EXECUTIVE SUMMARY

A survey of the podiatric practices of 8,273 active members of the APMA was conducted from March to April of 2007 with 3,043 members responding for a response rate of 37%.

Major Findings

General Practice Information

In 2007, most APMA members were owners (84%) rather than employees (12%) or independent contractors (3%). Incorporation rates were: 45% for solo practices, 58% for partnerships and 72% for group practices.

- Members largely practiced in either an urban or suburban areas (81%) located in the South (29%), Midwest (25%), Northeast (26%) and West (19%). Most members held active licenses in only one state (78%).
- Solo practice was the primary arrangement of 50% of the respondents in 2007, a decrease from 55% in 2005.
  - Older podiatrists (over the age of 45) tended to be in solo practice while younger members (under the age of 45) were more likely to be in group practice.
  - Practice arrangements differed by gender. More male podiatrists practiced in a solo practice setting (51%) than did their female colleagues (44%).
- In the 2007 study, most members (57%) reported having less than 20 years of podiatric experience. While 6% have less than three years of experience, another 6% had 35 years or more of podiatric experience.
- Overall, most podiatric practices were small. Most of the practices have only one or two doctors. The average partnership has 2 doctors and the typical podiatric medical group had 3 podiatrists.
- The staff size of the typical solo practice was 3 staff in 2005 and 2007. The size of the typical partnership staff was 7 staff in 2007, the size of the typical staff for a podiatric medical group staff was 8 staff and the typical size for a multi-specialty group was 6 staff. Separate data were collected on full-time staff versus part-time staff in 2007.

Educational Background and Student Loan Indebtedness

- In 2007, most members graduated from a podiatric medical college after 1985 (59%).
- Most completed a residency program in podiatric medicine (92%).
  - In the 2005 study, far fewer (79%) podiatrists reported completing a residency program than in previous waves of the study (2002: 90%, 1999: 90%, and 1996: 87%), but the 2005 finding may be a statistical artifact.
- Most members completed a residency program in surgery in the 2007 survey (71%).
  - The most common residency program for current members was PSR-12 (37%).
  - 5% completed PM&S programs in 2005 and 2007.
In 2007, the percentage of APMA members who had student debt at graduation was 88%. Most members reduced or eliminated their original student debt, although 40% still carried debt as of December 31, 2006.


Most respondents reported in 2007 that they were board certified by either the American Board of Podiatric Surgery (ABPS, 55%) or the American Board of Podiatric Orthopedics and Primary Podiatric Medicine (ABPOPPM, 20%).

9% of the respondents were board certified by both ABPS and ABPOPPM.

2006 Practice Patterns

APMA members reported working just as hard in 2006 as they did in 2004 and 2001. This is represented by the consistent number of patient visits per week (median: 100 visits in 2006, 2004 and 2001) and the consistent number of hours worked per week, i.e., the typical member worked a 40 hour week in 2006, 2004 and 2001.

Differences were found by age and gender:

Members 45 and over averaged 103 patient visits per week whereas younger members (under the age of 45) averaged fewer visits per week (95 visits). Male members reported a significantly higher average number of patient visits per week (103 visits) than female members (82 visits).

Higher average hours worked per week were reported by members under the age of 45 (43 hours) compared to 39 hours, on average, reported by members age 45 and over. Higher average hours worked per week were reported by male members (41 hours) than female members (37 hours).

In general, younger members and male members worked longer hours and treated more patients than older members and female podiatrists. That was the case in previous practice surveys as well.

95% of the respondents had privileges at local hospitals. More respondents had Active privileges in 2006 (78%) than in 2004 (75%). The second most frequently held privileges were Courtesy privileges (31% in 2006 vs. 32% in 2004).

Younger members were more likely to have Active privileges while older members were more likely to have Courtesy privileges.

Most members indicated that they had hospital privileges that allow them to practice to the full scope of their license in 2006 (85%).

In addition to hospital privileges, 75% of the members had privileges at an accredited outpatient surgery center in 2006, significantly more than in 2004 (68%).
Gross Income for Practice Owners

- A dramatic increase in the gross incomes of practice owners was found for 2006. The median gross income in 2006 was $400,000, compared to an estimated $275,000 in 2004.
  - A much higher percentage of members reported gross incomes over $500,000 in 2006 (37%) than in 2004 (20%) and 2001 (14%).
  - In contrast, fewer members reported that their 2006 gross income was between $101,000 and $300,000 (37%), compared to 42% in 2005 and 46% reported in 2001.
- Patient visits per week and ABPS Board Certification were the two best predictors of net and gross income in 2006. These two measures proved to be better predictors of practice income than other factors such as age, experience, gender, and ethnic background.

Personal Net Income

- Net income in 2006 increased substantially from 2004. The median net income in 2006 was $150,000, compared to an estimated $137,500 in 2004.
  - In 2006, a higher percentage of respondents reported total net incomes over $150,000 (49%) than in 2004 (39%) and 2001 (32%).
  - Contributing to this shift in 2006 was a statistically significant increase in net incomes over $300,000 (13% in 2006, compared to 9% in 2004 and 6% in 2001).
- Net income was much higher in 2006 for members with high volumes of total patient visits each week. Members who saw fewer than 50 patients a week earned $80,000 while members who saw 50 or more patients earned 6-figure incomes.
- Net income was also higher in 2006 for members with ABPS board certification. While 28% of board certified members earned over $250,000, only 8% of qualified members did so, and only 12% of members who were neither certified nor qualified.
- Net income increased proportionately with the size of the practice. As the number of doctors in a group increases, so does their individual income. Members in group practices earned more than members in solo practice.
- Most members derived their practice income primarily from practice earnings (56%) as opposed to fixed salaries (9%), salary + bonus arrangements (15%), or income based on production (19%).
Earnings of Recent Associates

- The 2007 survey provided information about the starting salaries of recent associates.
- The median starting salary for associates with less than 10 years experience was $60,000 in 2007, compared to $55,000 in 2005. The average starting salaries for recent associates were $66,751 in 2007 and $60,335 in 2005. Recent increases in starting salaries are noteworthy.

Changes in Income from 2005 to 2006

- More members said their net income increased from 2005 to 2006 (48%) than said that it decreased (21%). More podiatrists reported no change in net income between 2005 and 2006 (31%) than between 2003 and 2004 (28%).
  - 41% of those who experienced an increase in net income between 2005 and 2006 cited a change in patient volume as the primary cause of the increase, while 39% of members whose income decreased between 2005 and 2006 said that a change in reimbursement caused the decrease.

Sources of Income

- In total, 96% of the APMA members active in 2006 reported participation in one or more insurance plans. Participation rates varied by type of practice, with higher participation rates reported by members in solo practices, partnerships and groups, hospitals and academia.
- On average, the major sources of income to members in 2006 were Medicare (39%) and Managed Care, excluding Medicare and Medicaid (36%). In 2004, the percentages were Medicare (40%) and Managed Care, excluding Medicare and Medicaid (30%).
- Over half of the APMA members (56%) participated in 5 or more managed care plans in 2006, significantly more than in 2004 (49%).
- In 2006, participation in 6 or more managed care plans was higher for ABPS certified members (56%) who practiced in the Northeast, South and Midwest (52%-53%) in smaller than 6-member groups (53%-55%). In contrast, members ABPS board qualified (30%) in practices with 6 or more physicians (24%) located in the Western Census region (33%) were the most likely to participate in only one or two managed care plans.

Employee Benefits

- The 2007 survey included a new question on the types of employee benefits provided to members by their practice.
  - The benefits most frequently provided to members were malpractice insurance (82%), APMA dues (77%), other professional dues (62%), CME allowances (67%) and health insurance (64%).
  - An employer-provided retirement plan was reported by 59%.
  - In contrast, the benefits least often provided to members were a company car (30%), personal leave (34%), sick leave (38%) and life insurance (39%). Disability insurance was provided to 45% and vacations to 55%.
Use of Electronic Medical Record Systems

- The 2007 survey included a new question on the use of electronic medical systems by members in their practices.
  - The majority of the APMA members reported that they do not use a full EMR system, (51%), but 49% reported some EMR usage.
  - While 17% reported having a full EMR system in 2007, i.e., a “paperless office”, 32% reported having only a partial EMR system; 51% indicated that they use all paper records.

Final Observations

- Many of the 2006 findings confirmed results previously found in 2004, 2002, 1997 and 1995, although small fluctuations were common.
- Some of the fluctuations between 2006 and 2004 were attributed to a statistical anomaly resulting from a much higher percentage of APMA members with 35 or more years experience in the 2005 survey than in the 2007 survey and previous surveys.
- On average, members earned more net income and substantially more gross income in 2006 than in 2004, 2001, 1997 and 1995. As more members practice in groups, gross income for practices can be expected to increase faster than net income.
- Changes in net income from 1995 to 2006 were evaluated by comparing selected practice and demographic characteristics of respondents to the 2007 survey with results from previous surveys. Four trends were observed which taken together may help explain the 9% increase in median net income from $137,500 in 2004 to $150,000 in 2006:
  1. A continuing increase in the percentage of members in multi-specialty group practices and a corresponding decrease in solo practitioners;
  2. Continued increases in residency completion rates including surgery program completions;
  3. Increases in surgical privileges in hospitals and outpatient surgical facilities; and
  4. Increases in the age and experience of the membership.
- There continues to be a high level of practice activity reported retrospectively by active respondents, but increases in net income may reflect factors other than traditional practice activities such as patient visits. The 2007 Young Members supplemental survey suggests other reasons for increased income, e.g., outside sources of income, changes in the mix of services to include more surgery and orthopedics/biomechanics, bonuses based on practice earnings, etc.
- Because the present survey included an analysis of employee benefits in addition to the traditional topics of earnings and productivity, survey findings could be organized for consideration by a member who wishes to compare various podiatric employment arrangements on the basis of working conditions, income and benefits. Practice owners in turn can use the same information to assess their competitive position when recruiting. Tradeoffs involving earnings, working conditions and employee benefits were discussed.