PPOs) remained flat year-to-year at 54 percent and 69 percent, respectively. Independent practice association (IPA) participation dropped slightly from 32 percent to 30 percent.

Meanwhile, the average number of MCO programs that respondents participated in increased from 3.9 to 4.3. There was a shift: a lower percentage participated in one or two programs while those participating in three or more increased. Twenty-six percent participated in more than five programs.



Mode of practice seemed to have some bearing on the average number of programs in which doctors participated. The highest was among self-employed, solo doctors at 4.8 programs. The lowest was among those employed by another DPM, at 3.1 programs.

Overall, the percentage of patients in managed care programs dropped from 27 percent to 26 percent, while the income derived from these patients dipped slightly from 24 percent to 23 percent. For a large segment of doctors (43 percent), MCO patients only account for 10 percent or less of their practice income. On the other end of the spectrum, 14 percent of respondents indicated that *more than half of their income* came from MCO patients.

Doctors in practice more than 30 years reported the highest percentage of income from MCO patients at 31.7 percent. This compared to 30.3 percent for those in practice 21-30 years, 29.2 percent for 11-20 years, 19.2 percent for 6-10 years, 23.1 percent for 1-5 years, and 17.9 percent for those

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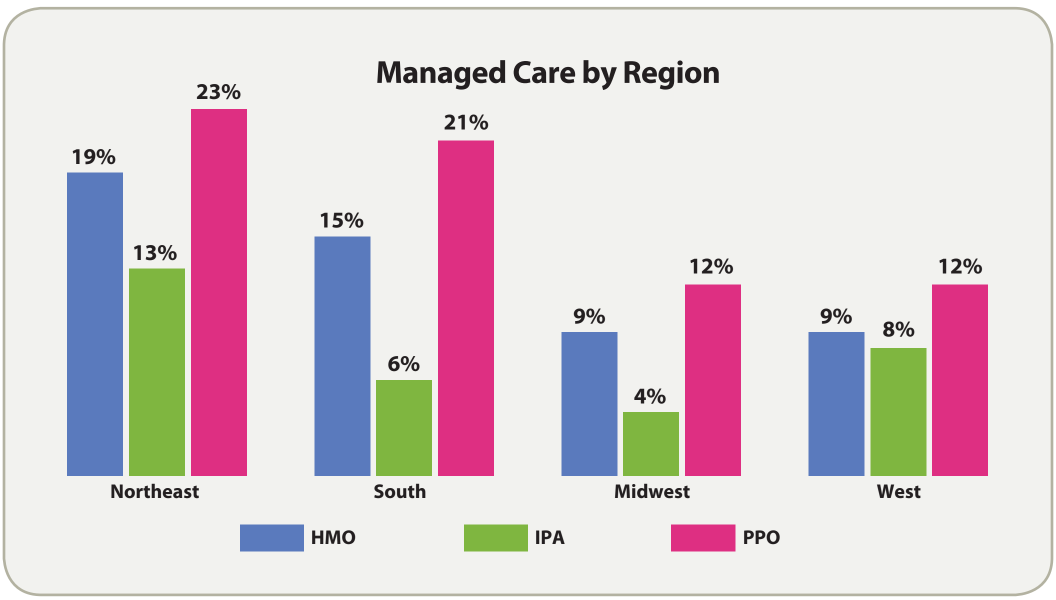
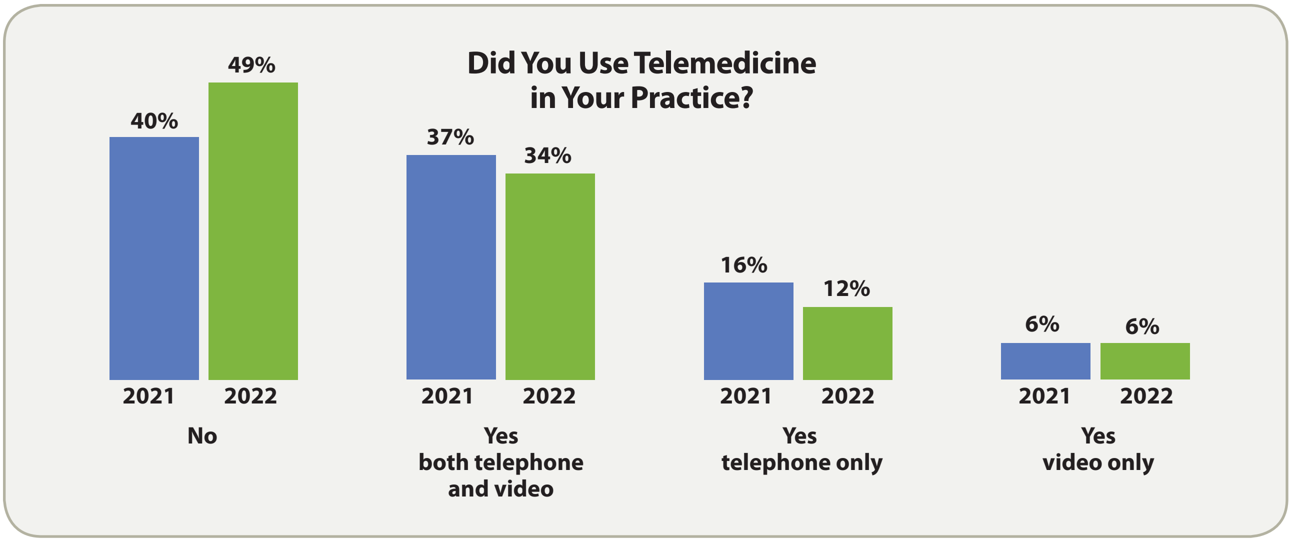
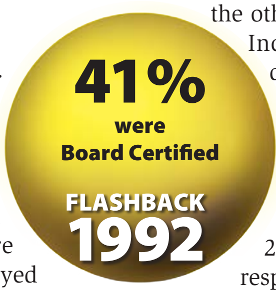




Survey (from page 75)



in practice less than a year.

For the first time, we cross-tabulated MCO data by region and yes/no responses. For PPO participation leading the pack was the Northeast, where 75 percent of those surveyed were on at least one PPO panel. Midwestern doctors were next at 70 percent, followed by 68 percent in the West and 67 percent in the South.

For HMOs, Northeastern practitioners were again on top, with 63 percent indicating that they participate on one or more HMO panels. This was much higher than the other regions, with 52 percent of Midwestern and Western doctors on these panels, and only 49 percent of Southern DPMs on HMO lists.

There was a similarly wide range for IPAs. Here the West topped the list at 44 percent, followed by the Northeast (41 percent), the Midwest (21 percent), and the South (19 percent).

In all, it seems that MCO participation was a critical aspect of running a practice most especially in the Northeast, with high percentages reported for all three types. Southern doctors seemed to rely the least on these programs for patients. Those not tied to MCO panels seemed to keep more of what they collected, as Southern DPMs surveyed netted a significantly higher percentage of their gross revenue than respondents in the other three regions. (See “Net Income” section for further details.)

Meanwhile, participation in Accountable Care Organizations bounced back after a drop in our last report, rising from 25 percent to 28 percent of respondents.

Percentage of Uninsured Dropped

In 2021, 8.3 percent of people, or 27.2 million, did not have health insurance at any point during the year, representing a decrease in the uninsured rate as well as number of uninsured from 2020 (8.6 percent or 28.3 million), according to the USCB. Sixty-six percent were covered by private health insurance. Employer-based insurance was the most common, covering 54.3 percent of the population for some or all of the calendar year.

Public health insurance coverage increased during this period from 34.5 percent to 35.7 percent, while the rate of Medicaid coverage increased by 0.9 percentage points to

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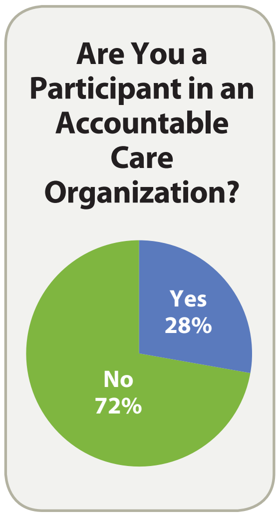
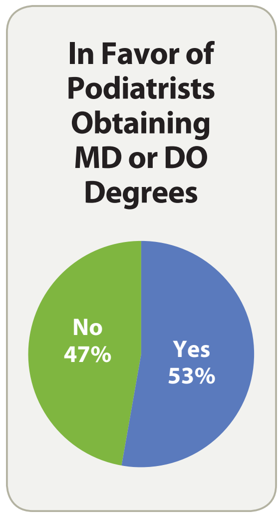
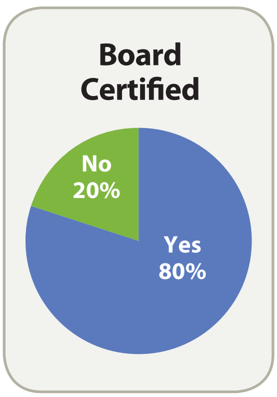
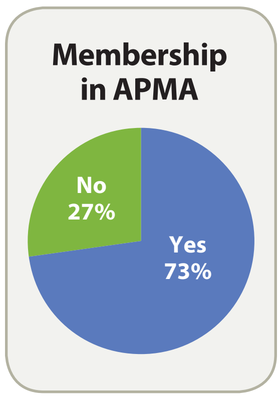
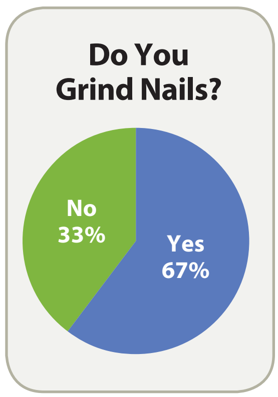










Survey *(from page 76)*

cover 18.9 percent of people.

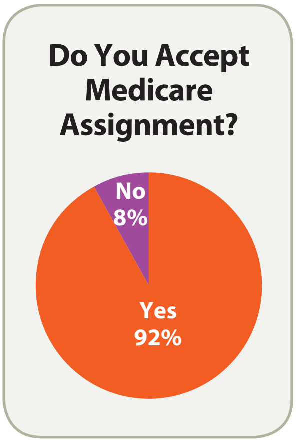
We will watch whether the large uptick in recent layoffs will impact the percentage of uninsured for surveys covering 2023 and beyond.

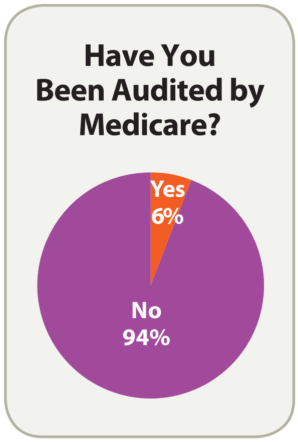
Slight Dip in APMA Membership

Membership in the American Podiatric Medical Association (APMA) dipped slightly from 75 percent last year to 73 percent in our most recent survey.

The APMA continued to be an active partner for the profession in 2021. Among its victories were HR 2545, a bill to further clarify the role of doctors of podiatric medicine in the Department of Veterans Affairs; support, along with the American Medical Association and other members of the MD/DO community, of S 610, Protecting Medicare and American Farmers from Sequester Cuts Act, which prevented the looming fiscal cliff in Medicare reimbursement for physicians; and other parity- and coding-related accomplishments.

The organization provides clinical and practice management assistance, including detailed information about MIPS and recent coding trends along with compliance guidelines and practice marketing materials. Young Physicians resources include student





debt management, coding and reimbursement resources, a career center, and leadership opportunities. The APMA also provides practice management and reimbursement tools; educational resources (annual meeting, podcasts, webinars, CE, and publications); and useful public health information, including promotional materials that increase public knowledge about podiatry, including membership certificates, *Footprints* newsletter, tips for working with the media, and more, according to its website.

Eighty percent of those surveyed were Board Certified, up from 76 percent and the highest percentage we have seen in more than two decades.

The APMA is also working on the critical task of increasing the pool of highly qualified applicants to podiatry schools, with its House of Delegates identifying student recruitment as a priority. In March 2022, it adopted the Student Recruitment Project, a national program to supplement the current efforts of the APMA and the AACPM in this area.

Note also that APMA members earned more than nonmember colleagues in our latest survey. (See "Net Income" section for details.)

Board Certification Hits 20+-year Peak

Eighty percent of those surveyed were Board Certified, up from 76 percent and the highest percentage we have seen in more than two decades. This proven mastery of advanced knowledge and skills in specialty areas makes DPMs more attractive to a wide range of entities: MCO panels, doctor groups (i.e., practices that

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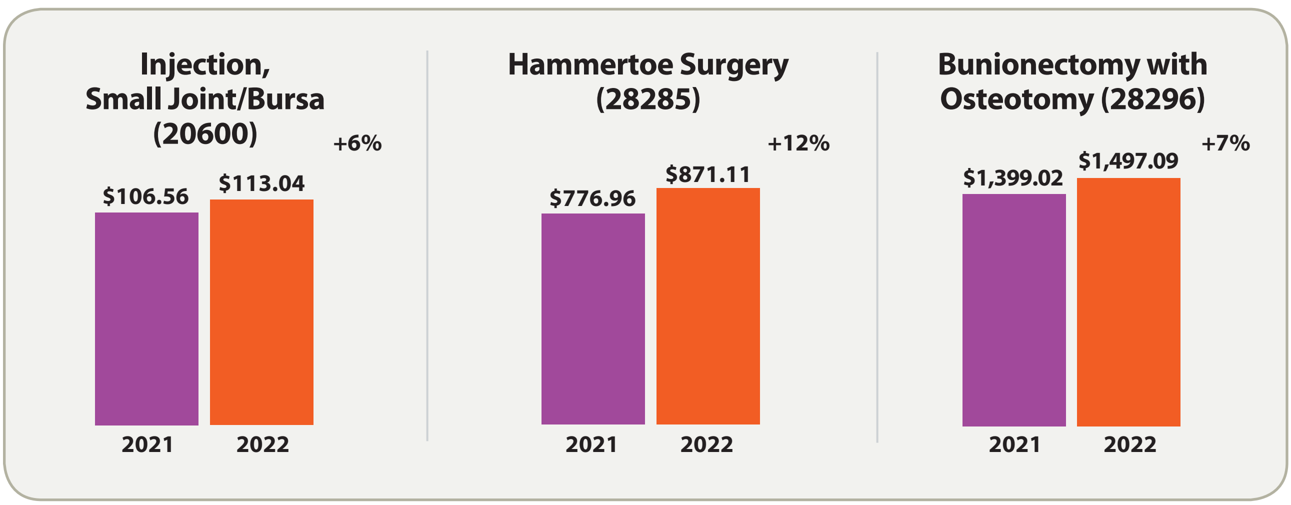
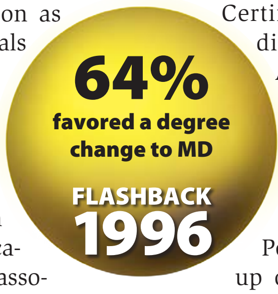
FEES



Survey *(from page 77)*

DPMs want to join or become affiliated with), hospitals, surgical centers, and insurance carriers. Patients often look for Board Certification as well as they browse portals that list doctor credentials.



Survey respondents may have taken advantage of some of the downtime during the height of COVID-19 in 2020 to pursue this certification, while the certifying associations themselves streamlined the process over the 2020-2021 period. For example, in 2020 the American Board of Foot and Ankle Surgery (ABFAS) began allowing residents to count passed final year in-training exams toward Board Qualification, replaced the Part I Computer-based Patient Simulation (CBPS) exams with new CBPS exams (one each for foot surgery and reconstructive rearfoot and ankle surgery), and eliminated the Part II CBPS exams. "This slimming-down effect resulted in a streamlined Board Qualification and Certification process for candidates," according to the ABFAS website.

Last year, the American Board of Podiatric Medicine (ABPM) added a new Certificate of Added Qualification (CAQ) in Podiatric Surgery to its lineup of credentials. "This CAQ is a voluntary step beyond Board Certification that recognizes knowledge, expertise and experience in the subspecialty of podiatric surgery," according to the ABPM announcement.

Evidence of the financial impact of Board Certification was seen in the higher median net income reported vs. those who lacked this certification. (See "Net Income" section for details.)

Significant Drop in Percentage Favoring Degree Change

The percentage of respondents who favored a degree change to MD or DO dropped 6 percentage points, from 59 percent to 53 percent. This is the lowest percentage that has favored the change in 20+ years.

A contributing factor to this decrease is likely the fact that a slightly higher percentage of older DPMs answered our most recent survey. Given that they are nearing retirement, they may have seen no personal benefit from such a change.

Yet parity remains a hot topic. Numerous discussions in *PM*'s "Letters to the Editor" section, as well as articles such as "The Long Path to Parity: Past, Present and Future" by Jon A. Hultman, DPM, MBA (*PM*, January 2023), present various perspectives on this issue. "Although every 'win' has gotten us one step closer to parity,

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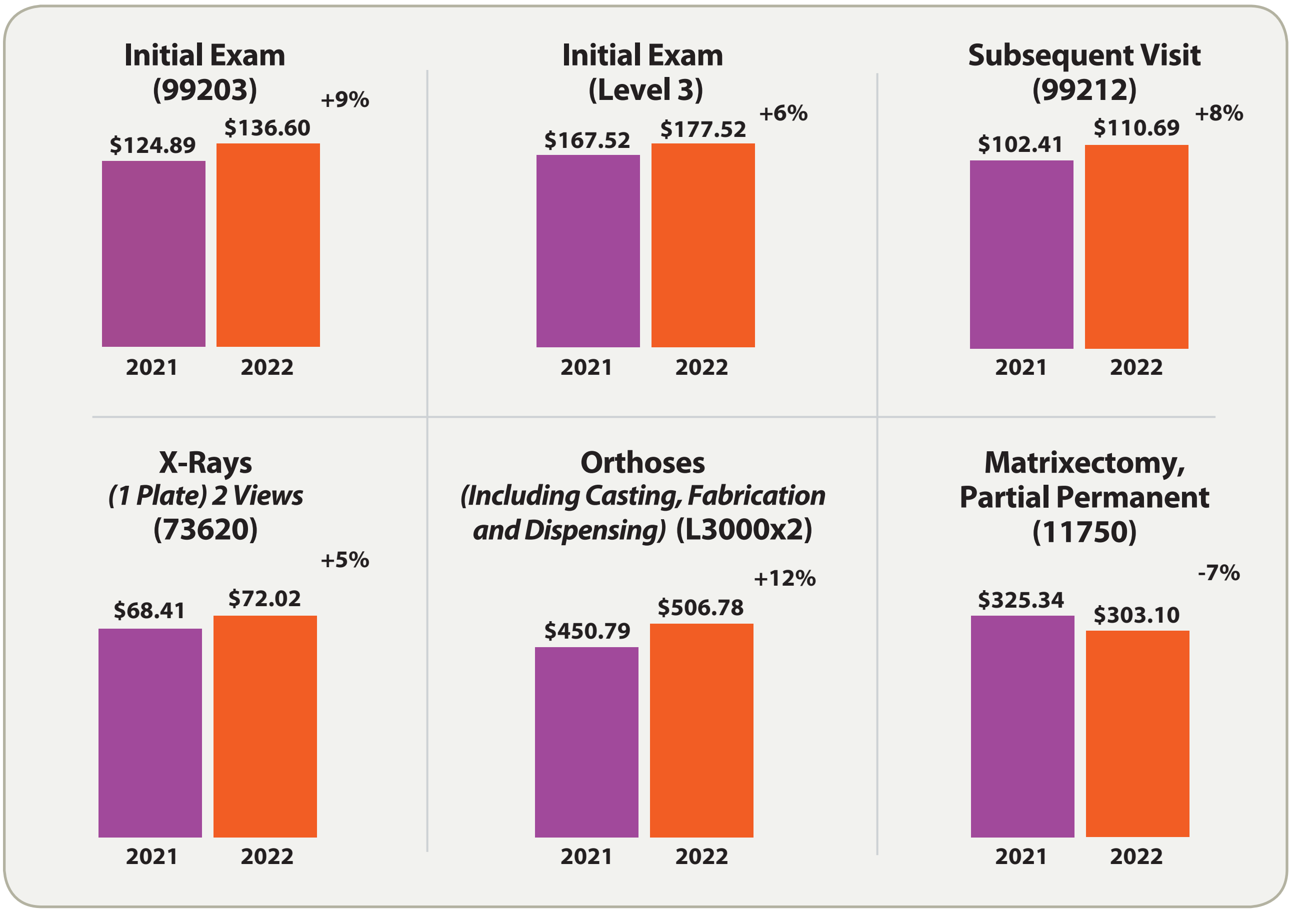
FEES



Survey *(from page 78)*

there have been new battles each year based on issues that continue to arise because we are not considered to be physicians," wrote Dr. Hultman. "The problem with this incremental battle-by-battle strategy is that we have been winning these small battles for 50 years yet are not much closer to winning the 'war.'"

FEES, MEDICARE & AUDITS

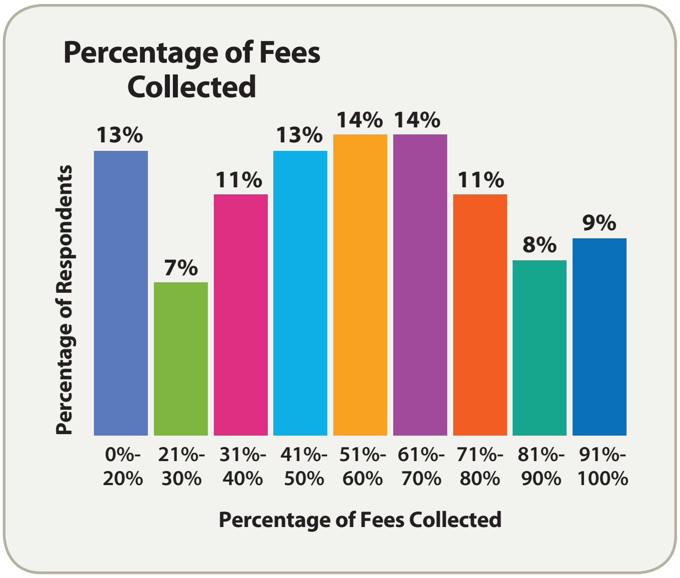
Fees charged for nearly every visit type and procedure rose an average of 5.3 percent to 12.4 percent (see charts). The only exception was for ingrown, partial, which dropped 6.8 percent.

With a U.S. inflation rate of 7 percent in 2021, costs increased for most everything—so raising fees seemed to be a logical move. It made sense especially given that doctors, on average, collected slightly less of what they had charged compared to the previous year. In our latest survey, respondents collected just 54 percent of what was shown on their fee schedules, down from 56 percent in 2020.

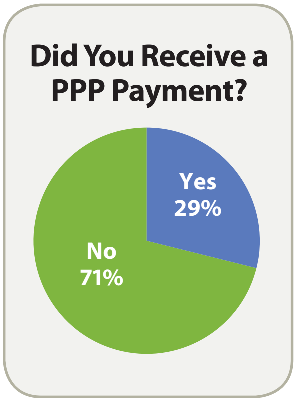
Increases in Medicare Participation, Audits

The percentage of respondents who accepted Medicare assignment rose from 90 percent last year to 92 percent in our most recent survey.

Medicare participation is another hot topic in *PM*'s "Letters to the Editor" section, with some doctors noting that when they accepted Medicare assignment, their patient numbers increased but their income did not (or decreased).



When asked whether respondents had been audited by Medicare, 6 percent said yes, up from 4 percent previously. Amounts required to pay back were also higher, with 27 percent of those audited reporting payback amounts of more than $1,000. Only 14 percent of those in *PM*'s previous survey reported payback amounts that high.



Billing, documentation, and audits have been frequently covered by coding experts in the pages of *PM*. A two-part series entitled "Inside the Mind of an Auditor" by Dr. Kesselman (*PM*, February and March 2022), followed the saga of a $600,000 recoupment faced by a podiatrist. "This case should be a wake-up call to all practicing physicians, no matter the size of the practice or specialty," wrote Dr. Kesselman. "Even perfect billing and documentation could still make you the victim of an overzealous auditor."

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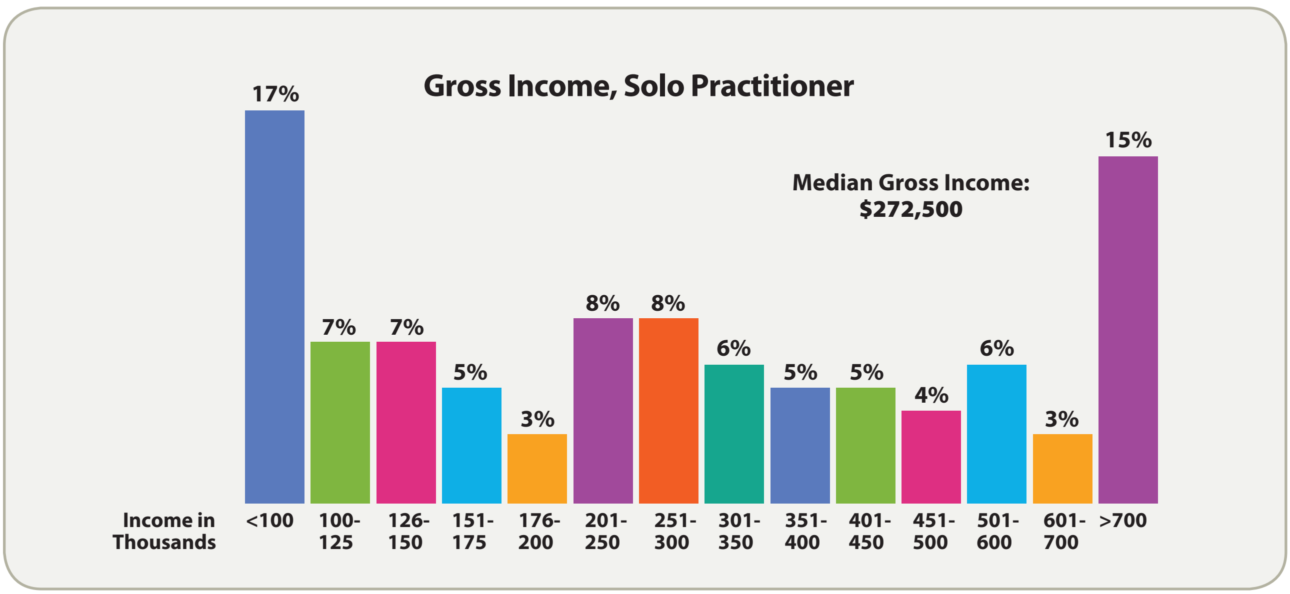
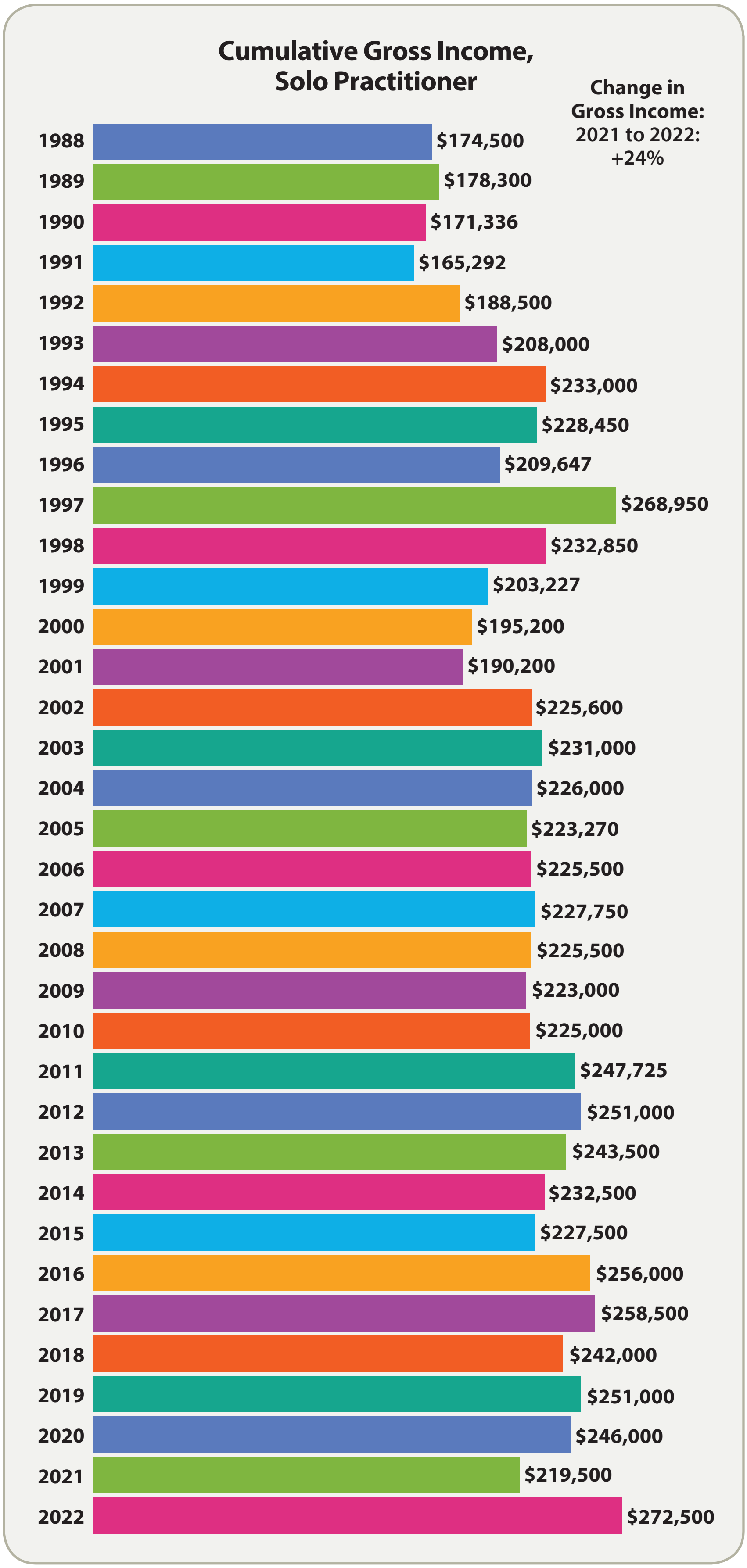




Survey (from page 79)

GROSS INCOME

The median gross income for solo practitioners soared 24 percent to $272,500 from $219,500 in our previous survey. This was a tremendous bounce back after a lackluster 2020. In fact, in our previous report there was *11 percent drop* in gross income.

As previously mentioned, since there was little change in patient numbers from our last report, doctors likely realized higher revenues from each patient. The pent-up demand for both necessary and elective treatments and surgeries likely contributed to this per-patient increase.

The median gross income for partnership/group practitioners (that is, their share of the total practice gross income) rose 17 percent, from $201,000 to $235,000. Notably, there was a smaller percentage of doctors who grossed less than $100,000 (now 17 percent, down from 21 percent), and a dramatic increase in solo doctors grossing more than $500,000 (24 percent vs. 17 percent).

Regionally, for all practice types, the West reported the highest median gross income at $271,000 followed by the Northeast ($228,500), the Midwest ($206,000), and the South ($197,250).

Large city doctors reported the highest median gross income of all community types at $240,500. Small city doctors were next at $239,000, following by those in a metropolis at $238,500 and those in rural areas at $233,500. (See further discussion of net-to-gross ratios in the "Net Income" section.)

Updated Paycheck Protection Program Data

The Paycheck Protection Program (PPP), established by the CARES Act, was implemented by the Small Business Administration with support from the Department of the Treasury and provided small businesses with funds to pay some payroll costs including benefits. Funds could also

Continued on page 82

Survey *(from page 80)*

be used to pay interest on mortgages, rent, and utilities. PPP loans made to eligible borrowers qualified for full loan forgiveness if during the eight- to 24-week covered period following loan disbursement certain criteria were met. This program encouraged employers to maintain their workforce during the pandemic.

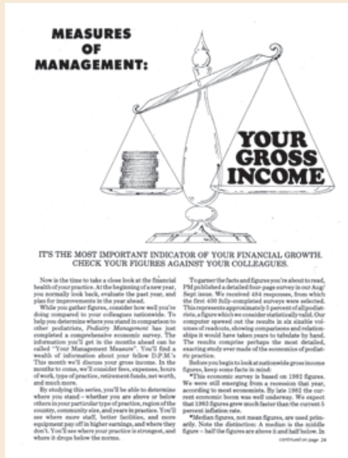
In our previous report, 45 percent of those surveyed received a PPP loan averaging $57,615. Since the program ended on May 31, 2021, we asked respondents in our most recent survey if they received a loan during those first five months of 2021. Twenty-nine percent of the respondents received a PPP loan averaging $51,782.

Continued on page 83

The *Podiatry Management* Annual Survey: 40 Years of DPM Data

This report marks the 40th time *Podiatry Management (PM)* has surveyed the profession. The first survey report in 1984, entitled "Measures of Management" and published in multiple issues, covered income, expenses, and fees. Respondents filled out and mailed paper questionnaires; results were tabulated by hand. By contrast, *PM*'s latest survey questionnaire was created and submitted online and has expanded considerably since its inception. Besides adding new categories to original questions (such as additional expenses), the survey now covers other topics that impact income, including hours worked and number of patients; the prevalence of diabetes and wound care; managed care organization participation and Medicare; association membership and Board Certification; and the selling of ancillary products. It also gives in-depth drug usage information that is updated annually.

Note that DPMs today seem to hit their stride in earnings earlier in their careers than they did 40 years ago. In addition, solo respondents in our most recent survey kept only 46.7 percent of what they earned compared to 66.4 percent netted by doctors in our 1984 report. A contributing factor to this difference is that salaries—the largest expense of those listed—grew approximately *three times the inflation rate* during the 40-year period, cutting deeply into respondents' net income.



IT'S THE MOST IMPORTANT INDICATOR OF YOUR FINANCIAL GROWTH. CHECK YOUR FIGURES AGAINST YOUR COLLEAGUES.

Now is the time to take a close look at the financial health of your practice. At the beginning of a new year, you normally look back, evaluate the past year, and plan for improvements in the year ahead.

While you gather figures, consider how well you're doing compared to your colleagues nationwide. To help you determine where you stand in comparison to other podiatrists, *Podiatry Management* has just completed a comprehensive economic survey. The information you'll get in the months ahead can be called "Your Management Measure". You'll find a wealth of information about your fellow D.P.M.'s. This month we'll discuss your gross income. In the months to come, we'll consider fees, expenses, hours of work, type of practice, retirement funds, net worth, and much more.

By studying this series, you'll be able to determine where you stand – whether you are above or below others in your particular type of practice, region of the country, community size, and years in practice. You'll see where more staff, better facilities, and more equipment pay off in higher earnings, and where they don't. You'll see where your practice is strongest, and where it drops below the norms.

To garner the facts and figures you're about to read, PM published a detailed four-page survey in our Aug/Sept issue. We received 484 responses, from which the first 400 fully-completed surveys were selected. This represents approximately 5 percent of all podiatrists, a figure which we consider statistically valid. Our computer spewed out the results in six sizable volumes of readouts, showing comparisons and relationships it would have taken years to tabulate by hand. The results comprise perhaps the most detailed, exacting study ever made of the economics of podiatric practice.

Before you begin to look at nationwide gross income figures, keep some facts in mind:

*This economic survey is based on 1982 figures. We were still emerging from a recession that year, according to most economists. By late 1982 the current economic boom was well underway. We expect that 1983 figures grew much faster than the current 5 percent inflation rate.

*Median figures, not mean figures, are used primarily. Note the distinction: A median is the middle figure – half the figures are above it and half below. In

continued on page 24

The first survey report was published in the February/March 1984 issue.

Below is a chart comparing some of this issue's survey results with data from the original report. Plugging the earlier dollar amounts into an online inflation calculator will give you a glimpse of how these figures truly compare.

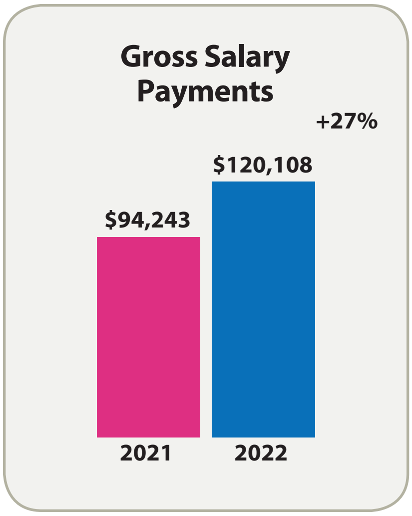
	1984 Report	2023 Report
Number of respondents	**484**	**738**
Percentage of solo DPMs	**83.5%**	**40%**
Percentage of partnership/group DPMs	**15%**	**43%**
Median gross income, solo	**$94,000.00**	**$272,500.00**
Median net income, solo	**$62,500.00**	**$127,250.00**
Region with highest median gross income	**Southwest, Midwest, and New England (tied*)**	**West**
Years in practice category with highest earnings	**21-30 years**	**11-20 years**
Fee for initial visit	**$28.00**	**$136.60**
Fee for subsequent visit	**$21.00**	**$110.69**
Fee for x-ray	**$31.00**	**$72.02**
Fee for bunionectomy, radical	**$800.00**	**$1,497.09**
Salaries paid	**$14,188.00**	**$120,108.00**
Rent paid	**$9,072.00**	**$27,928.00**

Notes: *The 1984 report was based upon 1982 full-year data, while the 2023 report was based upon 2021 full-year data. Also, different tabulation methods were used for each survey. In some cases, incorporated and unincorporated doctors were grouped together.*

**In the original survey, the U.S. was divided into six regions vs. four regions in our current report.*

Survey (from page 82)

YOUR OVERHEAD EXPENSES



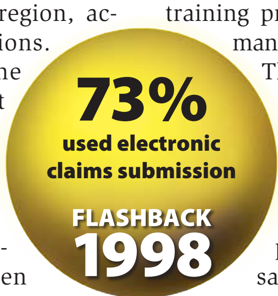
EXPENSES & TRENDS

Between 2020 and 2021, practice expenses overall rose 17 percent—well above the 7 percent inflation rate—with nearly every expense category showing an increase. Driving the overall jump were the considerably higher costs for salaries, equipment, and supplies. Doctors surveyed also boosted contributions to pension plans for both themselves and their staffs. While some increases could be attributed to post-2020 influx of patients returning to DPMs' offices, expenses likely soared due to higher inflation rates, doctors' pent-up demand to buy after a year of uncertainty and lower revenues, and supply chain issues that caused supply shortages that drove up prices.

Here's a rundown of the major expenses and an analysis of the year-to-year changes.

• ***Gross Salary Payments***—The biggest jump by dollar amount was reported for gross salary payments, up 27 percent to $120,108 in our most recent survey.

There were wide differences for this expenditure by region, according to cross-tabulations. Western DPMs spent the most on gross salaries at $156,195—far more than their colleagues in the Northeast, who spent an average of $87,680. Doctors in the South and Midwest averaged in between these extremes, at $133,262 and $124,773, respectively.



One obvious reason for this increase was the reopening and staffing up of many offices after 2020. In fact, some doctors may have *added* staff to manage the patient influx. As doctors sought to keep their top talent, they may have instituted bonus plans (rewarding for such metrics as new patients, total visits, amount billed, and amount collected) or provided other incentives for retention. Some respondents may have successfully kept their key employees, albeit at a higher cost, while others had to absorb substantial hiring costs. In fact, hiring new employees "generates costs which can extend well beyond those associated with the initial search and training processes," wrote Dr. Hultman in "The Great Resignation: The High Cost of Employee Turnover" (*PM*, April/May 2022). He noted that the costs generated from staff member turnover range from 20 percent to 150 percent of that employee's salary. Lynn Homisak, PRT, in "Turnover's Financial Impact" (*PM*, June/July 2022), put the turnover cost of an employee who made $40,000 at a whopping $13,000.

The biggest jump by dollar amount was reported for gross salary payments, up 27 percent to $120,108.

Also, as more businesses reopened, DPMs had to compete with other companies and medical practices for top candidates. According to the BLS, the unemployment rate for 2021 was 5.3 percent overall but had fallen to 3.9 percent by December 2021. Thus, doctors were likely forced to pay more when hiring as well as provide raises to their existing staff, who otherwise might have left for higher-paying jobs elsewhere.

What's more, the Great Resignation continued, with a record 4 million leaving jobs every month in 2021, according to the BLS. This movement coupled with the rise of "quiet quitting"—when employees reduce their effort and become disengaged on the job—likely added stress on practice efficiency and could have led to costly turnover. In fact, the scramble to replace some employees quickly may have cost doctors more as their dire needs put them at a disadvantage in the salary negotiation process.

Physician employers may have had to resort to employment agencies and other avenues to find qualified staff. Agency costs may have been reflected in this expense category or in the "other" section listed below.

DPMs were also competing with companies that offered fully remote work. According to the USCB's American Community Survey (ACB), between 2019 and 2021, the number of people primarily working from home tripled from 5.7 percent to 17.9 percent. In fact, 2021 marked the highest number and percentage of people

Continued on page 84

Survey *(from page 83)*

working from home recorded since the ACB began in 2005. The District of Columbia had the highest percentage of home-based workers, followed by Washington, Maryland, Colorado, and Massachusetts. Tight competition in these areas in particular may have impacted the salary data *PM* collected.

Also gaining in popularity was hybrid work, which combined at-home work with time in the office. Doctors who required staff to be 100 percent onsite might have been at a disadvantage in the hiring process.

Current trends point to a less competitive landscape for staff in the near term. The movement back physically to offices, either full or part time, may mean fewer remote jobs and a larger percentage of the employee pool willing to work onsite. Recent, well-publicized layoffs and threats of economic downturn may also result in more available candidates and less of a need to boost salary offers.

In addition, salary transparency recently mandated in some states and cities could impact the hiring process moving forward. A *Harvard Business Review* report entitled “Research: The Complicated Effects of Pay Transparency” noted that while “pay transparency is reducing pay inequities across gender, ethnicity, sexual orientation, and other dimensions,” its positive/negative impact on employee turnover and productivity “is more complex and nuanced.” We will continue to follow salary transparency’s impact in future reports.

• ***Office Space***—According to the latest survey results, the cost for office space rose 10 percent to $27,928. Cross-tabulations by region indicated that respondents in the West paid far more than colleagues in the other three regions, with an average cost of $43,739. That compares to $25,663 for doctors in the Northeast, $23,965 for those in the South, and $22,610 for those in the Midwest.

Undoubtedly, some practices were able to negotiate rent abatement or reductions during the early days of COVID-19, when their offices were temporarily shut down. As they returned to their offices, they resumed their payments.

A percentage of respondents may have taken advantage of the increase in available space caused by the shuttering of local businesses to expand their practice footprint, paying lower per-square-foot rates

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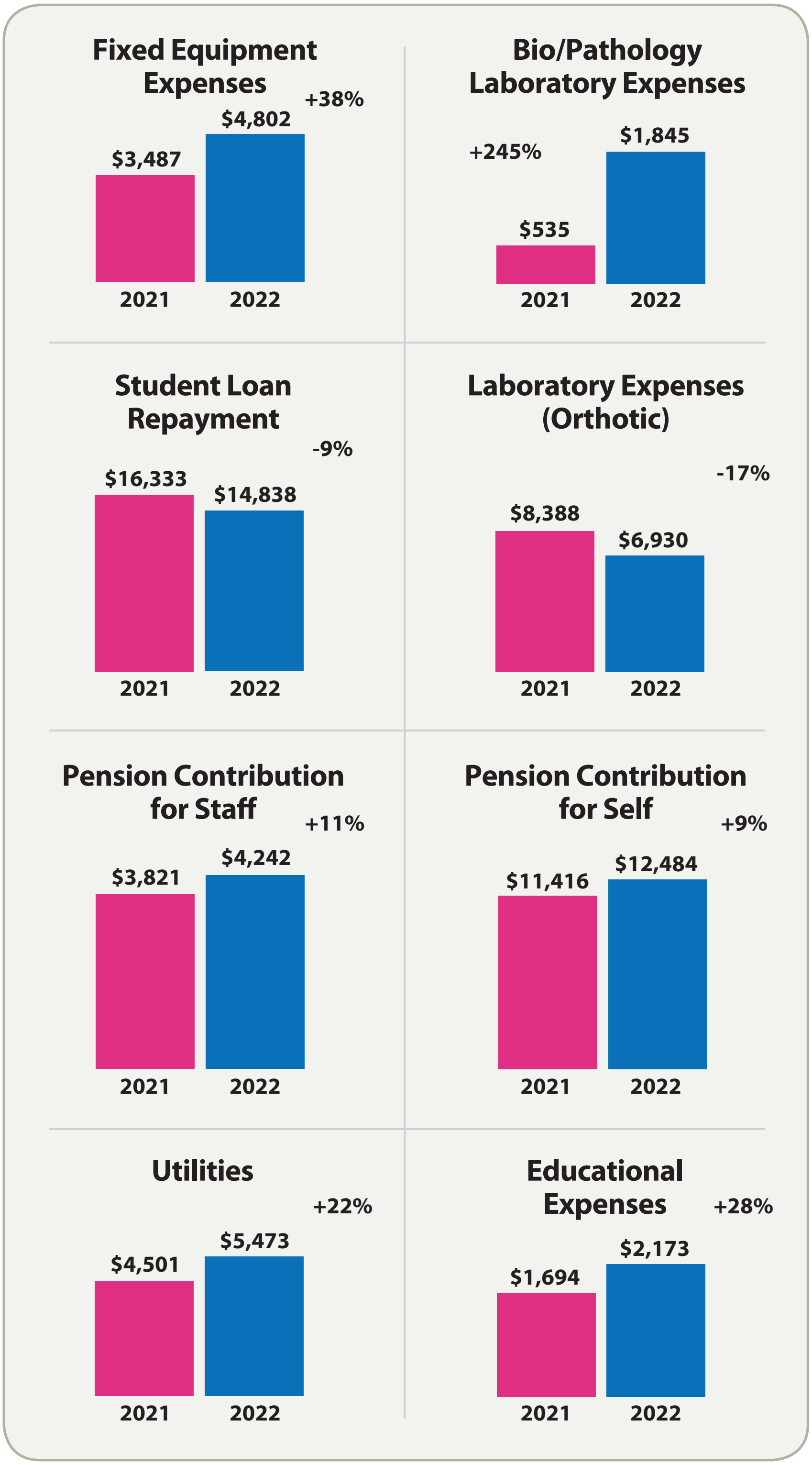
YOUR OVERHEAD EXPENSES



Survey (from page 84)

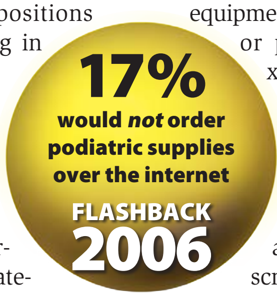
but higher total annual amounts.

As the commercial real estate markets continue to reel from the impact of the work-at-home and hybrid movements, we will likely see a soft leasing market, with opportunities for doctors to get more space for less. While the rise in U.S. office vacancy rates did slow during our survey period, the vacancy rate still rose, hitting about 12 percent by the end of 2021, according to CoStar Group, an industry leader in commercial real estate information, analytics, and news.

Meanwhile, doctors purchasing buildings faced rising mortgage rates after years of record lows. This could have a negative impact on office space costs in future surveys.

The reimagining of office parks into medical complexes is happening in some areas, as is the placement of doctors' offices in former retail spaces such as indoor malls. If corporate layoffs continue and/or a major recession ensues, doctors may be in even better negotiating positions for leasing and purchasing in the years ahead.

Respondents apparently took advantage of their higher gross revenue to invest in equipment.



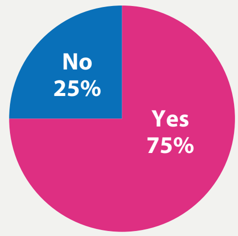
• ***Fixed Equipment Expenses***—Doctors surveyed spent considerably more for practice equipment, as indicated by survey results. Costs in this category rose 38 percent for a total of $4,802.

Respondents apparently took advantage of their higher gross revenue to invest in equipment. They may have delayed such purchases in 2020 with less available income and when their focus was likely on computers, software, and accessories related to telemedicine rather than patient diagnosis and treatment. In addition, the tax advantages of purchasing equipment in 2021 may have motivated DPMs to make purchases, with the maximum Section 179 expense deduction set at $1,050,000 for that year. (See "Medical Equipment Depreciation for Podiatric Medical Practices" by Mark Terry (*PM*, February 2023).) The supply chain crunch did not seem to impact the purchases as much as we would have expected, although some doctors may have had to make down payments in 2021 for equipment that was not delivered until 2022.

Respondents had an increasing array of equipment to choose from, with technological advancements expanding offerings and, in many cases, accelerating upgrades. Basic equipment, such as chairs, tables, and carts, now include high-tech features for greater safety and comfort. Other equipment doctors may have leased or purchased include digital x-ray equipment; pressure assessment devices; laser systems (for pain management, skin lesions/warts, nail fungus, etc.); ultrasound devices; peripheral artery disease and vascular screening devices; light therapy equipment; microwave therapy systems; acoustic wave/shock wave technology; surgical power systems; oxygen wound therapy devices; neuropathy and chronic pain treatment devices; and scanners (for custom orthotics, braces, diabetic inserts, etc.).

In fact, the use of digital x-ray equipment jumped significantly between 2020 and 2021. Three out of four said they used digital x-rays, up from 66 percent—and the highest percentage since we started asking the question more than a decade ago. Another 16 percent of respondents said that they planned on incorporating the technology over the next 12 months.

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



• ***Computer Service/Maintenance and the Internet***—The average amount spent on computer service/maintenance and the internet rose 12 percent to $5,460.

During 2020, doctors may have taken a hiatus from scheduled computer maintenance, especially if it required technicians to work on premises. With lower revenues, respondents may have delayed all but critical services. Now that doctors and staff were back in offices and revenue bounced back, they may have focused on this delayed maintenance. In addition, new equipment they purchased as previously mentioned may have included new computer systems, for which they may have had to pay for hardware and software installations and new maintenance contracts.

Meanwhile, cybersecurity issues and data breaches dominated the headlines during 2021. Phishing, malware, ransomware, data breaches, and compromised passwords were top risks to businesses cited by *Security* magazine, which follows the cybersecurity industry. Respondents likely invested not only in the hardware to keep data safe but also in teams of trained professionals to monitor data and system irregularities. *PM* has kept readers abreast on best practices in this area with its recent coverage including "Cybersecurity Awareness of Healthcare Organizations" by Julie Chua and Michael J. Sacopulos, JD (*PM*, June/July 2022) and in discussions in its "Letters to the Editor" section. A recent *PM* Quick Poll of 430 DPMs revealed that 19 percent of those surveyed had been hit with a ransomware attack in their office, hospital, or both.

While doctors paid more for computer-related services, the cost

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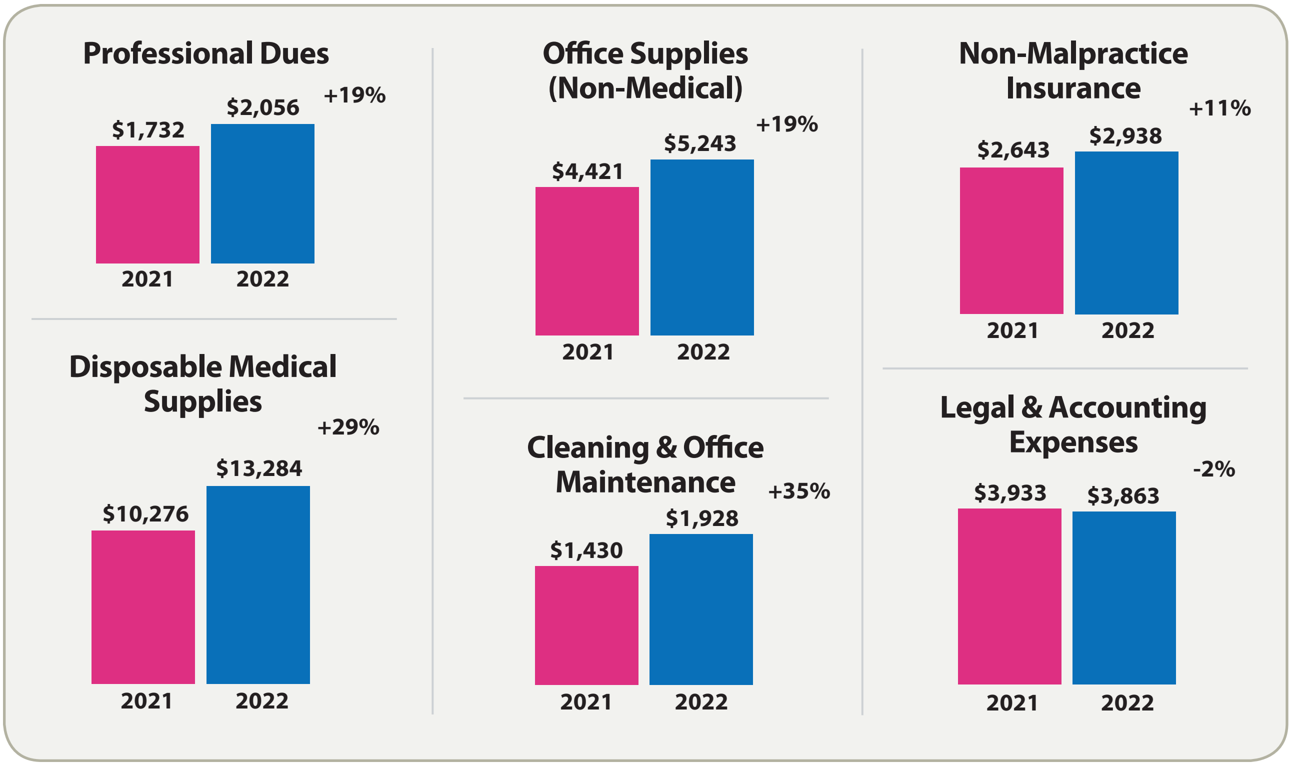
YOUR OVERHEAD EXPENSES



Survey *(from page 85)*

for internet access actually dropped between 2020 and 2021, according to the *2021 Broadband Pricing Index Report*. The price of the most popular tier of broadband service in the U.S. declined by 7.5 percent, while the price for the highest speed broadband service offering declined by 2.3 percent. Increased competition likely drove down these charges in many areas, as providers aggressively marketed for internet customers as they lost revenue from other areas such as cable and telephone. Note that this was during a period of continued high demand after the peak of the pandemic in 2020, as remote work remained the norm in many industries and telemedicine continued to have a major role in patient care.

While the cost for basic internet services may have dropped, some doctors likely spent more for service upgrades to improve upload and download speeds—critical to boosting connectivity for telemedicine and speeding insurance reimbursements. As previously mentioned, as broadband expanded into rural areas, doctors practicing there may have had to pay for broadband for the first time.

• ***Utilities***—The cost for heat, electricity, water, telephone, and other utilities jumped 22 percent $5,473, according to our latest survey data. This increase was actually slightly lower than the 29.3 percent rise in U.S. energy costs (including gas, fuel oil, electricity, etc.) for 2021 reported by the BLS. This cost for respondents might have been even higher had they all been back in offices full time. In addition, many areas experienced warmer-than-average winter temperatures.

We expect utility costs to continue to rise by double digits as multiple issues come to a head: the aging utilities infrastructure (e.g., water systems and aqueducts, above-ground electrical wiring, gas lines, etc.), especially in the Northeast; the closing of nuclear power plants and the need to find alternative, low-cost energy sources; warmer and drier weather, impacting water supplies; and the move away from gas and oil heating systems, creating high demand for electricity, an industry in which there historically has been little competition.

While the cost for basic internet services may have dropped, some doctors likely spent more for service upgrades to improve upload and download speeds.

• ***Educational Expenses***—Doctors surveyed spent 28 percent more for educational expenses, bouncing back to $2,173 after a significant drop in our previous report.

The shift back to in-person continuing education in some parts of the country certainly impacted this cost.

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More doctors were also Board Certified, which could have meant a larger expense here.

Note, however, that this cost is still substantially *less* than what doctors spent in 2018, when the cost peaked at $3,422. Undoubtedly, some doctors were still hesitant to travel in 2021—especially due to the limited availability of vaccines early in the year. Immunocompromised and older physicians may also have avoided crowds altogether during the entire year. Meanwhile, many CME providers shifted to less costly online and hybrid offerings, which at the very least would have reduced CME-related travel expenses.

• ***Professional Dues***—Spending on professional dues surged 19 percent to an average of $2,056 per respondent. This is an area that typically is one of the first to be cut during tough times (in fact, it dropped 15 percent between 2019 and 2020), and doctors' higher gross revenue made this cost more easily affordable. In addition, investments in organizations such as the APMA have proven every year to have a positive impact on the bottom line.

It is still unclear what impact, if any, pandemic-related lawsuits will have on future insurance premiums due to the long tail nature of the malpractice insurance market.

Organizations that offered free or reduced-rate services or memberships during 2020 may have reinstated their membership fees in 2021. Some respondents may have wanted to continue to build their knowledge base and connections and thus paid these fees.

• ***Professional Liability***—The cost for malpractice insurance was $9,507, an increase of 10 percent. Rising malpractice premium costs were seen in the wider medical community as well, according to a policy report entitled "Prevalence of Medical Liability Premium Increases Unseen Since 2000s Continues for Third Year in a Row" from the American Medical Association (AMA) and data from *Medical Liability Monitor*. In fact, the AMA report noted that 29.5 percent of medical malpractice insurance premiums rose between 2020 and 2021, and "more premiums increased in 2020 and 2021 than in any year since 2006."

It is still unclear what impact, if any, pandemic-related lawsuits will have on future insurance premiums due to the long tail nature of the malpractice insurance market.

• ***Non-Malpractice Insurance***—Doctors spent 11 percent more compared to our previous survey for non-malpractice insurance policies, such as those covering general liability, fire, theft, flood, practice-related automobiles,

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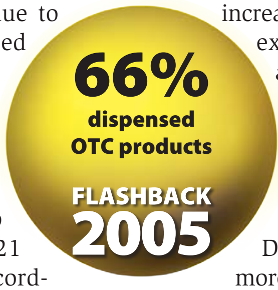
Survey *(from page 88)*

and business interruption, for a total of $2,938. They may also have opted to add cyber insurance coverage, resulting in higher premiums.

According to the National Association of Insurance Commissioners, property and casualty premiums among commercial carriers jumped 12.9 percent between 2020 and 2021. While some new competitors have entered the insurance market, driving down premiums, existing carriers continue to boost rates due to inflation and the increased severity of incidents.

Natural disasters—including ice storms, wildfires, tornadoes, floods, and other severe weather events—continued to plague the U.S. in 2021 after an active 2020. According to the National Oceanic and Atmospheric Administration National Centers for Environmental Information, 2021 came in second to 2020 in terms of number of disasters (20 versus 22) and third in total costs (behind 2017 and 2005), with a price tag of $145 billion. (For comparison purposes, note that there were only about three billion-dollar disasters (CPI adjusted) during each year from 1980 to 1989.) Combining today's property and casualty exposure with the escalation in ransomware attacks, we foresee even bigger premium increases in future surveys.

Note that while some doctors may have included health insurance premiums here, others included those costs in the "other" category below.



• ***Legal and Accounting Fees***—This category was among the few that showed a decrease, dropping 2 percent to $3,863.

On the legal side, this slight drop was likely a residual effect of fewer legal transactions and cases as a result of COVID-19. Even when courts reopened, there was a backlog that may have caused delays that impacted legal costs. Also, a lower percentage of new practitioners were surveyed, so there may have been less of a need to review building leases and mortgages, equipment contracts, employee forms, and other legal-related startup paperwork.

We would have anticipated a slight uptick in accounting fees, given the continued use of government loans (such as the PPP) early in 2021 and tax-related issues surrounding employees, especially in practices where they had been furloughed. (Note that many 2020 taxes issues were likely addressed in 2021 as doctors prepared their 2020 tax returns.)

Future surveys may reflect higher fees in this category with the reported increases in salaries, office space expenses, equipment costs, and other areas that would likely involve the services of legal and/or accounting professionals.

• ***Pension Contributions***—DPMs contributed 9 percent more to their pensions than did previous survey respondents, with an average contribution of $12,484. They also contributed 11 percent more for their staff at $4,242.

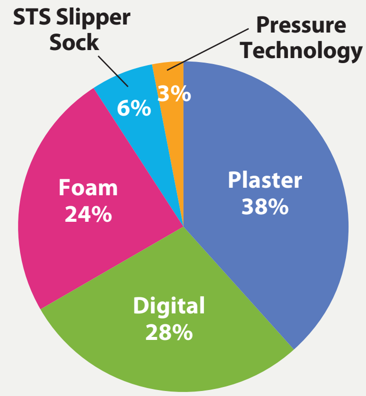
There was an obvious correlation between increased gross revenue and higher doctor pension rates. Respondents seemed to make pensions a priority, even boosting them during 2020 when income levels were down.

Respondents may have paid considerably more for staff pensions for one or more of a variety of reasons: to recognize their hard work as the pandemic continued; to provide a benefit that would stand out in hiring; and/or to offer an incentive to stay, despite the "Great Resignation" that was taking place at the time.

Respondents seemed to make pensions a priority, even boosting them during 2020 when income levels were down.

• ***Student Loan Repayment***—Student loan repayment dropped 9 percent to $14,838. Some of this 2021 reduction may be because of the temporary pause on payments and involuntary collections on most federally held student loans that began in 2020

What Is Your Preferred Method of Foot Measurement for Prescribing Orthotics?



and extended through 2021.

Our 2022 data, which *PM* will begin collecting later this year, may show a continuation of a lower expense in this category due both to the extension of the pause as well as the cancellation of up to $10,000 in federal student loan debt for qualifying borrowers, and up to $20,000 of debt cancellation to eligible borrowers who received a Pell Grant in college. (Note that due to the income limits for these cancellations, they will likely have the greatest impact on new practitioners.) Several respondents reported that their loans had been forgiven by the time they had taken the latest survey.

Eventually, as DPM loan payments resume, there will be a big jump in this expense. Not only will paused payments begin, but newly minted DPMs will face higher interest rates on larger repayments, resulting in significantly higher monthly costs in this category. Seasoned professionals with variable interest rate loans will face larger repayments as well.

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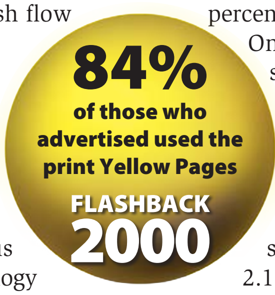
Note that older practitioners are not immune to the negative financial impact student loans. In fact, according to an AARP report, almost 22 percent of all student loan debt is owed by someone age 50+.

• ***Bio/Pathology Lab Expenses***—The cost for bio/pathology lab expenses more than tripled, rising from $535 to $1,845. Undoubtedly, this was a result of more in-office visits during 2021 compared to 2020. The pent-up patient demand for in-office procedures resulted in higher-than-normal lab fees. Firms providing lab services were still swamped by COVID-19 cases for at least some of 2021, which could have driven up rates. In addition, these firms faced many of the same inflationary pressures as did the rest of the economy (staffing, gasoline, etc.), leading them to charge more for their services.

Some doctors have considered setting up their own in-office PCR lab, especially if they send out more than a few fungal nail and/or wound samples daily. Besides providing cost savings in this category, these labs may provide additional cash flow to the practice.



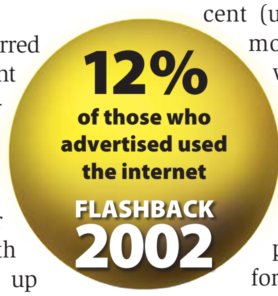
• ***Disposable Medical Supplies***—Doctors surveyed spent an average of $13,284 on disposable medical supplies, up 29 percent from our previous survey. Like the bio/pathology lab expenses category above, these supplies likely increased so dramatically due to the shift back to in-person care. Also impacting these costs were supply chain issues, causing shortages that may have forced doctors to buy from higher-cost vendors and/or purchase smaller, more costly quantities.

COVID-19 precautions may have added to this bill as well, with some DPMs continuing to use face shields, goggles, and other personal protective equipment that they began to use with considerably fewer patients during the previous year.

• ***Orthotics***—The amount spent on orthotics dropped the most of any category by percentage—down 17 percent—vs. our previous report. On average, DPMs surveyed spent $6,930 on orthotic lab expenses.

Doctors surveyed sent 1.9 pairs of true custom orthotics to an outside lab each week during our survey period, compared to 2.1 pairs previously. Prefab orthotics dispensing was also down slightly, dropping from 6.7 pairs to 6.1 pairs per week.

Respondents' top preferred method of foot measurement for prescribing orthotics remained plaster at 38 percent, up from 36 percent in our last survey. Digital (optical or laser) took over the second-place spot with 28 percent of respondents, up from 24 percent, followed by foam at 24 percent (down from 27 percent), STS Slipper Sock at 6 percent (down from 9 percent), and pressure technology at 3 percent (unchanged).



The number of Gauntlet AFOs prescribed per month rose from 2.7 to 3.1. There was no change in the average number of solid AFOs prescribed (2.6 per month), while doctors prescribed 2.1 functional hinged AFOs (Richie type; down from 2.3 per month) and 2.1 Dorsiflex Assist AFOs (up from 1.9 per month).

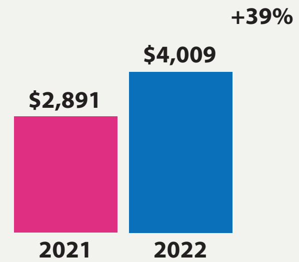
The most popular off-loading procedure remained post-op shoe/boot/walker, with 77 percent choosing that method (up from 73 percent). TCC took the second-place spot at 13 percent (up from 12 percent), while modifying existing footwear was used by 10 percent of respondents (down from 14 percent).

As mentioned with other categories, the lingering pandemic likely played a role in lower costs for orthotics and DME, as respondents may have seen fewer patients onsite. Another factor may have been patients looking outside of the DPM's office, especially for DME. "With higher deductibles, rising insurance costs, and the popularity of on-

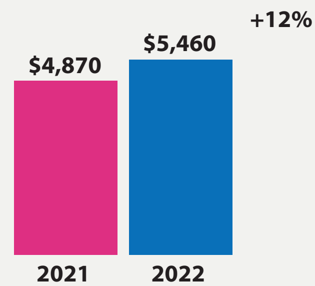
Continued on page 91

YOUR OVERHEAD EXPENSES

Advertising



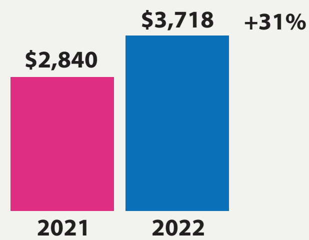
Computer Service Maintenance & Internet



Type of Advertising

	2021	2022
Internet	51%	53%
Yellow Pages (Print)	14%	11%
Newspapers	9%	9%
Mailings	9%	8%
Yellow Pages (Web)	8%	7%
Radio	4%	5%
TV Cable	3%	3%
TV Network	2%	2%
Other	9%	8%
Do Not Advertise	29%	28%

Products for Sale



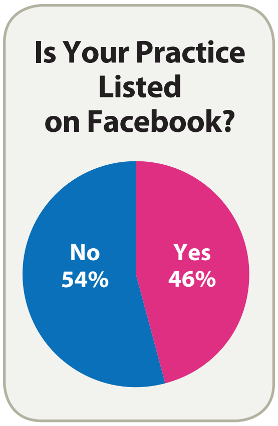
Survey *(from page 90)*

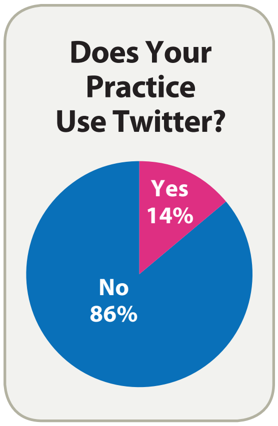
line sites like Amazon, we have seen an increase number of patients refusing DME such as pneumatic walkers and braces, and opting instead to go on Amazon," according to a recent "Letters to the Editor" discussion (*PM*, June/July 2022). A *PM* Quick Poll of 387 doctors indicated that 13 percent of those surveyed thought that *more than half* of their patients purchased DME online.

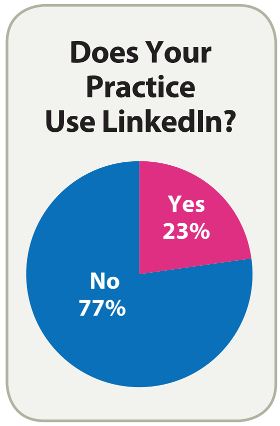
Each year, *PM* covers orthotics and biomechanics in depth in its September issue, focusing on the important role podiatrists play in prescribing devices. Recent useful articles include "Maintaining Long-term Patients Through Custom Orthoses" by Tracey Toback, DPM, and "Getting Up to Speed on Orthotic Therapy" by Lawrence Huppin, DPM (both in the September 2022 issue).

The impact of new technologies on orthotics and biomechanics may already be evident. Available software facilitates 3D scanning from multiple devices, including smartphones and tablets. Some doctors may have used 3D printing to provide custom orthotics in-house, reducing their costs in this category. We anticipate that the addition of AI and other technologies could further drive down this expense.

• ***Office Supplies (Non-Medical)***—The cost for non-medical office supplies grew 19 percent to $5,243. With staff now back in offices, the use of supplies such as paper, toner, pens, etc., increased as well—despite the use of electronic health records, tablets, and other devices.



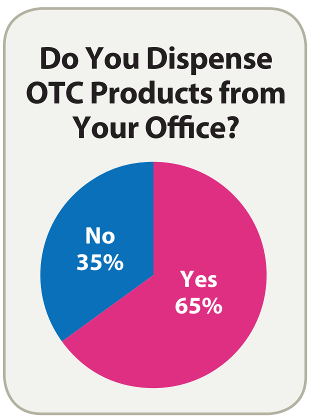


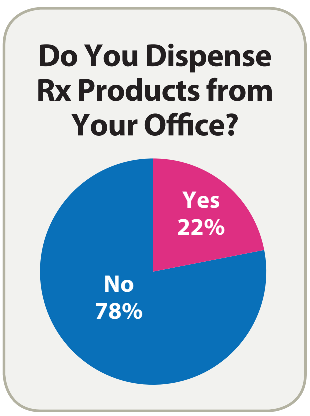


A Reuters report entitled "Where's the paper, ink, lightbulbs? U.S. offices struggle with supply shortages" indicated that disruptions to the global supply chain caused by factory shutdowns in Asia as well as port congestion and a labor shortage in the U.S. led to shortages in office supplies in 2021. It cites lightbulbs, paper, and toner among its list of hard-to-get items.

What's more, prices for these items escalated as well. Paper costs, for example, rose 9.7 percent in 2021, according to IBISWorld. With the price for this staple rising another 12.8 percent in 2022, and inflation escalating to even higher levels than 2021, we anticipate that doctors who rely on paper in large quantity will be negatively impacted in next year's report.

• ***Products for Sale***—In-office dispensing saw a boost as doctors spent an average of 31 percent more than they did in our previous report. The $3,718 was spent on such items as shoes, socks, insoles, splints, nonprescription creams, lotions, medicated nail polishes and removers, and neutraceuticals. The percentage of doctors who said they dispensed over-the-counter (OTC) products in their offices rose 2 percentage points to 65 percent of respondents. Looking at both of these figures together, one can assume that the rise in this cost was primarily due to increased purchases (and, presumably, patient sales) per doctor.





Among those who did not dispense OTC products, 5 percent indicated that they planned to dispense them from their offices in the next 12 months.

When asked what percentage of income was derived from the sale of products from respondents' offices, the vast majority (83 percent) said less than 10 percent of their revenue.

For the first time, we cross-tabulated the OTC dispensing by solo practice (all types combined) and partnership/group practice (all types combined). Three out of four (75 percent) of partnership/group doctors reported that they dispensed OTC products from their office, compared to 69 percent of solo practitioners. Perhaps this was a contributing factor to higher incomes reported by partnership/group DPMs.

Regional differences emerged as well (for all practice types), as indicated by our new cross-tabulations. Among doctors in the South, 71 percent dispensed OTC products, compared to 69 percent in the Midwest, 62 percent in the West, and 59 percent in the Northeast.

Respondents likely boosted the

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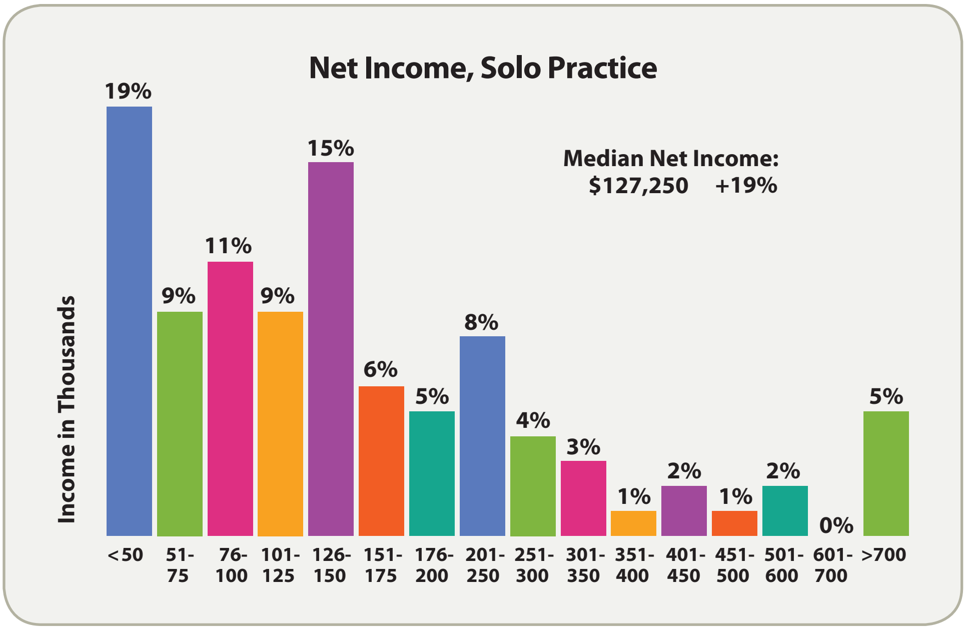
Survey *(from page 91)*



sale of OTC items as a result of tepid income numbers in 2020. Even if offices were closed or had reduced hours, they could ship items—a convenience that patients became accustomed to in 2020 for everything from groceries to clothing. Selling OTC products also strengthened the practice-patient connection that might have been weakened during the pandemic.

With companies providing kiosks and easy-to-use systems for selling OTC products, we anticipate more DPMs will add this service to their practices.

• ***Advertising***—Doctors spent an average of $4,009 on advertising, up 39 percent and one of the largest increases by percentage. Of those surveyed, 28 percent said they did not advertise compared to 29 percent who said they did not advertise in our previous report.

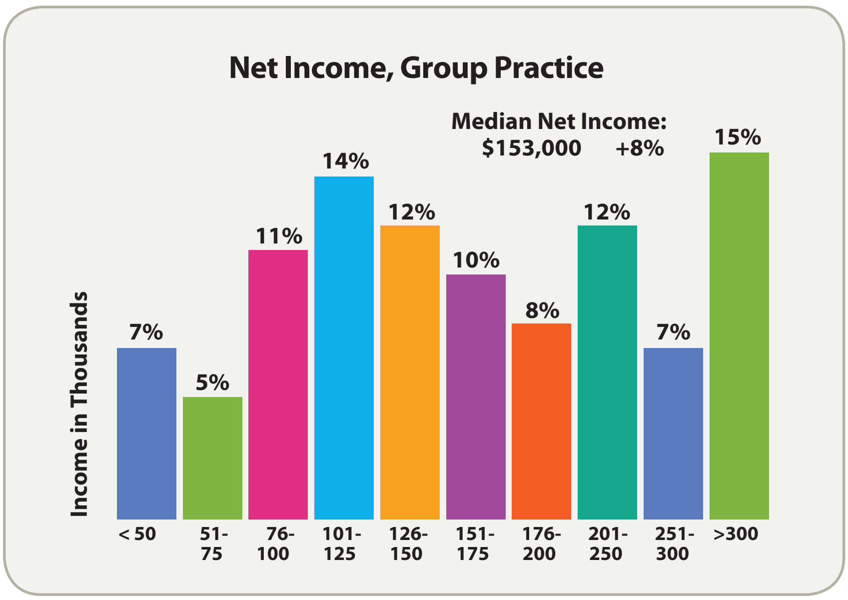
For the first time, we cross-tabulated advertising (any type) by region. Midwestern doctors were the most likely to advertise, according to the results, with advertising used by 86 percent of DPMs in that region. The second most popular region for advertising was the South, with 79 percent of Southern doctors advertising, followed by the West (64 percent) and the Northeast (60 percent).

Selling OTC products also strengthened the practice-patient connection that might have been weakened during the pandemic.

Here is a breakdown of media usage among those who advertised.

• *Yellow Pages (print and web)*—Advertising in printed Yellow Pages directories nationally has continued its multi-decade decline for all business types. Among respondents who advertised, 11 percent used this medium, down from 14 percent in our previous survey. Use of web Yellow Pages was also down, dropping from 8 percent to 7 percent.

Survey results mirror national numbers. Yellow Pages usage among respondents has declined significantly over the past two decades. (In fact, 99 percent of those who advertised in 2002 said they used this medium.) Even web Yellow Pages have proven to be less effective than other internet advertising in building practices. It is expected that this decline will continue, especially as doctors retire and cancel longstanding Yellow Pages contracts and new practitioners use other methods.



• *Internet*—Internet advertising bounced back after dropping in our previous report, rising to 53 percent from 51 percent. Advertising possibilities included banner ads on selected sites, organic search engine optimization (SEO), nonorganic SEO (pay-per-click advertising), listings on hospital

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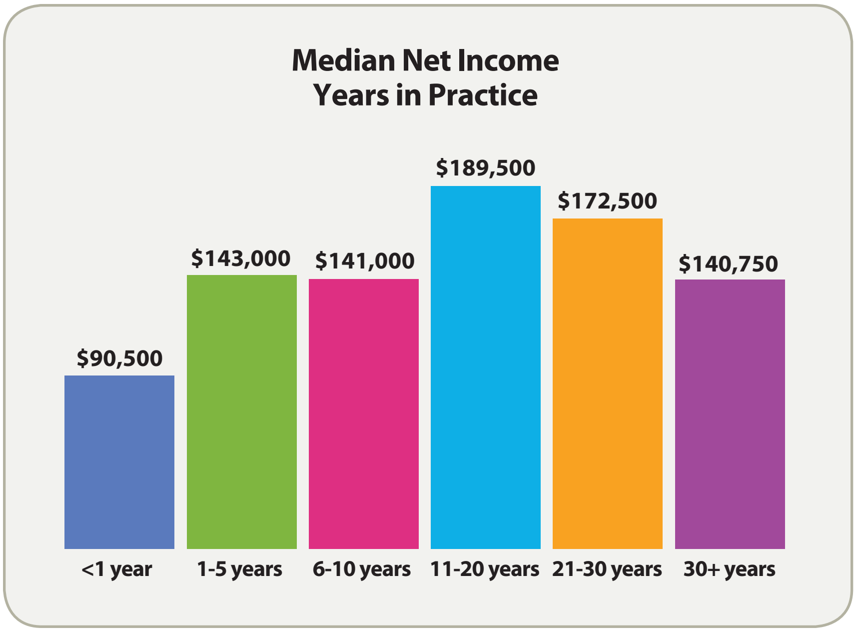

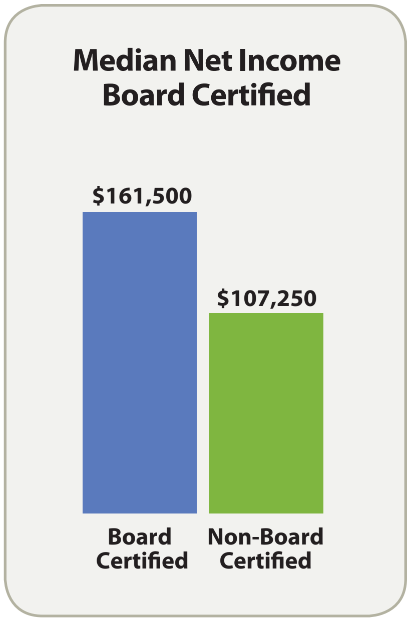

Survey (from page 92)

or surgical center websites, listings in online directories, email marketing, podcasts (both advertising on and participating in), and other types. Respondents may have spent money not only on the advertising placements themselves but on paying companies or individuals that specialized in marketing practices online.

The benefits of advertising on the internet include its relatively low cost (compared to other media); timeliness (no long lead time required for some forms); targeted reach; and the availability of tracking and analytics tools. In addition, prospective patients often build their impression of the practice long before they set up an appointment, combing through patient reviews, viewing websites, and taking note of social media posts.

Social media remains an effective no- or low-cost way to reach patients and prospective patients. The percentage of respondents on Facebook dropped slightly—from 47 percent to 46 percent—while the use of LinkedIn rose from 21 percent previously to 23 percent this year. Fourteen percent of respondents used Twitter, which was unchanged from our previous report.

In the near future, AI may help DPMs develop their targeted marketing. ChatGPT, for example, a natural language processing tool driven by AI technology, may be used to generate actual content or content suggestions using simple prompts.

Eighty percent of those surveyed have a practice website, which

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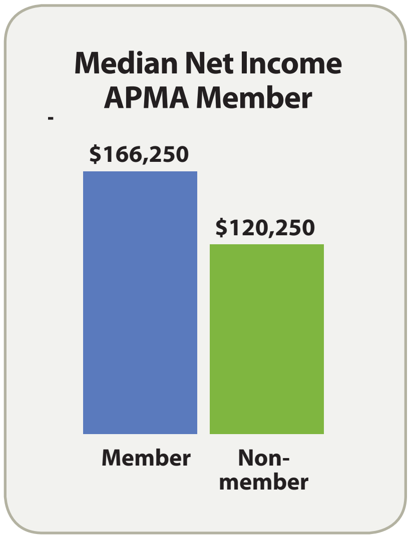

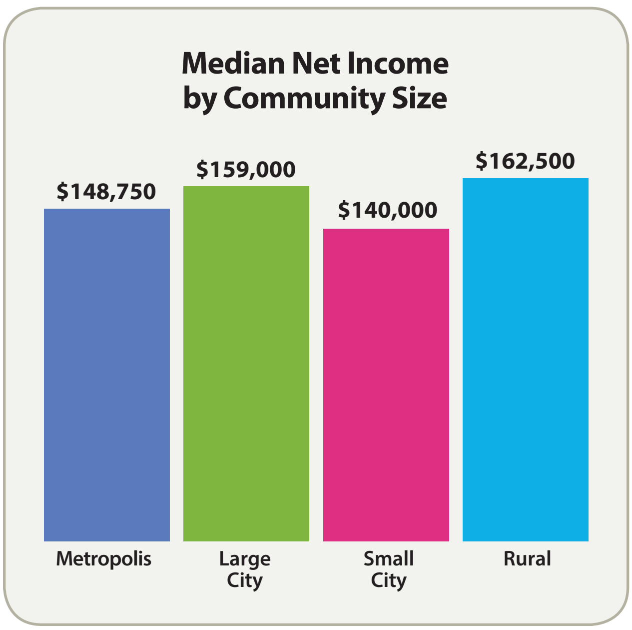

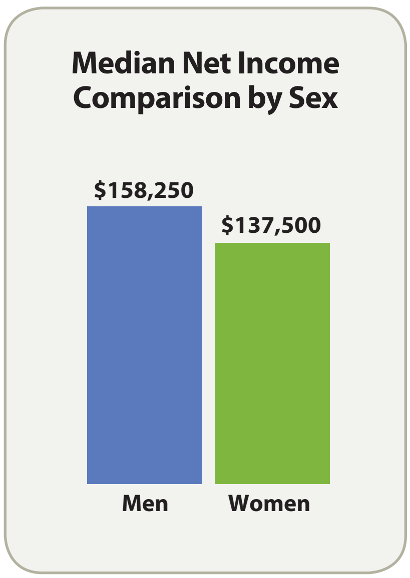

Survey (from page 94)

is up 3 percentage points from our last survey and was the highest percentage since we started asking the question more than a decade ago. We expect that the other 20 percent have an established online presence via a practice Facebook page, a hospital affiliation, or a listing within an affiliated organization's website.

• *Newspapers*—The use of newspapers for practice advertising remained steady at 9 percent. This may have included both print and online editions.

According to a *Medill Local News Initiative* report from Northwestern University's Medill School of Journalism, Media, Integrated Marketing Communication, newspapers are continuing to vanish at a rapid rate, disappearing at more than two a week. "Even though the pandemic was not the catastrophic 'extinction-level event' some feared, the country lost more than 360 newspapers between the waning pre-pandemic months of late 2019 and the end of May 2022," the report stated.

Many weeklies, which depended upon local small businesses for advertising revenue, did not survive the pandemic shutdown. Others transitioned from print to online publications or provided both. Often they feature special sections in which doctors can provide information about their practice as well as advertise, including supplements focusing on healthcare, new businesses, and periodic local business updates.

• *Mailings*—Eight percent of those who advertised used mailings. This compares to 9 percent who used this medium in our last survey.

Escalating printing and postage costs undoubtedly prompted some doctors to use less expensive advertising strategies to reach current and prospective patients. For instance, email marketing with such platforms as Constant Contact and Mailchimp—which include ready-made templates and other design features—may have replaced printed newsletters and flyers in many practices. Still, a segment of doctors who use mailers realize the benefits of personalized letters, ValPak mailers, postcards, and other items, especially targeting those who do not use email or who choose not to share their email address.

Escalating printing and postage costs undoubtedly prompted some doctors to use less expensive advertising strategies.

• *Radio*—Five percent of those who advertised used radio, which was up from 4 percent in our previous survey. Due to the production and advertising cost, this is likely used by larger partnership/group practices and supergroups.

Over-the-air (OTA) radio is still the top choice while driving, according to a Hub Entertainment Research

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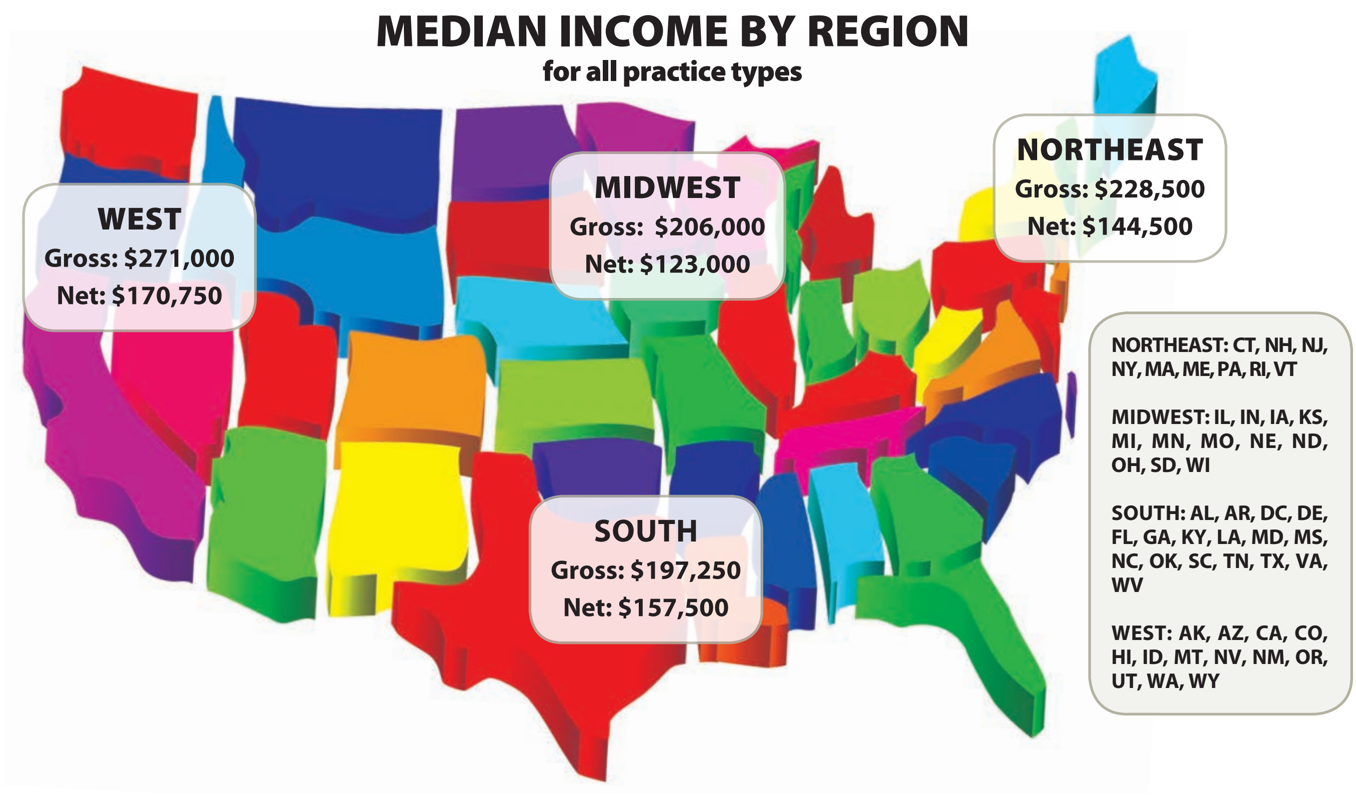

Survey *(from page 95)*

report conducted in November 2022. In fact, 63 percent of those surveyed said they used OTA radio either every time or most times when driving. That compares to 31 percent who said they used streaming music/audio subscription, 30 percent who used satellite radio, 28 percent who used personal music (downloads), 26 percent who used free streaming music/audio and 18 percent who used free streaming video.

• *Television*—There was no change in percentage of doctors who used cable TV (3 percent) and/or network TV (2 percent). This continues to be the most costly form of advertising and, as with radio mentioned above, is often best used by large partnership/group practices and supergroups.

Viewer fragmentation is an ongoing challenge in this advertising category, as the number of streaming channels grows and the population continues to cut the cable cord. However, Netflix Hulu, Peacock, and other services have ad-supported tiers that provide new opportunities for doctors to reach patients.

• *Other advertising*—Eight percent of those who advertised listed other media and tactics to promote their practices. These included advertising on billboards, in church bulletins, in local magazines, and on menus; participating in local event promotions; and even personally visiting offices located near their practices.

Green cleaning and increased sanitization due to COVID-19 were drivers to [office cleaning] cost increases.

• ***Cleaning and Maintenance***—Respondents' costs for office cleaning and maintenance rose 35 percent, averaging $1,928. As previously mentioned, respondents were likely back in their offices full time after a year of remote and hybrid work. What's more, they were now competing with other non-healthcare-related businesses for cleaning and disinfection services.

Green cleaning and increased sanitization due to COVID-19 were drivers to cost increases as well. In addition, low unemployment in 2021 forced rates up, as cleaning firms faced stiff competition for staff during a period of strong demand for services.

• ***Other Expenses***—Doctors spent an average of $2,573 on other expenses not included above. Among the costs they listed were the following: billing service fees, bank charges, credit card fees, license fees, uniforms/shoes, laundry service, travel, business automobile expenses/gas, health insurance, uniforms/shoes, laundry, staff lunches, renovations (paint, flooring, etc.), waste carting, and petty cash.

In addition, some practices may have contracted services with a medical services organization (MSO), which provides a menu of administrative services to the practice. These might include human resources, payroll, health plan contracting, and IT resources, and may not have fit into any one category above. Michael J. King, DPM, highlights MSO benefits in "Medical Services Organizations" (*PM*, January 2022).

Continued on page 98

PRESCRIBING & DISPENSING

Anti Inflammatories (Oral)

	2022	2021
Meloxicam	23%	22%
Ibuprofen	18%	14%
Mobic	8%	8%
Diclofenac	8%	9%
Advil	7%	7%
Aleve	7%	7%
Naprosyn/Naproxen	7%	13%
Motrin	3%	4%
Celebrex	3%	3%
Voltaren	3%	3%
Duexis	1%	3%
Anaprox	1%	1%
Others	1%	3%
Prescriptions per week	7.5	7.0

Topical Pain Relievers

	2022	2021
Voltaren Gel	40%	42%
Biofreeze	15%	14%
Lidocaine	11%	9%
Capsaicin	4%	7%
Lidoderm	4%	4%
CBD Clinic	3%	2%
Emla Cream	1%	2%
Flector Patch	1%	1%
Hempnesic	1%	1%
Topricin	1%	1%
Viscous Xylocaine	1%	—
Others	4%	2%
Prescriptions per week	5.8	5.2

Survey (from page 96)

NET INCOME

The median net income for solo practitioners did not quite match the jump in gross revenue, but it still reached double-digits, up 19 percent to $127,250 from $106,750 previously. Partnership/group doctors saw an 8 percent bump in median net income, rising from $141,500 to $153,000.

Regionally, for all practice types, the West reported the highest net income at $170,750, followed by the South ($157,500), the Northeast ($144,500), and the Midwest ($123,000). Note that among the four regions, the net-to-gross ratios—the percentage of gross income that doctors were able to keep after all expenses were paid—differed by more than 20 percent. Southern doctors netted the highest percentage of their revenue, at 79.8 percent. The other three regions reported much lower percentages, with Northeastern doctors keeping 63.2 percent of their gross, Western DPMs netting 63 percent, and Midwestern doctors keeping 59.7 percent.

A community size breakdown revealed that respondents in rural areas had the highest net income, at $162,500, followed by large city doctors ($159,000), those in a metropolis ($148,750), and DPMs in small cities ($140,000). Notice that rural doctors netted the most but also grossed *the least* of all regions, meaning they kept a higher percentage of what they took in than any other setting. The spread was significant: rural doctors kept 69.6 percent compared to 66.1 percent for large city doctors, 62.4 percent for those in a metropolis, and 58.6 percent for respondents in small cities.

While there was still a significant difference between men's and women's median net income—$158,250 vs. $137,500, respectively—the earnings gap narrowed.

For all practice types, net earnings peaked at 11-20 years in practice ($189,500), and was lowest for doctors who were in practice less than a year ($90,500). Our latest respondent pool did not show the same income drop after the 20 year mark as last year's data showed. In fact, those in practice more than 30 years reported a median net income that was nearly identical to those in practice 6-10 years.

While there was still a significant difference between men's and women's median net income—$158,250 vs. $137,500, respectively—the earnings gap narrowed. Women earned 86.9 percent of what men earned, up from 76.7 percent in our last report. In fact, women's earnings rose 22 percent, while men earned 7 percent more. During the same reporting period (2021), the BLS reported that the median earnings for women were 83.1 percent of the median for men.

APMA membership had an impact on net income, as indicated by survey results. APMA members reported a median net income of $166,250 compared to $120,250 for non-APMA members. Even more significant is the fact that APMA members' net income *grew* 19 percent compared to only a 1 percent increase for non-APMA members.

Board Certified DPMs earned significantly more than

Continued on page 99

PRESCRIBING & DISPENSING

Antiseptics/ Topical Antibiotics

	2022	2021
Bacitracin	14%	17%
Bactroban	14%	14%
Betadine	11%	13%
Mupirocin	10%	8%
Triple Antibiotic	8%	10%
Neosporin	8%	9%
Silvadene	6%	8%
Amerigel	4%	6%
Povidone-Iodine	4%	4%
Gentamicin	3%	2%
Iodosorb	3%	1%
Polysporin	1%	2%
Others	2%	1%
Prescriptions per week	6.6	5.1

Analgesics (Oral)

	2022	2021
Ibuprofen	17%	19%
Tylenol	15%	14%
Percocet	10%	12%
Norco	10%	9%
Advil	8%	6%
Hydrocodone	8%	7%
Aleve	7%	8%
Motrin	5%	6%
Tylenol #3	4%	3%
Vicodin	3%	2%
Ultram	2%	2%
Lortabs	1%	1%
Neuremedy	1%	1%
Others	1%	2%
Prescriptions per week	4.3	5.0

Survey *(from page 98)*

their non-Board Certified colleagues as well: $161,500 vs. $107,250. And again, the income increase was larger for the Board Certified doctors—12 percent—compared to the 8 percent increase for non-Board Certified respondents.

PRESCRIBING & IN-OFFICE DISPENSING

For more than three decades, *PM* has tracked the pharmaceuticals, by brand name, that respondents prescribed, recommended, and/or dispensed from their offices, and which brand primarily from each category. Drug lists are

Continued on page 100

PRESCRIBING & DISPENSING

Enzymatic Debriding Agents

	2022	2021
Santyl	56%	63%
Medihoney	6%	6%
Amerigel	4%	2%
Kerasal	3%	1%
Panafil	2%	1%
Elase	2%	2%
Accuzyme	1%	2%
Others	1%	1%
Prescriptions per week	3.2	2.8

Graft Products (for Wounds)

	2022	2021
Apligraf	12%	13%
EpiFix (Mimedx)	12%	9%
Dermagraft	4%	6%
Integra	4%	5%
Grafix	3%	6%
Kerecis	2%	1%
Oasis	2%	4%
Stravix	2%	2%
Acell	1%	1%
Amnioexcel	1%	1%
Graft Jacket	1%	1%
Primatrix	1%	—
Others	11%	8%
Prescriptions per week	3.1	2.8

PRESCRIBING & DISPENSING

Antifungal (Oral)

	2022	2021
Lamisil	79%	85%
Diflucan	3%	3%
Others	1%	1%
Prescriptions per week	3.7	3.9

Antibiotics (Oral)

	2022	2021
Cephalexin	28%	29%
Augmentin	20%	19%
Doxycycline	14%	12%
Keflex	10%	14%
Bactrim	5%	6%
Amoxicillin	4%	4%
Clindamycin	2%	1%
Duricef	2%	3%
Cipro	2%	2%
Dicloxacillin	1%	1%
Cleocin	1%	—
Levaquin	1%	—
Others	1%	2%
Prescriptions per week	4.7	4.4

Antifungal (Topical) (Skin)

	2022	2021
Lamisil	18%	19%
Lotrisone	13%	13%
Lotrimin	10%	10%
Loprox	9%	9%
Naftin	8%	7%
Clarus (Bako)	6%	4%
Formula 3/Formula 7	4%	4%
Spectazole	4%	6%
Fungi-Foam	4%	6%
Nizoral	3%	3%
Ecoza	2%	—
Ertaczo	1%	2%
CLO-1 Antifungal Foam	1%	—
Oxistat	1%	2%
Cidacin	1%	1%
Luzu	1%	1%
Others	9%	9%
Prescriptions per week	6.2	6.0

PRESCRIBING & DISPENSING

Emollients/Moisturizers

	2022	2021
AmLactin	28%	25%
Urea 40%	11%	13%
Aquaphor	7%	6%
Lac-Hydrin	6%	9%
Eucerin	5%	4%
Cerave	5%	5%
Carmol 40	4%	4%
Kamea	3%	5%
Kera-42 (Bako)	3%	5%
Foot Miracle	2%	4%
RevitaDerm	2%	2%
Amerigel	1%	2%
Flexitol Heel Balm	1%	1%
MD Private Label	1%	—
Lactinol Lotion	1%	1%
Gormel	1%	1%
Hydro-Cutis (Bako)	1%	1%
Kerasal	1%	1%
Dermatonics	1%	—
Others	4%	5%
Prescriptions per week	6.9	6.4

Most Prescribed, Recommended and/or Dispensed:

1. AmLactin
2. Urea 40%
3. Aquaphor

Drying Agents (for Odor)

	2022	2021
Drysol	35%	34%
Betadine	13%	15%
Certain Dry	7%	10%
Clean Sweep	5%	4%
Bromi Lotion	4%	4%
Formadon	3%	2%
Lazerformalyde	2%	3%
Tineacide Shoe Spray	2%	3%
On Your Toes	1%	1%
Derma-Dry	1%	—
Onox	1%	1%
Others	4%	7%
Prescriptions per week	3.1	2.8

Most Prescribed, Recommended and/or Dispensed:

1. Drysol
2. Betadine
3. Certain Dry

Wart Medications

	2022	2021
Cantharidin/Cantharone	24%	29%
Salicylic Acid/Sal Acid Plaster	12%	13%
Aldara	8%	6%
Duofilm	6%	7%
Compound W	6%	6%
Efudex	6%	2%
Mediplast	4%	4%
Canthacur	4%	4%
Gordofilm	2%	1%
Verucide	1%	2%
Vircin	1%	3%
Virasal	1%	2%
Wartpeel	1%	1%
Formadon	1%	1%
Others	6%	3%
Prescriptions per week	3.2	3.4

Most Prescribed, Recommended and/or Dispensed:

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

Survey *(from page 99)*

updated annually to reflect product additions (respondents could write in their pharmaceuticals of choice if not listed) as well as items that are no longer available (see charts).

Twenty-two percent of those surveyed dispensed Rx products from their offices, up from 18 percent in our last survey. Among those who did not dispense Rx products, 5 percent said that they planned on doing so within the next 12 months.

New cross-tabulations of Rx prescribing illustrated some notable differences by type of practice and region. For example, 31 percent of partnership/group practitioners (all types combined) dispensed prescriptions from their office compared to only 16 percent of solo DPMs (all types combined). Regionally, the highest percentages were in the West (29 percent) and the South (27 percent), with lower percentages reported for the Midwest (18 percent) and the Northeast (15 percent).

As the U.S. aims to abate the opioid crisis from all fronts, DPMs who dispense prescriptions from their offices can play an important role. In 2021, more than 71,000 people died from synthetic opioid-related drug overdoses in the U.S., according to provisional data from the CDC. Recent data suggests that number continues to increase each year.

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Survey *(from page 100)*

PM provides regular guidance to DPMs, such as in the article “A Clinical Appraisal of Medication Injury for the Podiatric Physician” (January 2022), in which author Robert G. Smith, DPM, MSC, RPH, provides risk factors and tools to recognize “potential drug injury and potential drug misadventure.” It included clinical literature-based “mitigating strategies to assist in avoiding potential harmful effects of medication that could be responsible for medication injury.” Dr. Smith provides further guidance in “Refocusing Attention on Opioid Prescribing: Podiatric Implications” (*PM*, February 2023), and Dr. Kobak addresses the topic in “The New CDC Opioid Prescribing Guideline for Treatment of Pain” on page 47 in the current issue.

Direct-to-consumer pharmaceutical advertising in the U.S. continued to be strong in 2021, rising from $6.86 billion in 2020 to $6.88 billion in 2021. Pharma companies expanded their reach via streaming services and social media. According to a report entitled “DTC Pharma Ad Trends: Overview and New Advertisers” from MediaRadar, an advertising intelligence platform, diabetes was the top spending category, accounting for 12 percent of the total. Commenting on direct-to-consumer advertising data, a report from pharma news and analysis provider Fierce Pharma said that the high percentage of advertising to diabetics “is not surprising given that patients have more control over their choice of medicine, and therefore there is more opportunity for marketers to convince patients to switch.”

With the Inflation Reduction Act of 2022, which was signed into law last year, those with Medicare prescription drug coverage will benefit from a yearly cap ($2,000 in 2025) on what they pay out-of-pocket for prescription drugs, starting in 2025. They will also have the option to pay their prescription costs in monthly amounts spread over the year rather than all at once, beginning in 2025. This will likely have a huge impact on patients, as 1.4 million Medicare Part D enrollees without low-income subsidies had annual out-of-pocket drug spending of $2,000 or more in 2020, according to KFF.

One trend we are watching is the movement of technology giants like Amazon into the healthcare space. In a deal to acquire 1Life Healthcare Inc., operator of One

Continued on page 102

PRESCRIBING & DISPENSING

Wound/Ulcer (Topical, Non-Graft)

	2022	2021
Amerigel	10%	13%
Silvadene	10%	7%
Bactroban	8%	13%
Betadine	8%	8%
Medihoney	8%	6%
Santyl	7%	8%
Iodosorb	6%	3%
Prisma	5%	4%
Aquacel	5%	6%
Hydrogel	3%	3%
Neosporin	3%	3%
Triple Antibiotic	2%	3%
Regranex	2%	2%
Polymem	1%	1%
Gentamicin	1%	1%
Helix	1%	1%
Puraply	1%	1%
Saline	1%	1%
Silvasorb	1%	2%
Others	1%	2%
Prescriptions per week	5.8	4.7

Most Prescribed, Recommended and/or Dispensed:

1. Amerigel, Silvadene
2. Bactroban, Betadine, Medihoney
3. Santyl

Antifungal (Topical) and Keratin Debris Exfoliants (Nail)

	2022	2021
Penlac	12%	12%
Formula 3/Formula 7	10%	12%
Jublia	10%	10%
Tolcylen	8%	7%
Clotrimazole	8%	8%
Clarus (Bako)	7%	4%
Urea 40%	7%	7%
AmLactin	5%	4%
Kerasal	4%	4%
Lamisil	4%	5%
Carmol	1%	2%
Kerydin (Pharmaderm)	1%	1%
Naftin	1%	1%
Terpenicol	1%	1%
Tineacide	1%	2%
Cidacin	1%	2%
Fungi-Foam	1%	1%
Gordochom	1%	1%
Nonyx	1%	1%
RevitaDerm	1%	—
Others	4%	5%
Prescriptions per week	6.5	6.0

Most Prescribed, Recommended and/or Dispensed:

1. Penlac
2. Formula 3/Formula 7, Jublia
3. Tolcylen, Clotrimazole

Survey *(from page 101)*

Medical, Amazon's announcement explained that "One Medical combines in-person care in inviting offices across the country with digital health and virtual care services, making it easier for patients to schedule appointments, renew prescriptions, access up-to-date health records, and advance health outcomes." A *WSJ* analysis of the deal indicated that it gives Amazon more than 180 clinics with employed physicians and provides the company "a foothold in selling healthcare services to employers."

Meanwhile, CVS Health, the largest pharmacy in the U.S., has upgraded stores to provide more healthcare services. (Note that CVS is the parent of Aetna, a major national insurer.) Optum, an arm of UnitedHealth Group, has an integrated "whole-health" team that includes clinics, physician groups, and an Rx arm that handles prescription ordering and management. We will watch for the consolidation of large health groups as well as companies outside of the healthcare space as they enter it for the first time.

Other companies promise to impact the prescription drug market as well. Billionaire Mark Cuban started a company that sells generic drugs at cost. The Mark Cuban Cost Plus Drug Co. PBC "buys generic drugs from pharmaceutical manufacturers and sells them directly to patients online, rather than charging their insurance providers. By cutting out intermediaries and using a transparent pricing system, the pharmacy says it charges less than rivals for drugs: a 15 percent profit markup on a medicine's cost, plus several dollars in fees for shipping and labor," according to a recent report on the company (*WSJ*, December 9, 2022). At presstime, some 1.4 million people had signed up, and about 400,000 filled at least two prescriptions from the pharmacy's offering of 350 drugs, according to the article. With drug prices such a hot issue, we expect to see others outside the healthcare space invest in companies that provide more affordable alternatives.

While corporate movements threaten to shake up how patients are treated and receive their prescriptions, technological advancements may impact medication use. VR, which was previously touted in this report for its monitoring capabilities for seniors, is being used in devices and systems that may become part of the armamentarium in treating chronic pain and discomfort. AARP has recently partnered with Flowly, a VR technology that guides users through breathing exercises while sensors monitor heart rate and respiration. According to studies cited by AARP, this may "trigger the benefits of deep relaxation without the use of prescription drugs" and may be used "to help ease chronic pain and anxiety." We will watch whether this and other VR advancements emerge as viable adjuncts to current treatment regimens. **PM**

PRESCRIBING & DISPENSING

Steroids (Topical)

	2022	2021
Triamcinalone	24%	22%
Betamethasone	23%	21%
Hydrocortisone	14%	16%
Lotrisone	8%	8%
Kenalog	4%	2%
Temovate	3%	3%
Topicort	3%	4%
Medrol	3%	2%
Diprolene	2%	2%
Lidex	2%	4%
Others	2%	1%
Prescriptions per week	2.7	2.7

Topical Dressings for Matrixectomies

	2022	2021
Amerigel	19%	18%
Bacitracin	15%	18%
Silvadene	13%	9%
Triple Antibiotic	8%	10%
Neosporin	6%	9%
Bactroban	6%	4%
Betadine	4%	5%
Cortisporin Otic	4%	5%
Band-Aid	4%	3%
Gauze	1%	1%
Phenol EZ Swabs	1%	1%
Dermagraft	1%	—
Gentamicin	1%	2%
Polymem	1%	1%
Sodium Hydroxide (Gordon)	1%	—
Others	3%	2%
Prescriptions per week	5.3	5.1

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. An upcoming book on business networking is due to be released in 2024. 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.

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