

The Commoditization of Orthodontics

Robert J. Isaacson

Commodity. 1. Something of use, advantage, or value. 2. An article of trade or commerce, esp. a product as distinguished from a service.

In this country, we have been very effective with a free-market economy putatively based on the goal of efficiently making a better commodity that can be sold for a lower cost. The mass-production and assembly-line methods of the past century have worked brilliantly using efficient standardization and cost controls. Same, same, same is the essence of efficient production.

More recently, this concept has been expanded into other areas that don't manufacture an obvious, tangible product, but are primarily services. Never mind the fast food industry—how about airlines, hotels, or utilities? They basically provide a service, have become largely franchised, and now themselves are commodities bought and sold on the stock exchange.

Health care services represent another gradation in this scale. These services are licensed and represent a somewhat closed supply side, closed in exchange for more regulated practice requirements. These disciplines have long been considered relatively pure services with a greater emphasis on service than on profit.

Most orthodontists I know have a feeling for their work that borders between passion and an all-consuming obsession. Simply put, they love their work. However, change is a way of life, and today our profession shows signs of a new kind of evolution.

Orthodontists have always welcomed a change in how they practice, and the first-kid-on-the-block syndrome is a hallmark of the field. However, a fundamental paradigm shift on the horizon could make things very different. This change is a fundamental move to bring the philosophy of American marketing and mass production into the field of health care services.

The basis for this direction is not very complicated. To a business person, the world is a marketplace. The business person's job is to create markets, the bigger the better. How does this apply to health care? To a business person, the model is already proven—let's convert health care services into products that can be managed using the same textbook rules that work in industrial manufacturing. Let's make health care services into a manufactured product, a commodity.

Look at medicine. How rapidly the practice of medicine has changed. In the name of economies, huge conglomerates have emerged which exert a major, indeed sometimes a dominant voice in how medicine is practiced. Further cost containment will inevitably lead to further forms of limiting services, to some form of rationing potentially determined by the conglomerate. Decisions regarding your health care are increasingly being made by a business person whose primary goal may be not your health, but company profit.

The arguments driving this evolution are well known. In broad terms, US health care has been indicted as being elitist—the very best, if you can afford it. Everyone wants the very best, so, with finite resources, we run into the dilemma of the few getting the very best or the many getting the best we can afford. It is the elitist versus the egalitarian. No governmental politician with ambitions for the future wants to enter this forum, so we continue in a form of situational ethics.

Private business has focused on the largest markets first, for obvious reasons, and orthodontics has thus far been bypassed as small potatoes. One unique feature of orthodontics is that the service we deliver is sought by the patient. That equals a great potential market with a real growth potential. The business answer is to grow this market.

If I were an MBA, I would gain control of the supply side of the equation, market the service, and grow the market. Sounds a bit like a management company of some kind, doesn't it? After all, orthodontists are amateur marketers with no substantive business training. If I am the MBA, efficiency dictates that I am best suited to direct all of the practice-management details. After all, that is what my MBA training prepared me to do. If this sounds like a fantasy, look at medicine and the portion of the health care dollar that goes to management functions.

The risk that confronts us today is the risk of orthodontics being converted into a commodity. Once it is a commodity, expect it to become mass-produced and aggressively marketed. The external forces threatening to commoditize orthodontics are those that seek to make orthodontics into an impersonal, "same, same, same" product, a standardized commodity of a business.

In a business, profit margins are the bottom line, which probably is as it should be. In a health care profession, the patient is the bottom line, which surely is as it should be.