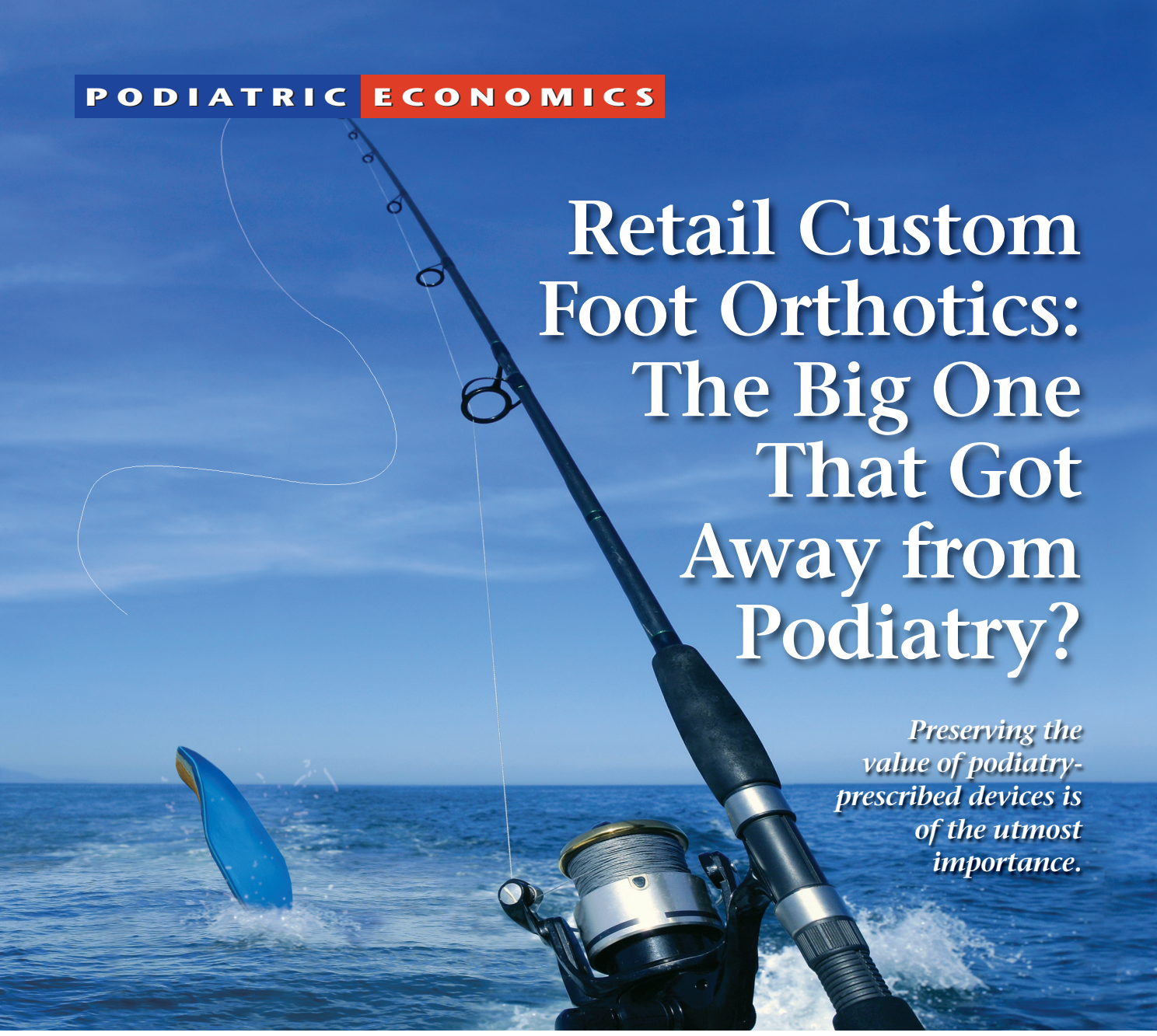

Retail Custom Foot Orthotics: The Big One That Got Away from Podiatry?

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

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By Jason Kraus

There is good news and bad news when it comes to foot orthotics. The good news is that more Americans are purchasing foot orthotics to help alleviate painful foot ailments than ever before. The bad news is that they are not getting them from podiatric physicians. Where are Americans increasingly purchasing their foot orthotics from? The answer is varied. Broadly, two main categories have emerged; healthcare providers and retail foot health enterprises. Within each of these there are many different groups or business types which dispense "foot orthotics" to foot suffering patients. Sadly, podiatrists, the early pioneers and developers of this important therapeutic modality, have been steadily losing market share over the last two decades. Undeniably, the fastest growing area where Americans are getting their foot devices is at retail.

Retail opportunities for "custom" foot orthotics encompass both the traditional brick and mortar stores and many online ordering opportunities. While the podiatry-dispensed market for foot orthotics has remained relatively flat for a protracted period of time, the number of people getting foot devices elsewhere has been exploding over the past decade. These trends represent an incalculable missed opportunity for podiatry and may portend even greater financial challenges in the future.

It is not unthinkable that podiatry may ultimately become a non-factor in the prescribing and dispensing of custom made foot orthotics. Certainly, the rapid explosion of non-podiatric alternatives for dispensed appliances would suggest that podiatrists are becoming a less and less important part of the process. Over the past several decades, the podiatric physician has evolved to the very narrow end of the funnel for people seeking pain relief from functional orthotics. In sharp contrast, just three decades ago, the podiatry community enjoyed virtual exclusivity for these items. It has been estimated that foot orthotics

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produce several hundred million dollars of practice revenue for the podiatric profession. Further erosion of orthotic dispensing should be a cause for 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 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 conflating of scientific knowledge and lifestyle changes. The knowledge leap was what became known as "podiatric biomechanics" and 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 their 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 and other fitness fads started leaving many people with lower extremity injuries and because podiatry had just recently acquired these important new skill sets, patients flocked to 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.

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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 awhile 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 change 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 super star surgeon or a biomechanical whiz, you were beginning to get paid less for the services you provided. There were several unintended consequences of this economic shift which has 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 innovation from the orthotic manufacturers. 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 between $8-$20 of profit. Podiatrists on the other hand were generating approximately $200-$300 profit. As reduced fees began to erode overall

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practice profitability, podiatrists were beginning to demand price concessions from all of their suppliers, including their orthotic companies. With virtually no entry barriers, small new labs began popping up all over the place willing to comply with the low price demands of their customers. This trend has not yet ended. There are many labs which have not raised their fees in ten years. The larger labs, who had been responsible for all of the innovations during the 1970s and 1980s, either scaled back or stopped altogether their product development investments. The markets seemed less and less willing to pay for these innovations, and the labs needed to remain economically viable. By not continually innovating, the laboratory world became easier and easier to copy and the specialized needs of the prescribing podiatrists became less and less necessary. Essentially, the seeds of commoditizing orthotics were beginning to be sewn.

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 plaster slipper casts and labs started receiving crush box orders every day. Because biomechanical examinations became less prominent, the specialized prescriptions also became less frequent. Poorly taken casts with incomplete or inadequate prescriptions began to fill the capacity of laboratories around the country. Obviously, this didn't reflect every practice, but the number of "plain vanilla" orthotic orders were increasing at an alarming rate.

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A downward spiral was being created. The understanding and attention to the underlying biomechanical principals was less and less evident from the practices, and the manufacturers were being asked to do more and more with less revenue. Something had to give. Innovation was only the first casualty. Labs, still unable to raise prices, needed to make other changes in order to absorb their ever-increasing costs. To be fair, many labs did develop more efficient manufacturing methods, just as many podiatrists resisted practice shortcuts. But other labs began to cut other corners as well. The Root methods for preparing casts and balancing deformities diminished. The level of professional support from the laboratories was lost or reduced. 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. Again, all of these changes had the effect of reducing the need for specialized production and the clinical expertise that was inherent during the early years. Everyone's bar was lowered.

Other Providers and Savvy Retailers

While that was happening in podiatry, there were other healthcare practitioners who were feasting on the newly created opportunities. Physical therapists, pedorthists, orthotists and chiropractors were only too willing to make the intellectual investment necessary to get involved with foot orthotics. Many patients, who only a decade earlier would have found their way to a podiatry practice, were now able to obtain their foot orthotics elsewhere. It is now 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. If anything, the demand was going in the opposite direction. As our culture remained committed to fitness and as the baby boomers began to age, the number of lower extremity problems has continued to grow. So, with the quality and complexity of orthotics in decline, and the need for them increasing, it was only a matter of time before patients were going to be transformed into consumers. The 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 getting a piece of what was thought to be a very lucrative market. Remember, labs were only generating about a $15 profit for a pair of 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. If you scratch deep enough, there was still a podiatrist or laboratory involved. The opportunity that retail foot care represented was starting to get the attention of large companies as well. The latest iterations of the retail efforts leverages the 2D and 3D scanning technologies that are available today.

So whether it's one of thousands

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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 this? Probably not. Does this make it more difficult for podiatrists to do a good job with orthotics? Absolutely! Patients are coming into offices every day with failed orthotics and podiatrists have to walk the tricky line between telling them that they may have been misled (or worse, ripped off) and the fact that they still do need a properly prescribed and crafted functional foot orthotic. It is hard to know if all of these retail opportunities would have existed if the early standards had been maintained, given the current drive to reduce costs. One thing is certain, Podiatry, in concert with their suppliers, made it relatively easy for the shift from professional to retail to take place.

Tactics and Strategies

The genie is out of the bottle, and most likely will never be completely put back in. There are, however, tactics and strategies that can be instituted that will help maintain the relevance and value of a podiatry-dispensed orthotic. While much of the same pressures exist in Canada, the healthcare system and insurance industry have maintained strong reimbursement for foot orthotics. This is turn has cushioned the health care providers from retailers because the foot suffering patients have a fundamental belief that they will be best served by trained professionals. For some insurance plans prescriptions are required for foot orthotics and there are specific specialties identified as proper to provide those prescriptions. Furthermore, some insurers have identified certain manufacturing standards in order to utilize the term custom-made functional foot orthotics. These approaches have had the effect of minimizing the impact of enterprising retailers.

The fact remains that podiatrists are the best-trained and most highly skilled professionals to deal with foot problems. The thorough understanding of foot mechanics, foot deformities, compensatory actions of various joints in feet and orthotic modifications should 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, rather than what could have been the best solution. These practice compromises should be minimized. Your measure of success should be more than a 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 more important question for a physician to ask is whether they are actually getting better, or simply getting worse more slowly. If you can get them better, then no other consideration should trump that.

In the second half of the 80's scientific conferences began to diminish their biomechanical content.

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 complying 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 the 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.

Become familiar with this scientific work 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 the "custom fit" products that they are exposed to 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. ■

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