

As we collectively tighten our belts during these economic times, there is actually a bright side to cutting back. Many proven ways to save thousands of dollars annually do not need to compromise quality of care or erode employee relations. Some of them might even enhance the image of the practice. As stated in Webster's dictionary, a budget is: "A simple business plan adjusting expenses to the estimated or fixed income for a period of time." Therefore, analyzing your budget is the first place to start. Since the entire staff is in this with you, the business plan needs to be simple enough for everyone to understand. Sharing the plan with the team can encourage important personnel to be more productive and valuable.

One of the first areas to consider cutting back in is overtime pay. Because of many situations, working overtime is frequently necessary in the dental office. In the year 2000, the state of California adopted the Alternative Work Schedule. Since then, practices have saved hundreds of dollars in overtime pay by adopting the AWS. With the Alternative Work Schedule, employers are permitted to propose a "regularly scheduled alternative workweek" that authorizes employees to work up to 10 hours in a day, within a 40 hour workweek, at straight time pay. Each practice needs to have an AWS on file with the State Division of Statistics and Research.

A Conversation About Your Practice Budget

By Rebecca Gerber, Office Management Services

As we all realize employee benefits are costly. In regards to healthcare insurance, it is advantageous to shop around for the most cost efficient program that fits your needs. Whether you are considering it for yourself as an individual, your family or your entire team, Health Savings Accounts (HSA's) can save a lot of money. Combining a high deductible health plan and a health savings account is a powerful vehicle against escalating healthcare prices. Employers who offer HSA's will lower health insurance premiums and reduce their taxes.

Exploring paperless systems and services is another area to look at. Computerized or electronic reports and files will save time and can eliminate costly mistakes. This not only saves paper, printing and postage, but makes the staff more efficient. Electronic services include, insurance billing, statements, confirming appointments, on-line bill paying, informing patients of new products or services, and even sending newsletters. Whenever possible, the office should utilize these products. The benefits are countless and patients will appreciate the fact that the practice keeps up with current times.

Along with saving money in the present, be sure to consider saving in the future. It might be advantageous for the practice to lay out a financial commitment now in order to save in the long run. For instance: the initial cost of setting up digital x-rays may be overwhelming. However, when adding up the expense of supplies and labor, going digital may pay for itself in a relatively short period of time. Another example is the Cerec machine which can save on lab expenses over time.

Also, because of this crazy economy, many companies are losing revenue and having to cut back. This gives you leverage. Many suppliers and vendors will consider negotiating better rates and prices to keep valuable clients. Make sure to ASK. Most importantly, remember to continuously evaluate your return on investment. Be cautious not to jump to conclusions or make rash decisions, until you've done your due diligence. No matter how good it looks now, make sure that there are no hidden costs, taxes or annual fees that can pop up in the future.

Whether you have been affected a little or a lot by this economic tsunami, it is important to monitor both fixed and variable expenses monthly. Since we are all in this together, check around and share cost saving ideas with colleagues. Above all, it is essential to keep positive and realize that the times will turn around, as long as the practice tightens its belt and stays on track right now, there really is a bright side to controlling the budget.

*For more information on Practice Development matters,
contact Rebecca Gerber @ 877-235-7100
or e-mail rgerber@omssouthland.com.*

