Facing The Future of Audiology as a Doctoring Profession: Lessons From Dentistry and Optometry

David J. Smriga, M.A.
President
AuDNet, Inc.

About The Presenter

• David Smriga is founder and president of AuDNet, Inc., a nationwide network of audiology providers working together to build consumer recognition and demand for audiology care
• Masters in audiology, Northern Illinois University, 1976
• 30 year career
  – Positions in clinical and research audiology
  – Senior management positions in product management, training, sales, marketing and public relations with some of the nations leading manufacturers
• Conducted over 400 lectures in North America and Europe and has authored over 40 publications.
What This Presentation Will Cover

- Key indicators that will influence audiology over the next 20 years
- A comparison of certain career factors in the professions of audiology, optometry and dentistry
- How optometry has evolved over the last 20 years and what audiology can learn from this
- How dentistry has evolved over the last 20 years and what audiology can learn from this
- What separates audiology from dentistry and optometry
- The key factors impacting audiology moving forward
- A game-plan for maximizing audiology’s success as a profession

Some Key Influencers In Audiology’s Future

- The cost of an audiology education and the income competitiveness of the audiology profession
- The baby-boomer generation
- The unheralded nature of audiology in hearing care delivery
- Direct access

A “Full-Picture” View of Today’s Audiology Education Requirements

- The original concept (Council of AuD Degree Programs)
  - Elevate the collegial stature and career potential of the audiology profession
    - Move from “technician” status to “care-partner” status
    - Be more competitive with other careers requiring a professional doctorate
No turning back...

Au.D. Graduates by Year

The Cost of an Au.D. Education

- Cost of a 4-year residential Au.D. education
  - A.T. Still $18,725 per year
  - PCO $26,140 per year (-$5000 Dean's Schol.)
  - U. of Florida $13,000 per year (in state)
  - U. of Florida $22,000 per year (out of state)
  - CMU $15,512 per year (in state)
  - CMU $24,437 per year (out of state)
  - Nova $19,000 per year

Data published on university and/or program websites

A Comparison of 3 Professional Doctorates

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Comparing “Debt-to-Income” Ratio

- Professionals with $90,000 of student loan debt:
  - Dentist: Debt = 45-29% of annual income
  - Optometrist: Debt = 107-60% of annual income
  - Audiologist: Debt = 132-74% of annual income

Loan industry recommendation: Limit loan payment to 8% of total income.

NellieMay recommendation: Limit borrowed amount to no more than 1 year of projected income.

Another “Full-Picture” View of Today’s Audiology Education Requirements

<table>
<thead>
<tr>
<th>Training Level and Job Setting</th>
<th>Mean Income (in 2006)</th>
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<tbody>
<tr>
<td>Audiologist working as an employee</td>
<td>$66,000</td>
</tr>
<tr>
<td>H.A. dispenser working as an employee</td>
<td>$66,445</td>
</tr>
<tr>
<td>Audiologist who owns a private practice</td>
<td>$110,000</td>
</tr>
<tr>
<td>H.A. dispenser who owns a private practice</td>
<td>$96,793</td>
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Primary Job Title | Total Comp. | % of W.F. | Total Comp. | % of W.F. | Total Comp. | % of W.F. |
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<tr>
<td>Staff Audiologist</td>
<td>61,000</td>
<td>54%</td>
<td>66,000</td>
<td>52%</td>
<td>68,530</td>
<td>55%</td>
</tr>
<tr>
<td>Researcher</td>
<td>75,000</td>
<td>6%</td>
<td>84,000</td>
<td>5%</td>
<td>85,344</td>
<td>5%</td>
</tr>
<tr>
<td>Faculty</td>
<td>75,000</td>
<td>7%</td>
<td>84,000</td>
<td>6%</td>
<td>85,940</td>
<td>6%</td>
</tr>
<tr>
<td>Mgr./Supervisor</td>
<td>85,000</td>
<td>5%</td>
<td>96,000</td>
<td>4%</td>
<td>97,911</td>
<td>4%</td>
</tr>
<tr>
<td>Director</td>
<td>81,000</td>
<td>6%</td>
<td>96,000</td>
<td>4%</td>
<td>100,195</td>
<td>7%</td>
</tr>
<tr>
<td>Owner</td>
<td>150,000</td>
<td>7%</td>
<td>150,000</td>
<td>5%</td>
<td>151,049</td>
<td>5%</td>
</tr>
<tr>
<td>CEO/Executive Dir.</td>
<td>165,000</td>
<td>5%</td>
<td>165,000</td>
<td>5%</td>
<td>165,000</td>
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Jerger’s take on the number of Au.D. programs . . .

<table>
<thead>
<tr>
<th>Organizations</th>
<th>Number of Members</th>
<th>Number of Training Programs</th>
<th>Training Programs/Number of Members X 10,000</th>
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</thead>
<tbody>
<tr>
<td>American Medical Association (AMA)</td>
<td>226,000</td>
<td>120</td>
<td>4.5</td>
</tr>
<tr>
<td>American Dental Association (ADA)</td>
<td>152,000</td>
<td>55</td>
<td>3.6</td>
</tr>
<tr>
<td>American Optometric Association (AOA)</td>
<td>35,000</td>
<td>17</td>
<td>4.9</td>
</tr>
<tr>
<td>American Bar Association (ABA)</td>
<td>400,000</td>
<td>196</td>
<td>4.9</td>
</tr>
<tr>
<td>American Academy of Audiology (AAA)</td>
<td>10,600</td>
<td>73</td>
<td>69.0</td>
</tr>
<tr>
<td>Ideal of AAA</td>
<td>10,600</td>
<td>5</td>
<td>5.0</td>
</tr>
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Post on “SoundOFF” by Ian M. Windmill, Ph.D.

“Academic programs do not serve at the pleasure of the audiology community, they serve to meet the goals and mission of the University and state in which they are located…”
Summary of These Key Comparative Factors

- The cost of an audiology education is comparable to dental and optometry educations.
- The ROI potential for audiology is not competitive with dentistry and optometry.
- There are too many educational programs.
- The best path for closing the ROI gap is for audiologists to own an independent audiology practice that dispenses.
  - Dispensing IS a significant economic engine for audiology.
- The responsibility for insuring the competitive viability of the audiology profession rests with the audiology community.

What Audiology Can Learn From Optometry

How Optometry Has Evolved Over The Last 20 Years

U.S. Optometry in 1980

- 21,000 optometrists in practice in the country
- 90% were either sole owners or partners in a private practice.
During the '80's, Some Things Happened . . .

• Dramatic improvements in technology and production efficiencies
  – Cost of manufacturing vision care products dropped, improving wholesale and retail margins
• The baby-boomers reached their late thirties and early forties, with their associated need for vision care

The Result

According to Steve W. Henson, Ph.D.  
(Professor of Marketing, Western Carolina University and a former vision industry executive)

• RAPID INDUSTRY CONSOLIDATION
  – The manufacturing sector quickly paired down to a few large corporate producers
  – Large retail corporations entered vision care distribution through corporately branded retail stores

How These Retail Corporations Compete with Private Practice Optometrists

• Promote their distribution brands and their accessibility directly to the consumer
• Control retail pricing
  – Through large scale buying-power, retail corporations can drive retail prices down, while preserving acceptable margins.
U.S. Optometry in 2005

- 38,000 optometrists in practice in this country
- 10% earn their living entirely through ownership of a private practice.
- 50% run a part-time practice and work for a corporate retailer part-time
- 40% work full time for a corporate retailer

The Princeton Review

- In 2002, the average salary of a doctor of optometry was $60,000
- In that same period, the average salary of a doctor of optometry who owned an independent practice was $110,000
Another Issue That Has Affected Optometry Private Practice

- “Because of rising insurance costs, routine eye care may be an early casualty of insurance reform. Expect this kind of reform to have a tremendously deleterious effect on solo practice, as may private practice optometrists are heavily involved in and depend on government-sponsored insurance (Medicare and Medicaid).”

Samuel Spoto, O.D.

What Audiology Can Learn From Dentistry

Key historic factors in the evolution of dentistry

Today’s Dental Profession

- 174,000 active practicing dentists in the U.S.²
- 100% are in a private practice⁴
  - 63% own practice as a sole proprietor
  - 20% are in partnership with one other dentist
  - 17% are in partnership with 2 or more dentists

An overwhelming majority of ADA members are Dentists in private practice!
Little Participation in Government Funded Programs

- Participation by dentists in Medicaid is not robust (just 0.8% of active dentists were in public health near the turn of the century) 20
- Medicare offers no dental coverage 19

What Preserving Independent Practice Has Done for Dentistry

- Insulated the profession from outside forces trying to control fees
- Left each individual dental practice with the authority to select the type of services they provide and the charges for the services they provide
- The baby-boomer demand for highly lucrative cosmetic dentistry has boosted the earning potential of dentistry dramatically

“In comparison to physicians, dentists work more independently, have a higher rate of solo practice, and in some cases, their earnings have surpassed the net income of physicians.”

Elizabeth Mertz, MPA, health policy researcher, UCSF 21
The Dentistry “Supply and Demand” Equation

• The rate of growth in dentists has not kept pace with the rate of growth in the U.S. population.  
  – Shortages are most acute in lower income markets  
  – Attempts by dental hygienists to provide “entry-level” services in these underserved markets have thus far been suppressed by dental lobbying efforts

The Opportunities and Challenges For The Audiology Profession

Opportunity #1: The Baby Boomers

U.S. Births: 1940 - 1994

(Births in thousands)
Opportunity #1: The Baby Boomers

- In 2006, the first boomers turned 60!
- It is estimated that over the next 15 years there will be at least 15% growth per year in industry revenues associated with the boomers.
- This growth could be even greater if:
  - The industry improves market penetration
  - The incidence of NIHL increases

Opportunity #2: The Potential of Audiology’s Direct Appeal To Patients/Consumers

- The Au.D. degree acts to endorse and differentiate audiology
- Expanded scope-of-practice increases visibility/accessibility (cerumen management, balance care, prevention/wellness services)
- Direct access will further enhance audiology’s position
- Marketed nationally, audiology could dominate hearing care provision

Challenge #1: We Are Not Alone . . .

- Hearing aid sales to the boomer population is “big business” to more than just audiology
  - Corporate retailers are seeing and seizing the opportunity to capitalize on the growing market
Distribution Segmentation Trends

Affiliated Providers = HearUSA, Sonus Network, AHAA, Audibel

Challenge #2: Our Degree Is Not Recognized in Current Hearing Care Distribution Law

- Consider this definition (written into most state laws regulating vision care):
  - An *ophthalmologist* is a medical doctor with extensive training who specializes in medical and surgical care of the eyes and visual system and in eye disease and injury prevention. Ophthalmologists are primary health care providers who perform eye examinations and prescribe any necessary treatment, including eyeglasses, contact lenses, and medications.
  - An *optometrist* is a doctor of optometry trained to perform eye examinations, diagnose and treat certain disorders of the eye, and prevent eye disease and injury. Optometrists are primary health care providers who prescribe eyeglasses and contact lenses.
  - An *optician* is a health care provider who fills prescriptions for eyeglasses and contact lenses and dispenses eyeglasses and contact lenses to consumers upon written instruction from an ophthalmologist or optometrist.

The Logical Analogy

- Ophthalmologist
  - Medical doctor
  - Medical and surgical care
- Optometrist
  - Doctor of optometry
  - Administer eye exams
  - Diagnose and treat
  - Prescribe and dispense
- Optician
  - Fills prescriptions written by either of the above

- Otolaryngologist
  - Medical doctor
  - Medical and surgical care
- Audiologist
  - Doctor of audiology
  - Administer hearing exams
  - Diagnose and treat
  - Prescribe and dispense
- Hearing aid dispenser
  - Fills prescriptions written by either of the above
Challenge #2: Our Degree Is Not Recognized in Current Hearing Care Distribution Law

- Most state laws include the following basic language when defining the scope of hearing aid dispensers:
  - “including the testing of hearing for the purposes of fitting, selecting, selling, servicing hearing aids or any instrument to compensate for impaired hearing”

The Effects of Legalized Homogeny

- Endorses a “lowest common denominator” depiction of the provider population
  - “hearing health care provider”
    - Could mean otolaryngologist, audiologist or hearing aid dispenser
- Encourages consumers/patients to focus on the hearing aid product as the component-of-value in the hearing care transaction
- Effectively makes the audiology degree unnecessary if one chooses to make a living testing and fitting hearing aids

Our Own Complacency
- Dispenser & Physician Resistance
- Product & Distribution Brand Marketing
- Entrenched Academia
- Dispensing Licensing Laws
- Corporate Retailing

Audiology’s Unique Positioning (and effective earning power)
Opportunity #2: The Potential of Audiology’s Direct Appeal To Patients/Consumers

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Key Factors That Will Impact Audiology’s Future As A Profession

Factor #1:
- Patient/consumer demand for audiology care
  - If patients/consumers seek out audiologists rather than simply hearing aids, patients are better served and the audiology profession is more secure
Creating Demand For Audiology

- Recognize the following:
  - Millions of dollars are being spent every year building brand recognition and demand for retail distribution identities
  - Tens of millions of dollars are being spent every year by manufacturers to build consumer brand recognition and demand for their products
  - To build consumer recognition and demand for audiology, the profession must:
    • establish and market its own identity (or brand)
    • effectively capitalize that marketing/brand building effort

Factor #2

- The cost of an audiology education
  - The earning potential of the audiology profession must be sufficient to retire student loan debt in a competitive and reasonable period of time
  - The number of training programs must be reduced
  • Could impact the cost of an audiology education
  • Will impact the quality of an audiology education

Factor #3

- The number of audiologists owning a private practice
  - ADA Vision White Paper Goal:
    • At least 75% of all practicing audiologists will be owners or partners in autonomous private practice settings by the year 2020.
Factor #4

- State Dispensing License Laws
  - A degree in audiology must become the minimum acceptable educational requirement to test hearing
  - To effect this change, lobbying efforts alone will not be sufficient.
    - There must be a demand precipitated at the voter level to effect the change needed
    - If these laws don’t change, the cost of an audiology education will become increasingly more difficult to defend
    - And, patient care will continue to be defined at the lowest-common-denominator level

Factor #5

- The other players in the game
  - Corporatization of retail hearing aid distribution continues to grow
  - Product-oriented consumer marketing continues to grow
  - Left unchallenged, these high-dollar marketing investments will dominate consumer thinking
  - Both the dispensing community and the physician community may challenge audiology’s efforts to gain consumer recognition and demand

Factor #6

- The percentage of income that comes from insurance and/or federally funded programs
  - The more an audiologists income comes from insurance companies or federally funded programs:
    - The less control audiologists have on their income potential
    - The less autonomous audiology practice becomes
A Game Plan For Success

• Establish a direct link between baby-boomers and the education/skills-set of audiologists.
  – Build consumer demand for audiology care
• Recognize the economics involved in building a strong professional future, don’t dismiss them
• Grow private practice ownership
• Drive dispensing license laws toward requiring an audiology degree
• Secure direct access
• Minimize income dependency on government funded insurance programs