



2 0 2 3

# Podiatry Market Outlook

Implications for Practice Management



# Table of Contents

---

Podiatry Market Overview . . . . .	3
COVID-19 Pandemic . . . . .	4
Patient Care During COVID-19 . . . . .	4
Staffing Shortages . . . . .	5
Physician Shortages . . . . .	6
Podiatry Student Shortages . . . . .	6
Increased Competition . . . . .	7
Multispecialty & Group Practices . . . . .	8
Benefits of Solo Practice . . . . .	9
Specialize & Differentiate . . . . .	9
Patient Trends . . . . .	10
Growing Prevalence of Diabetes . . . . .	11
Engaging Patients Post-COVID . . . . .	12
Non-opioid Pain Relief . . . . .	13
Declining Insurance Reimbursements . . . . .	14
Offering Solutions to Podiatrists . . . . .	15
Combat Shifting Healthcare Trends . . . . .	16
Improved Efficiency and Productivity with Robotic Laser Therapy . . . . .	16
Implications . . . . .	17



# PODIATRY MARKET OVERVIEW

From the COVID-19 pandemic to changing patient preferences, private podiatry practices are experiencing a multitude of practice management challenges moving into 2023.

The United States healthcare system is continuing to battle the effects of COVID-19 alongside staffing shortages and more severe non-COVID cases. Podiatrists will continue to play an essential role in triaging and managing foot and ankle cases to keep patients out of emergency rooms and mitigate the burden on the healthcare system.

Private podiatry practices must adapt to shifting healthcare trends in order to remain relevant and competitive while battling long-term systematic effects of the COVID-19 pandemic. With new treatment techniques and technologies, podiatrists can leverage market trends, improve efficiency, strengthen their bottom line, and provide better patient care.

The COVID-19 pandemic has led to significant changes in the healthcare system, interrupted best practices, and left a large number of patients without care.<sup>1</sup>

Private practices felt the greatest impact of pandemic-related uncertainties. Typical health-care and COVID-related stressors are compounded by the challenges of running a small business while also staying competitive in their communities.<sup>2</sup>

Many private practices closed their doors during the height of the pandemic, severely disrupting

their ability to care for patients and operate their small businesses.<sup>3</sup>

As we move into 2023, healthcare professionals are still adjusting operations due to pandemic-related disruptions, but after three years these pain points are changing.<sup>1,2</sup>

Healthcare professionals are facing record levels of burnout, critical staff shortages, and a rush of patients returning to their regular medical care routines with more severe conditions due to delayed care.<sup>2</sup>



## PATIENT CARE DURING COVID-19

In early 2020, hospitals and health systems cancelled or postponed non-emergency and elective procedures to increase public safety. Following quarantine and shelter-in-place recommendations, many patients continued to avoid or delay health care, including routine primary and specialty care.

However, delaying non-emergency but medically necessary procedures puts patients at risk of their condition progressing and requiring more intensive care. Additionally, patients who avoid routine care will miss opportunities for early detection of new conditions.<sup>4</sup>

As hospitals continue to battle severe COVID-19 cases, they are also caring for increasingly sicker non-COVID patients.<sup>5</sup>

The American Hospital Association (AHA) found that patient acuity has increased consistently each year since the onset of the pandemic and the average length of stay continues to rise.<sup>5</sup>

This unique set of circumstances demands immediate attention and creative problem solving from all areas of the healthcare system in order to improve care for patients and advance the wellbeing of our communities.

Amidst the “Great Resignation,” employees are leaving their high-pressure healthcare jobs for other opportunities.

Finding qualified staff is top priority for healthcare leaders. However, 58% of medical practices anticipate that staffing will be their biggest challenge heading into 2023.<sup>6</sup>

Medical Assistants have become the most challenging position to fill. Almost 90% of healthcare leaders reported difficulty hiring for these roles, and 44% claim it has been the most difficult position to hire.<sup>7</sup>

The Medical Group Management Association (MGMA) credits this challenge to a rising levels of competitive pay in non-healthcare professions.

Tasks typically handled by medical assistants are delegated to other clinical and non-clinical staff leading to longer hours, increased overtime pay, and heightened stress.

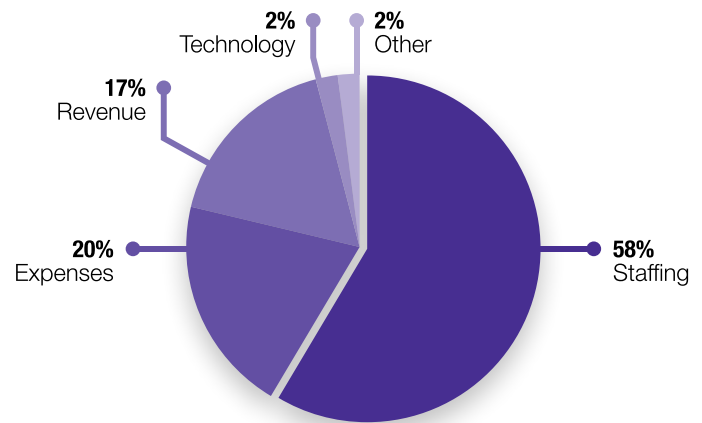
As staff stretch themselves thin over additional responsibilities, practices are seeing higher levels of burnout and rising turnover rates, further compounding the effects of the staff shortage.

In addition to the negative effects on the practice and individual staff members, staffing shortages inhibit the delivery of quality care to patients.

Office managers and practice owners must evaluate practice processes with the goal of identifying and eliminating or automating tasks that add little to no value to patient care in order to maximize time spent with patients.

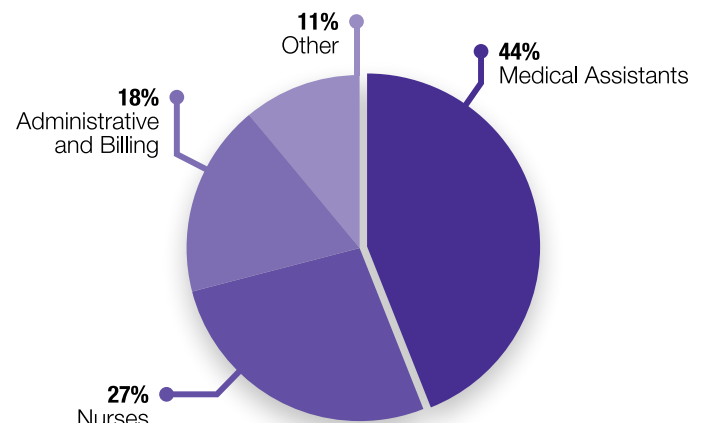
Leveraging technology to automate tedious and time-consuming tasks helps clinical and administrative staff better utilize their time. This can lessen the workload of clinical staff, decrease the burden on administrative staff, and improve overall practice operations while alleviating unnecessary stressors.<sup>8</sup>

## The Biggest Challenges Medical Practices are Facing Headed into 2023



Source: [Medical Group Management Association](#)

## The Most Difficult Roles to Recruit at the Medical Practice in 2022



Source: [Medical Group Management Association](#)

Find Mental Health Resources for Health Care Workers on the AHA Website.

The United States is projected to face a shortage of between 37,800 and 124,000 physicians within the next 12 years.<sup>9</sup>

More than 2 of every 5 active physicians will be 65 years old or older in the next decade.<sup>10</sup> However, an increasing trend of physicians retiring early or reducing hours is compounding the shortage that the U.S. has been conscious of long before the COVID-19 pandemic.

While the number of physicians is growing and medical schools are seeing record application numbers, there are not enough new doctors entering the field to keep up with demand.

This shortage is creating barriers that limit access to care and are generating backlogs of patients waiting to see a physician. Rural areas are being impacted the most.



## PODIATRY STUDENT SHORTAGES

Despite rising medical school applications, podiatry schools are having difficulty recruiting students and have been experiencing a decline in applications since the 1990s.<sup>11</sup>

In 2007, an APMA-commissioned workforce study concluded that the number of graduating podiatrists would need to triple by 2014 in order to meet the health demands of an aging, increasingly diabetic population. However, industry efforts to recruit students fell short of this goal.<sup>12</sup>

More recent data from the American Association of Colleges of Podiatric Medicine (AACPM) shows a slight uptick in yearly application numbers between 2017 and 2020.<sup>13</sup> This growth may be promising, but not nearly enough to fill the gap of the shortage.

Additionally, the number of podiatry graduates has exceeded the number of residency positions creating a bottleneck.<sup>9</sup>

Lack of government funding has limited the number of GME programs available across the board. The American Medical Association (AMA) and American Podiatric Medical Association (APMA) are advocating for legislation that would expand the number of GME positions available, allowing more students to enter residency programs and advance into their careers.<sup>9</sup>

To continue closing the gap on the physician shortage, medical professionals can further expand the pipeline of young physicians by taking a more inclusive and accessible approach to nurturing and growing the physician community with improved training and support for physician mental health.<sup>10</sup>



## INCREASED COMPETITION

Podiatrists experience a high level of competition from primary care physicians, orthopedic surgeons, hospital networks, and multispecialty practices.

Patients may also opt for at-home solutions for foot and ankle care, including over-the-counter products to treat fungal infections, warts, and ingrown nails.

Competition from these sources is expected to remain steady, pushing podiatrists to compete on the basis of price, value, and service differentiation.<sup>3</sup>

According to a recent survey by Podiatry Management, the percentage of podiatrists in solo practice—either self-employed or in a solo professional corporation—fell from 43% in 2019 to 37% in 2021. This reverses the trend of an increasing percentage of solo practitioners over the prior several years.<sup>14</sup>

The decision to consolidate into larger group practices, particularly multispecialty groups, can be contributed to pandemic-related disruptions and uncertainties coupled with competition from primary care physicians.

The group practice model offers financial benefits by allowing physicians to share resources and expenses related to practice operations, marketing, and patient outreach. According to the U.S. Department of Labor, multispecialty and

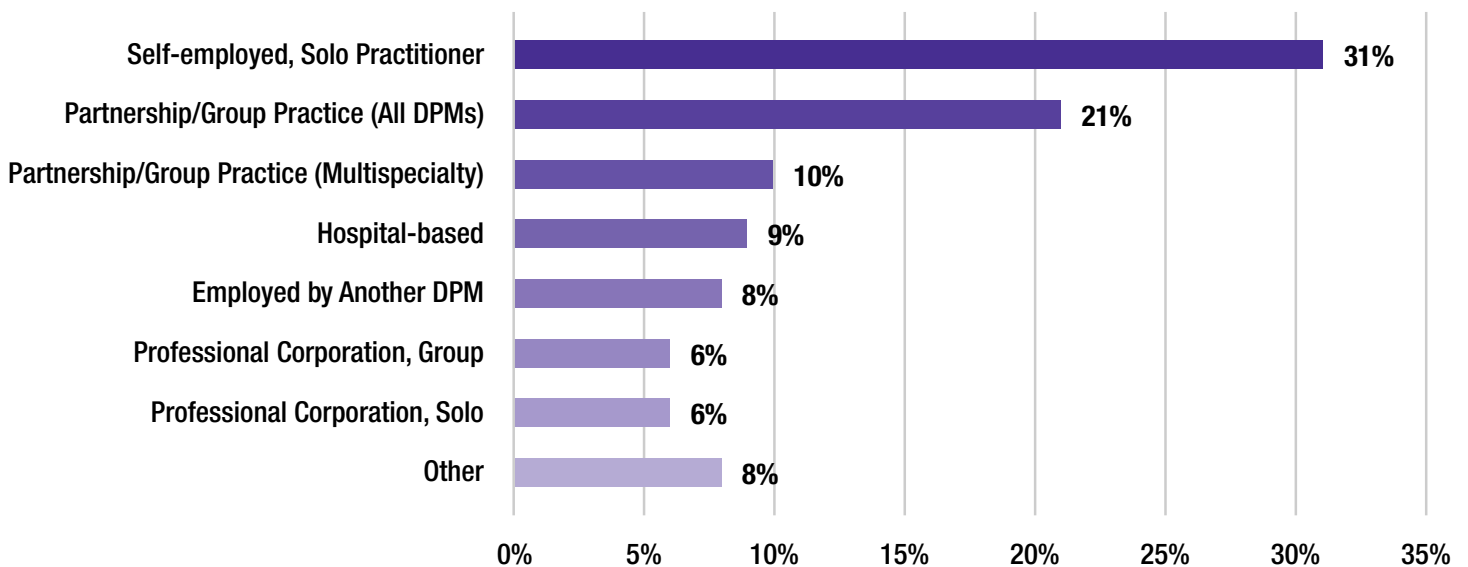
group practices earn substantially more than solo practices.<sup>3</sup>

In addition to the cost savings benefits, doctors can typically dedicate more time to patient care than business operations improving efficiency and quality of care.

Over the next five years the industry is expected to continue moving toward consolidation. This is expected to boost profits and increase bargaining power during negotiations with insurance providers.<sup>3</sup>

However, group practitioners have less input in practice decisions and less control over staffing, scheduling, and caseload, sometimes resulting in a lack of autonomy and less job satisfaction for the individual physicians.

## Types of Podiatry Practices in 2021



Source: [Podiatry Management](#)

Despite the financial benefits of multispecialty and group practices, many podiatrists enjoy the autonomy, independence, and sense of pride achieved through the solo practice model. With dedicated staff and resources, solo practitioners are granted more freedom and flexibility for creative problem solving and can build better connections with their patients.

Additionally, some studies demonstrate that solo practitioners and their staff are less likely to experience burnout due to higher levels of autonomy and a more rewarding work environment.<sup>15</sup>

However, with limited resources, many solo practitioners often feel a greater impact from the varying sources of competitions, including the growing number of multispecialty practices. Podiatrists wishing to remain in solo practice must consider new revenue streams to improve patients care and differentiate in the marketplace.

Solo podiatrists can leverage the unique benefits of their business model by streamlining expenses to reduce overhead, and can distinguish their services by developing a rapport with patients to build loyalty and generate referrals.<sup>3</sup>



## SPECIALIZE & DIFFERENTIATE

With growing competition, specializations are becoming increasingly important for private podiatry practices in order to differentiate and remain relevant.

With a specialty, podiatrists can gain a competitive advantage by investing in and excelling at specific services. Not only does this attract

new patients, especially through referrals, but it elevates perceptions of quality and allows the physician to charge more for their expertise and heightened quality of care.<sup>3</sup>

This gives podiatrists who specialize the opportunity to out-earn those who don't by increasing the value of their services.

# PATIENT TRENDS

The U.S. population is expected to grow by more than 10% in the next decade—more than 42% of whom will be 65 or older.<sup>10</sup> As the population continues to age, there will be increased rates of chronic diseases, such as diabetes.<sup>17</sup>

Furthermore, the growing elderly population is adopting an increasingly active lifestyle. The need for foot and ankle care is expected to increase due to this demographic's higher susceptibility to injury.<sup>3</sup>

According to the Illinois Podiatric Medical Association (IPMA), 75% of Americans experience foot health problems, but only 5% visit a foot and ankle specialist each year. While Americans tend to overlook the importance of foot and ankle care as an essential part of overall health and wellbeing, this perspective is expected to change as more healthcare professionals boast the importance of preventative care.<sup>3</sup>

Additionally, many insurance providers now recognize the importance of preventative foot and ankle care to decrease healthcare costs, especially for diabetic individuals. With expanded coverage, podiatric care will become more accessible providing steady demand for podiatric services.<sup>3</sup>



Diabetes has become an epidemic in the United States affecting millions of Americans. In 2020, it was the eighth leading cause of death in the United States.<sup>17</sup> Morbidity and mortality disproportionately affect elderly, African American, Indigenous American, and Hispanic patients.<sup>3</sup>

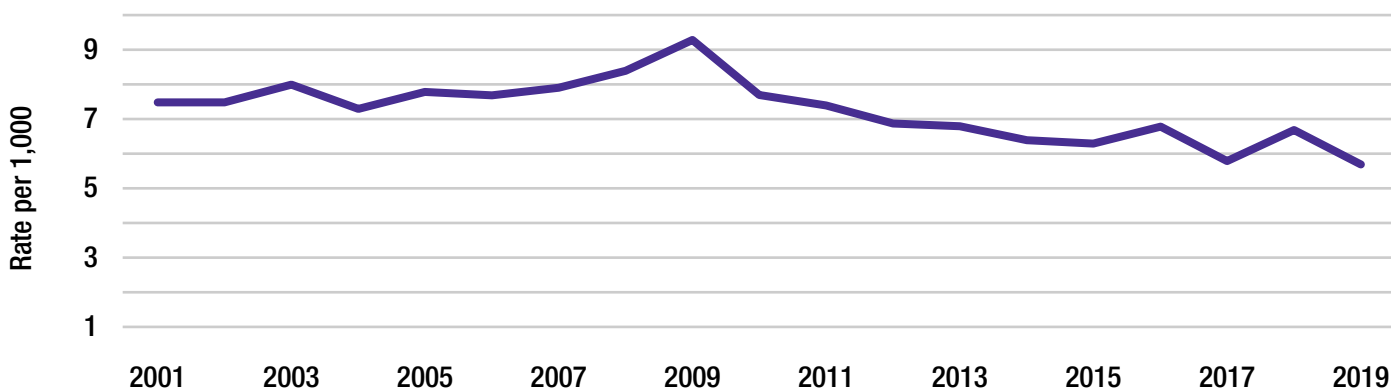
After almost two decades of continual increases, the incidence of newly diagnosed cases of diabetes decreased from 2009 to 2019.<sup>17</sup> However, total prevalence of diabetes and related complications are expected to continue in an upward trend over the next 5 years.<sup>3</sup> As a result, more diabetic patients will require podiatrists

to manage their foot-related ailments, such as peripheral neuropathy and ulcers.

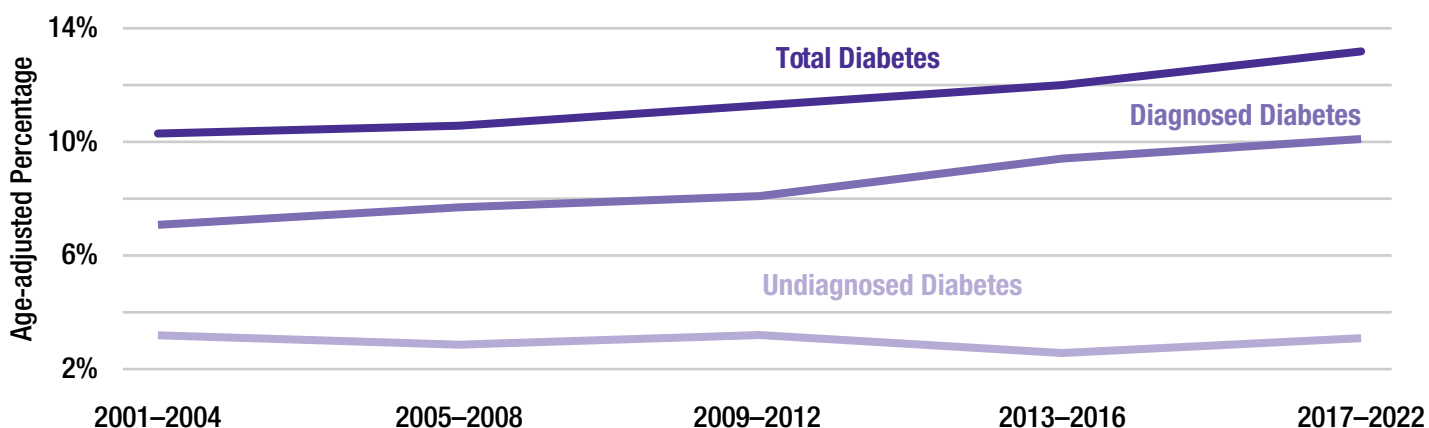
With an understanding that regular podiatric care is vital for diabetic patients, health insurance companies are expanding coverage and providing incentives to diabetic individuals to visit podiatry clinics in their network.<sup>3</sup>

With the raising prevalence of diabetes and increasingly complicated cases, podiatrists must explore new and innovative treatments and technologies to help prevent and manage diabetic foot problems.

## Trends in Incidence of Diagnosed Diabetes Among Adults



## Trends in Prevalence of Diagnosed, Undiagnosed, and Total Diabetes Among Adults



As we emerge from the initial shock of the pandemic, practices around the country are seeing their patient volumes rebound to normal levels. The economic security of private podiatry practices is reliant on reengaging patients and leading them back on the path toward regular health care post-COVID.

A silver lining to the mass disruptions caused by the pandemic is an opportunity to reevaluate healthcare models and best practices to address patients' pre-pandemic pain points while adapting to new trends and preferences.

Patients are growing increasingly interested in pursuing an active role in their health care. They are looking for tools that put them in control of how they receive care and access information.

Providers have an opportunity to leverage technology that empowers patients to actively

engage in their health care to improve satisfaction and lead to better health outcomes.<sup>19</sup>

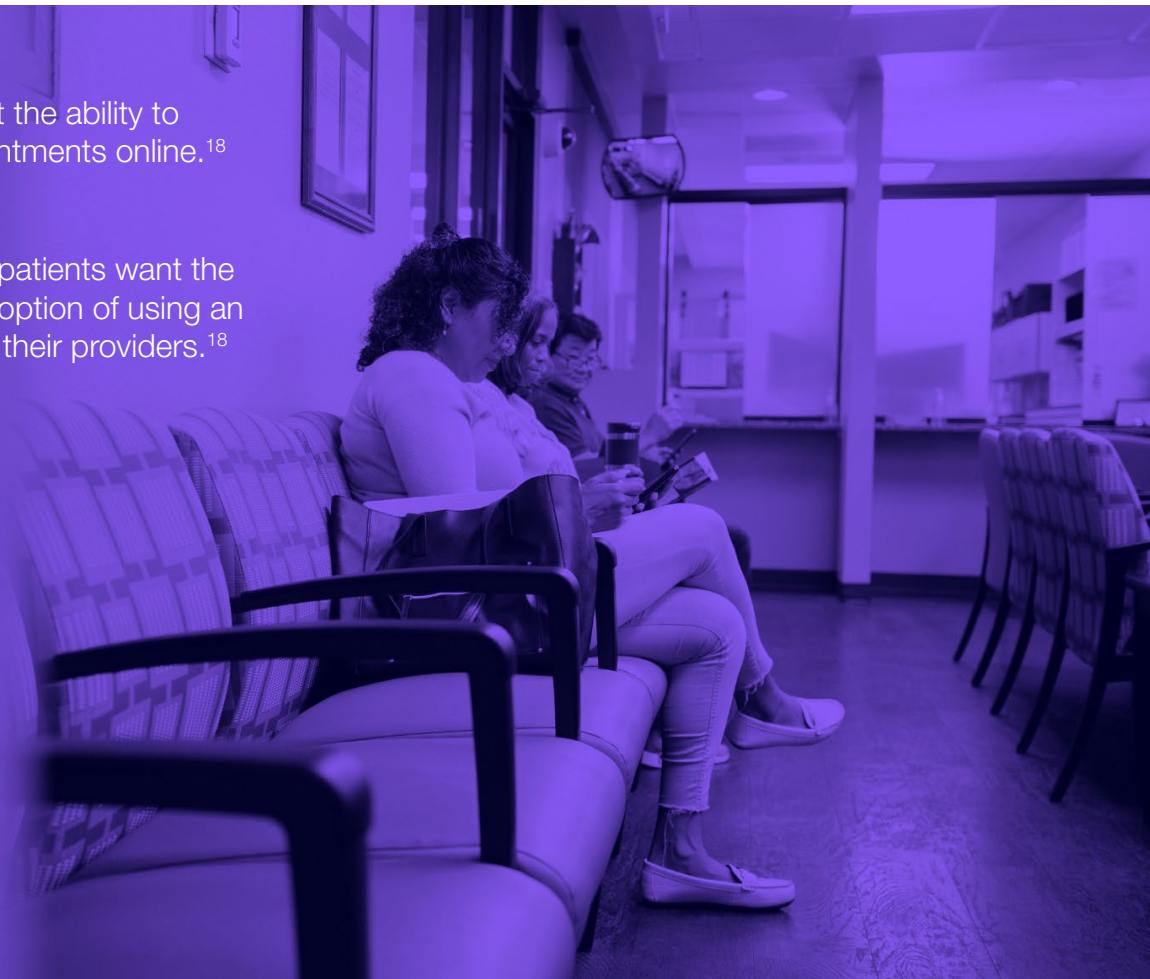
Technologies such as online appointment scheduling tools, digital pre-appointment forms, self-check-in, electronic health records, and online payment processing tools offer convenience to patients while decreasing the burden on administrative staff.

These tools streamline workflows and bring much-needed relief to staff by removing tedious tasks, allowing them to dedicate more of their time to revenue-generating practice services.

Understanding patient pain points and communicating how your practice is using technology as a solution is vital to restoring patient confidence in their decision to resume receiving care post-pandemic.

**73%** of patients want the ability to schedule appointments online.<sup>18</sup>

**7 out of 10** patients want the option of using an online portal to interact with their providers.<sup>18</sup>



The United States saw nearly 92,000 drug overdose deaths in 2020—3 out of 4 involved an opioid. This is a 30% increase from 2019.<sup>20</sup>

In response to the well documented opioid epidemic, the Centers for Disease Control and Prevention updated and expanded their clinical practice guidelines for prescribing opioids in November of 2022. These guidelines provide evidence-based recommendations for managing pain in an outpatient setting to ensure the safest and most effective pain care is provided. This includes determining whether or not to initiate opioids, opioid selection and dosage, opioid duration and follow-up, and assessing risk and addressing potential harms of opioid use.<sup>21</sup>

These guidelines are based on new evidence that has emerged since their previous guidelines released in 2016. It expands on the prior edition by providing clarity on previously suggested strategies to mitigate risk, such as tapering, and by thoroughly considering alternative therapies for a variety of conditions.

The therapies evaluated include laser therapy, stretching and exercise, manual therapies, acupuncture, and others varying by condition type.

To formulate these guidelines, the CDC followed a rigorous scientific process, including expert consultation, peer reviewers, public commentary, patient and clinician outreach, and an independent federal advisory committee.

These guidelines are intended to help improve communication and empower physicians and their patients to make informed decisions regarding appropriate and effective pain treatments while carefully considering the benefits and risks of all treatment options.

While the CDC's guidelines are voluntary recommendations, some states have taken action to address the opioid epidemic by passing legislation to limit opioid prescriptions. Likewise, patients' interest in alternative pain management techniques is on the rise.

This calls for physicians to consider new pain management protocols that meet patients' needs while reducing the risk and reliance on opioid and other pharmaceutical pain killers.

[Read the Updated CDC Clinical Practice Guidelines for Prescribing Opioids for Pain](#)

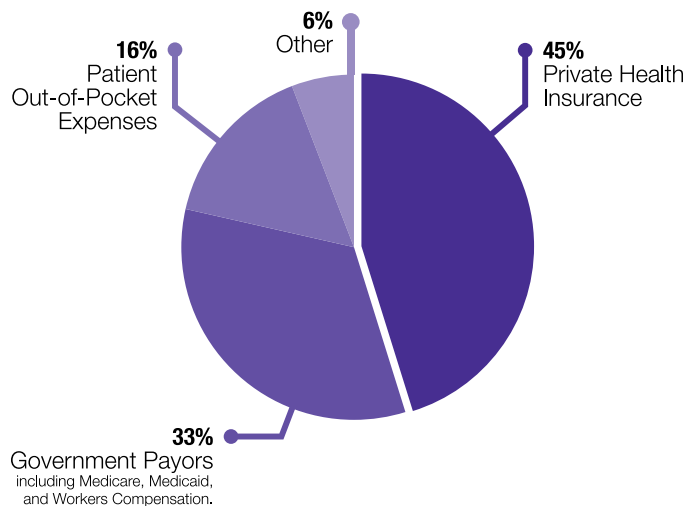


According to a recent survey by Podiatry Management, podiatrists are collecting an average of 56% of their listed fees. However, results varied widely; One in eight respondents collected 20% or less.<sup>14</sup>

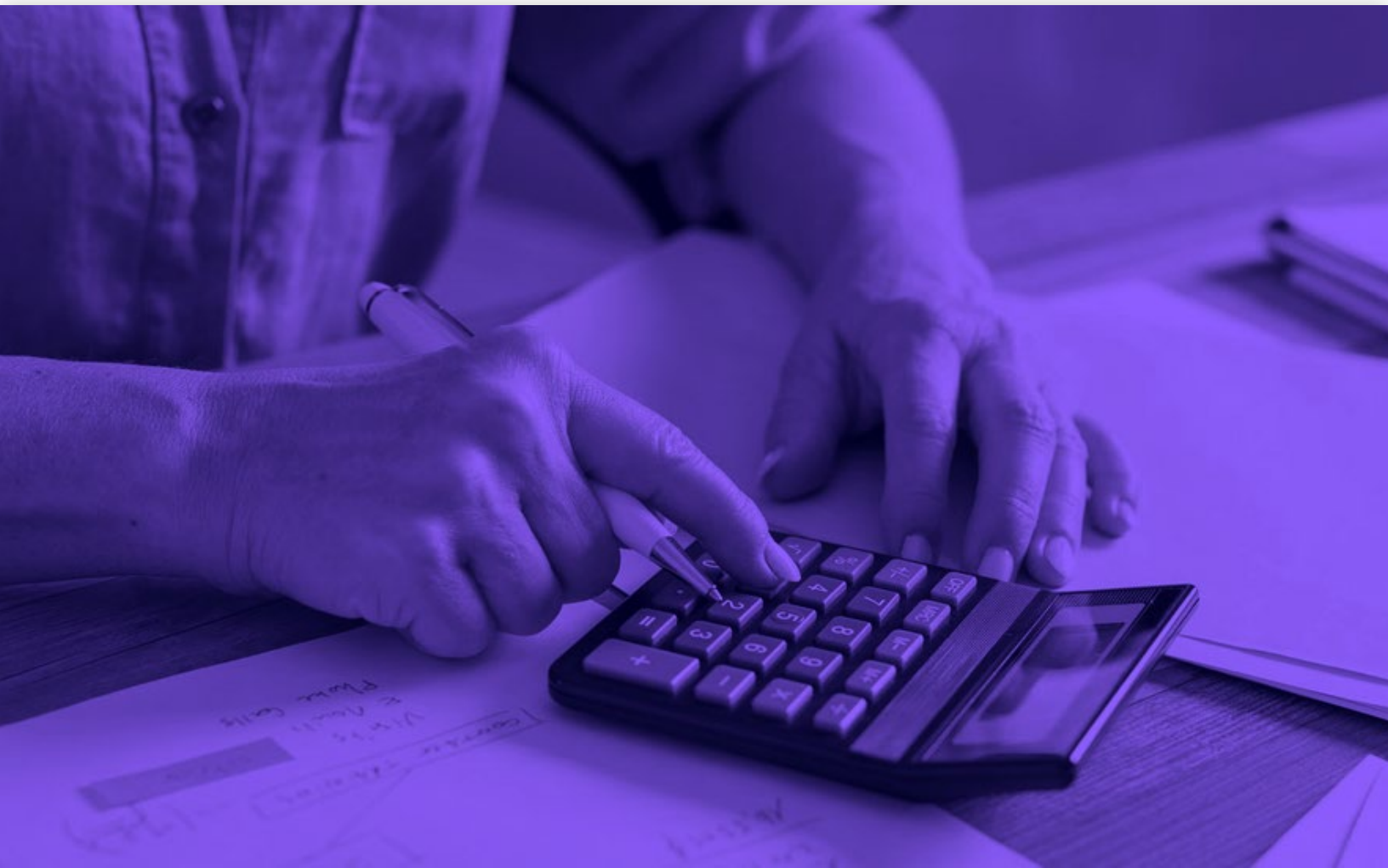
Declining reimbursements are impacting the bottom line for medical service providers across the board. However, Medicare, Medicaid, and private health insurers do not cover routine foot and ankle care to the same degree as visiting a primary-care physician. Because of this, podiatry services have become more dependent on patients' out-of-pocket expenditures than other medical services.<sup>3</sup>

It is essential to offer specialized services that provide superior results with fees set at a level that maximize practice profitability while remaining attractive to patients.<sup>3</sup>

## Podiatry Practice Revenue Sources in 2020



Source: [IBISWorld](#)



With over 20 years of experience, Cutting Edge Laser Technologies understands the unique challenges that private podiatry practices face in the ever-changing landscape of patient care. As a world leader in light-based pain management technologies, our opportunity to help podiatrists is huge!

Since our founding in 2001, our mission has remained the same: provide high-value medical equipment to healthcare professional that will elevate quality of care while strengthening their bottom line.

Cutting Edge is the exclusive provider of the patented, clinically validated, and FDA-cleared **Multiwave Locked System® (MLS) Therapy Lasers.** From portable models to the fully robotic M6 MLS Therapy Laser, our products are designed to meet a variety of practice needs.

The unique Cutting Edge MLS Laser Therapy technology coupled with our world-class training, customer support, and marketing programs enable podiatrists to combat modern practice management challenges while effortlessly implementing innovative and in-demand services into their practice.



Given changes to reimbursement models and growing pressure on profit margins, it is vital for podiatrists to consider expanding revenue streams with new services that satisfy patient needs while creating new sources of income.

Laser therapy meets both criteria by allowing podiatrists to offer a painless, noninvasive, non-pharmacological pain and inflammation management alternative that provides additional cash-based income opportunities.

While laser therapy treatments are typically not

covered by health insurance, it is an effective and well-researched option that a growing number of patients are considering for their difficult-to-treat conditions that have not responded well to other therapies.

Patients are becoming increasingly hesitant to take opioids and other strong pain medications due to their potentially harmful side effects. Many also want to avoid painful injections and invasive surgical procedures that may require downtime. This makes laser therapy an appealing option despite the out-of-pocket expense.

## IMPROVED EFFICIENCY AND PRODUCTIVITY

As technology evolves, lasers are becoming more effective and are producing better clinical outcomes with shorter treatment times.

Based on over 30 years of research, the Multi-wave Locked System (MLS®) was developed in an effort to produce an efficient and simultaneous effect on pain and inflammation, exceeding the limitations of traditional low level therapy lasers while avoiding concerns of many other higher power Class IV therapy lasers.

This technology has been adapted into a fully robotic emission system, allowing for unattended and hands-free treatment sessions. By eliminat-

ing the need for a dedicated technician, robotic laser therapy allows for a patient to safely receive treatment while physicians and staff dedicate their attention to other patients and practice services.

By leveraging advanced therapeutic technologies for better patient outcomes and improved productivity, private podiatry practices have the opportunity to differentiate their services from an array of competitors while decreasing their reliance on insurance reimbursements.

### Download the MLS® Laser Therapy Indications Checklist.

Identify patients in your practice who could benefit from MLS Laser Therapy treatments.



Private podiatry practices are likely to continue facing considerable challenges in 2023 due to the ongoing effects of the pandemic, changing patient preferences, and increasing competition.

It is vital for practice leadership to understand, analyze, and respond to trends in order to thrive in a post-pandemic world. Despite potential obstacles, the need for providers to adopt new technologies and care delivery models is growing.

With rising competition, specializing in advanced treatments and therapies is becoming increasingly important for private practices to differentiate themselves and remain relevant.

By focusing on cash-based services that provide superior clinical results, private podiatry practices have the opportunity to strengthen their revenue streams while increasing the value of their services.



## Better Medicine. Better Business.

Discover how MLS® Laser Therapy from Cutting Edge Laser Technologies can elevate patient care while strengthening your bottom line at [CELasers.com](http://CELasers.com) or call **800.889.4184 x125**.



## References

1. Rogers, L.C. et al. (2020) *All feet on deck—the role of podiatry during the COVID-19 pandemic: Preventing hospitalizations in an overburdened healthcare system, reducing amputation and death in people with diabetes*, Journal of the American Podiatric Medical Association. Available at: <https://pubmed.ncbi.nlm.nih.gov/32208983/>
2. Strazewski, L. (2022) *How private practices can adapt amid burnout, staff shortages*, American Medical Association. Available at: <https://www.ama-assn.org/practice-management/private-practices/how-private-practices-can-adapt-amid-burnout-staff-shortages>
3. Spitzer, D. (2020) *Podiatrists in the US*, IBISWorld. Available at: <https://www.ibisworld.com/united-states/market-research-reports/podiatrists-industry/>
4. Czeisler, M.É. et al. (2020) *Delay or Avoidance of Medical Care Because of COVID-19–Related Concerns — United States, June 2020*, Centers for Disease Control and Prevention: Morbidity and Mortality Weekly Report, 69(36), pp. 1250–1257. Available at: [https://www.cdc.gov/mmwr/volumes/69/wr/mm6936a4.htm?s\\_cid=mm6936a4\\_w](https://www.cdc.gov/mmwr/volumes/69/wr/mm6936a4.htm?s_cid=mm6936a4_w)
5. *Pandemic-driven deferred care has led to increased patient acuity in America’s hospitals* (2022) American Hospital Association. Available at: <https://www.aha.org/guidesreports/2022-08-15-pandemic-driven-deferred-care-has-led-increased-patient-acuity-americas>
6. Harrop, C. (2022) *Healthcare in 2023: Staffing is still the biggest challenge for practices as financial worries grow*, Medical Group Management Association. Available at: <https://www.mgma.com/data/data-stories/healthcare-in-2023-staffing-is-still-the-biggest-c>
7. Harrop, C. (2022) *Medical assistants remain elusive for practices navigating a staffing crisis*, Medical Group Management Association. Available at: <https://www.mgma.com/data/data-stories/medical-assistants-remain-elusive-for-practices-na>
8. *A physicians guide to keeping your practice open during the ongoing COVID-19 pandemic* (2022), American Medical Association. Available at: <https://www.ama-assn.org/delivering-care/public-health/covid-19-physician-guide-keeping-your-practice-open>
9. Robeznieks, A. (2022) *Doctor shortages are here—and they’ll get worse if we don’t act fast*, American Medical Association. Available at: <https://www.ama-assn.org/practice-management/sustainability/doctor-shortages-are-here-and-they-ll-get-worse-if-we-don-t-act>
10. Harmon, G. (2022) *Why we must act now to ensure an adequate physician workforce*, American Medical Association. Available at: <https://www.ama-assn.org/about/leadership/why-we-must-act-now-ensure-adequate-physician-workforce>
11. McCurdy, B. (2008) *Is there a DPM shortage on the Horizon?*, Podiatry Today, HMP Global. Available at: <https://www.hmpgloballearningnetwork.com/site/podiatry/is-there-a-dpm-shortage-on-the-horizon>
12. Richie, D. (2014) *Why aren’t more people choosing a career in podiatric medicine?*, Podiatry Today, HMP Global. Available at: <https://www.hmpgloballearningnetwork.com/site/podiatry/blogged/why-arent-more-people-choosing-career-podiatric-medicine>
13. *Statistics: Historical Trends of Applications* (2021), American Association of Colleges of Podiatric Medicine. Available at: <https://aacpm.org/statistics-2/>
14. Kloos Donoghue, S. (2022), *39th Annual Survey: Surviving the Challenges of the Pandemic*, Podiatry Management. Available at: [https://podiatrym.com/Annual\\_Survey\\_report2.cfm?id=2845](https://podiatrym.com/Annual_Survey_report2.cfm?id=2845)
15. Edwards, S.T. (2018), *Burnout Among Physicians, Advanced Practice Clinicians and Staff in Smaller Primary Care Practices*, Journal of General Internal Medicine, 33(12), pp. 2138-2146. Available at: <https://pubmed.ncbi.nlm.nih.gov/30276654/>
16. *Occupational Outlook Handbook, Podiatrists* (2022), Bureau of Labor Statistics, U.S. Department of Labor. Available at: <https://www.bls.gov/ooh/healthcare/podiatrists.htm>
17. *National and State Diabetes Trends* (2022), Centers for Disease Control and Prevention. Available at: <https://www.cdc.gov/diabetes/library/reports/reportcard/national-state-diabetes-trends.html>
18. *The State of Patient Access 2.0* (2021), Experian Information Solutions, Inc. Available at: <https://www.experian.com/healthcare/resources-insights/thought-leadership/white-papers-insights/state-of-patient-access-survey-2>
19. *Patient Engagement* (2021), Centers for Disease Control and Prevention. Available at: <https://www.cdc.gov/healthliteracy/researchevaluate/patient-engage.html>
20. *Drug Overdose Deaths* (2022), Centers for Disease Control and Prevention. Available at: <https://www.cdc.gov/drugoverdose/deaths/index.html>
21. *CDC Releases UPDATED Clinical Practice Guideline for Prescribing Opioids for Pain* (2022), Centers for Disease Control and Prevention. Available at: <https://www.cdc.gov/media/releases/2022/p1103-Prescribing-Opioids.html>