

Retail Custom Foot Orthotics: The Big One That Got Away from Podiatry?

Preserving the value of podiatry-prescribed devices is of the utmost importance.

BY JASON KRAUS

Author's Note: This article was written 10 years ago and imagined what might lie ahead for the podiatric profession, should the trends of the previous decade continue unabated. As feared, professional skills development, waning dominance of podiatry in providing prescription foot orthotics for their patients and the overall pace of innovation all have stagnated or declined further. On the supplier side, there are clear signs of distress as lab owners retire without succession plans or labs simply shut down set out ten years ago remains the way forward. There is still time to gain traction and recover market share, but the clock is still ticking rather loudly and action has never been more of an imperative.

here is good news and bad news when it comes to foot orthotics. The good news is that more Americans are purchasing foot orthotics than ever before. The bad news is that podiatric physicians, the

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due to razor-thin profit margins. Orthotic producers have been forced by market conditions to maintain their decades-old pricing models while absorbing ever increasing costs. For the few new orthotic suppliers (Orthotica Labs, Arize), innovations surrounding AI, 3D printing and other technologies largely remain in stasis on drawing boards. The ability to reverse these deleterious trends remain much he same as ten years ago.

The original article has been mildly refreshed to reflect today's landscape. A renaissance is still within reach for podiatry and the roadmap pioneers and developers of this important therapeutic modality, have been steadily losing market share to retail.

Retail opportunities for "custom" foot orthotics encompass both traditional brick and mortar stores and a multitude of online shops. While the volume of podiatry-dispensed foot orthotics has been relatively flat for a protracted period of time, foot devices sold elsewhere have been flying off the shelves for well over a decade. These trends represent a missed opportunity for podiatry that's almost incalculable and may portend even greater financial challenges in the future.

It is not unthinkable that podiatry will ultimately become a non-factor in the prescribing and dispensing of custom-made foot orthotics. The rapid explosion of non-podiatric alternatives for dispensed appliances is clear evidence that podiatrists are a less and less important part of the process. The podiatric physician has retreated into the narrow end of the funnel for people seeking pain relief from functional orthotics. In stark contrast, podiatry enjoyed virtual exclusivity in this now thriving market as recently as the 1990s.

Even in its diminished state, it has been estimated that foot orthotics produce several hundred million dollars of practice revenue for the podiatric profession. Further erosion of orthotic dispensing should be a cause of great concern. A review of how prescribed functional foot orthotics evolved into "custom fit" arch supports might provide clues into how to stop further attrition and offer insight into how to regain some of the lost relevance—and revenues—of podiatric interventions.

The Golden Age of Podiatric Biomechanics

The functional foot orthotic explosion can be traced back to the late 1960's and early 1970's. At this time there was a fortuitous conflat-Continued on page 80



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ing of scientific knowledge and lifestyle changes. The knowledge leap in what became known as "podiatric biomechanics" was launched into the podiatric mainstream by Mert Root, DPM, John Weed, DPM, Robert Hughes and William Orien, DPM through the publishing of their seminal book, *Biomechanical Evaluation* of the Foot, Volume 1. These early visionaries attracted other pioneers in their mission to present an innovative and coherent approach to the study of normal and abnormal function of the feet.

Dr. Root's applied orthotic techniques laid the groundwork for future developments and improvements in foot orthotic therapy. Some of his early disciples, such as Sheldon Langer, DPM became enthusiastic biomechanical evangelicals and helped launch the modern foot orthotic industry. The timing could not have been better. Americans were beginning to catch the fitness bug. The running craze of the 1970s supported by other fitness fads of the day triggered an avalanche of lower extremity injuries. Podiatrists' newly acquired skill sets were tailor made for the moment and patients flocked into their offices.

Armed with an organized, scientific approach to the assessment and treatment of many foot ailments and a burgeoning industry ready to support practitioners, the podiatry market quickly became recognized as the leading experts in functional foot orthotics. Laboratories like Langer, Inc. began massive educational efforts to help practitioners understand and apply the evolving science of biomechanics. Other labs began springing up and emulated the early model designed by Langer. Podiatrists were taught comprehensive assessment techniques, prescription writing, proper casting and trouble shooting approaches. Labs employed expert biomechanical consultants to assist DPMs with difficult or challenging patients. The result of this partnership between podiatrists and their laboratories helped to further the podiatric leadership position in the world of functional foot orthotics.

Millions of foot suffering patients were being treated successfully by podiatrists across the country who were able to apply the principals that were being developed and taught. There was almost no reimbursement for these products during this time. Podiatrists were quite capable of explaining the benefits of these therapeutic approaches and having patients pay their fees directly. The confidence in, and passion for, the beneficial results that orthotics represented in podiatric practices was easily conveyed to the unknowing and skeptical universe of patients.

quences of this economic shift had a profound effect on the orthotics industry and led to the current explosion of lower cost, retail alternatives.

A Downward Spiral

One of the first casualties of the changing economics was lab innovation. There has always been an unusually large gap between the profit margin of the laboratories and the profit margins of the podiatrists for foot orthotics. Typically, a well-run full-service laboratory could generate net profits of between 10%-20%. So, on each pair of orthotics the labs would generate

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Intellectual and Economic Changes

Things began to change towards the second half of the 1980s. Some of the intellectual excitement began to fade as scientific conferences began to diminish the biomechanical content and increase the frequency of the ever-captivating surgical programs. For a brief period there was an effective balance between these two worlds. The surgical thought leaders of the time recognized the intricate connection between the biomechanical function of feet and the surgical techniques that were being developed to correct them. In time, biomechanics became the symposia step children. The profession was becoming enthralled with a less conservative, but more exciting approach to treatment. The new skills being taught were beginning to replace the foundations of knowledge that preceded them.

This was also the time when professional fees began to be reduced by third party payers. Starting in California in the mid 1980s and spreading eastward over the ensuing decades, podiatrists were finding themselves working harder and being paid less. Reduced fees didn't discriminate. Whether you were a superstar surgeon or a biomechanical whiz, you were being paid less for your services. Several unintended consebetween \$8-\$20 of profit. Podiatrists on the other hand were generating approximately \$200-\$300 profit. As reduced fees began to erode overall practice profitability, podiatrists were beginning to demand price concessions from all of their suppliers, including their orthotic companies.

With virtually no barriers to entry, small new labs willing to comply with the low-price demands of their customers began popping up across the country. The larger labs, responsible for all the innovations of the 1970s and 1980s, either scaled back their product development investments or ended them altogether. This innovation vacuum opened the doors to cutrate copycats and, accordingly, the specialization of prescribing podiatrists became less necessary.

The commoditization of orthotics had begun.

Podiatrists, too, were beginning to make behavioral changes in their prescribing habits. As the pressures of practice increased, DPMs began taking some shortcuts. Full biomechanical assessments were becoming less common. Once an integral part of a standard orthotic protocol, these exams were now becoming the exception. Casting techniques began shifting away from neutral position *Continued on page 81*

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plaster slipper casts in favor of crush boxes. As the frequency of biomechanical examinations diminished, specialized prescriptions became less frequent. When casts did arrive, more

and more were poorly executed and accompanied by incomplete or inadequate prescriptions. 'Plain vanilla' orthotic orders were increasing at an alarming rate.

An unsustainable downward spiral was being established. Knowledge of and attention to underlying biomechanical principals were less and less in play from practices, and

manufacturers were being asked to do more and more with less revenue. Something had to give and innovation was only the first casualty. Manufacturing efficiency helped, but corners began to be cut. The level of professional support from laboratories was lost or reduced. Customer service at large suffered. Some labs even stopped producing custom products. Instead, libraries of casts or orthotic shells were developed and simply matched to the casts sent in for custom-made appliances. All of these changes contributed to reducing the need for specialized production or the associated clinical expertise.

Everyone's bar was lowered.

Other Providers and Savvy Retailers

As podiatry's focus drifted, other healthcare practititoners readily filled the void. Physical therapists, pedorthists, orthotists and chiropractors were only too willing to make the intellectual investment necessary to dispense foot orthotics. In the 2020s, it is estimated that podiatry dispenses less than 50% of the healthcare provider orthotic prescription volume.

The only thing that never diminished was the need for foot orthotics. In a culture doggedly committed to fitness, with tens of millions of baby boomers aging and living longer, the number of lower extremity problems has continued to grow. It was only a matter of time, then, with the quality and complexity of orthotics in decline and the need for them increasing, before patients transformed into consumers.

Early efforts to provide retail solutions were mostly the work of

podiatrists themselves. There were a number of entrepreneurial DPMs who connected with their laboratory to create mail order orthotic businesses. With the advent of crush foam boxes, these businesses were able to create a nationwide mail order business using traditional advertising. Laboratories, too, were seduced into what was thought

to be a very lucrative market. Remember, labs were only generating about a \$15 profit for a pair of custom orthotics. Presenting a \$200 product to a patient and cutting out the podiatric middleman was a financial home run.

As time and technology evolved, there were more and more ways to convey the benefits of foot orthotics to people suffering from foot pain. Infomercials, online businesses and eventually brick and mortar retailers began to dot the foot care landscape. Early

on, though, if you scratched deeply enough, there was still a podiatrist or laboratory involved. But the retail orthotics opportunity was already starting to get the attention of large companies.

Whether it's one of thousands of retail franchises (Good Feet, Neovita, Foot EFX, Ideal Feet, Foot Solutions, etc.) or the New Balance Procare dealers or Costco or more recently Walmart, Americans have a plethora of lower cost, convenient places to get their 'foot orthotics'. Are they getting the same product and service that they would at the office of a competent podiatrist? Of course not. Does the public understand



It's impossible to know for certain whether and how many of these retail orthotics businesses would have entered the market if the early standards had been maintained. One thing is certain, though. Podiatry, in concert with their suppliers, made it easy.

Tactics and Strategies

There are tactics and strategies that can be instituted to help maintain the relevance and value of a podiatry-dispensed orthotic. The fact remains that podiatrists are the best-trained and most highly skilled professionals to deal with foot prob-



lems. Their thorough understanding of foot mechanics, foot deformities, compensatory actions of various joints in feet and orthotic modifications must help to reestablish competitive advantages for podiatrists. Many DPMs lowered their orthotic standards partly because of the

inability to manage the compliance of their patients. Pressure over shoe styles and fees caused many practitioners to offer lower functioning (quality) devices or lower cost alternatives. These practice compromises should be minimized. Your measure of success should be based on more than simply the lack of complaints by patients. You should always ask yourself if you have done all that is possible to treat a chronic condition. The devices that your patients can acquire at retail may provide some help. But the real question is are they actually getting better or simply getting worse more slowly. If you can Continued on page 82



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get them better, then no other consideration should trump that.

Preserving the value of the podiatry-prescribed functional foot orthotic requires:

• Maintaining or reestablishing high standards for biomechanical evaluations.

• Maintaining or reestablishing higher technical standards for proper prescriptions.

• Investing in proper research that supports the efficacy and safety profile of foot orthotics.

• Supporting companies that invest in product innovation and comply with generally accepted manufacturing standards.

• Gaining greater control over patient compliance.

• Investing in educational efforts geared to enhance the understanding of biomechanics.

• Maintaining high standards of

biomechanics in podiatry schools and residency programs.

The Laboratory Relationship

The laboratory relationship is also a key element in holding onto the position of preeminence for dispensing foot orthotics. Reward producers for innovation. Yes, that means paying a higher price for a better product. Resist the temptation to flee or negotiate when they need to raise their prices to cover increased costs. The distribution of the profit margin is still highly in favor of the practitioner. This will avoid further corner-cutting and diminution of quality in professional foot orthotics. Seek suppliers who still conform to the evidenced-based approach to orthotics and who continue to incorporate good manufacturing practices. Laboratories that help fund research efforts and provide professional consultative services should also be rewarded with your patronage. It's everyone's job to ensure that the bar is not lowered any further.

Familiarize yourself with key research and convey this to your patients. Learn, or re-learn about the orthopedic management techniques. Don't duck when patients ask you to explain the differences between 'custom fit' products those they see in stores and online and the 'custom-made' product that you want to prescribe to them; made from their cast and based upon sound biomechanical principals. Your fundamental belief in their therapeutic value will be conveyed to your patients and return valuable dividends to you both. **PM**



Jason Kraus is the Co-Founder of Orthotica Labs. Over the decades, Mr. Kraus has been a senior executive and owner of many podiatry corporations, a prolific podiatric educator and *Podiatry Management* Hall of Fame Inductee.