

Harder times call for tough cost-saving measures

Lower reimbursement rates, higher wages, and increased costs of doing business can add up and take a toll on a practice. In such tough times, cutting costs both large and small is a great way to help the bottom line.

When looking at cost-saving measures, remember that the little things add up, says **Michael Weinper, PT, MPH**, president and CEO of PTPN, a Calabasas, CA-based national network of rehabilitation providers whose members consist of therapists in private practice.

In light of the current economic downturn, PTPN surveyed its members to learn what they are doing to save money. The following suggestions are adapted from PTPN's survey *Better Bottom Line: Cost Saving Measures*:

- ▶ Bottled water service is a nice perk, but it's expensive. The same company may provide a reverse osmosis system that you can hook up to your faucet. These water purification systems will save you money over time and eliminate the need for delivered bottled water.
- ▶ Purchase uniforms and towels rather than rent them. The up-front cost of purchasing linens may seem high, but it's cheaper than paying for a linen and dry cleaning service. Wash towels at home and ask staff members to clean their own uniforms.
- ▶ Turn off computers at night. It's good for the environment, plus it saves on the utility bill.
- ▶ Negotiate rent with your landlord. A landlord doesn't want a tenant to go out of business. Negotiate free months or reduced rent in exchange for a longer lease.
- ▶ Shop around for insurance. Make sure you're getting the best rates by comparing like companies. Increasing your deductible may save money in the long run. Also, consider having employees share the cost of health insurance.
- ▶ Work with medical and office supply vendors to ensure that you're getting the best price possible. Medical supply companies have different price points, and it's always best to ask the sales rep if the price offered is the best price available. If you're not happy, shop around and look for a good deal.
- ▶ Take a close look at your advertising budget. Reduce the size of your print advertisements. Take the saved money and put it toward a Web site.
- ▶ Sort through your rented storage space. Did you put stuff there because you didn't know what to do with it? Medical records must be kept for seven years, but maybe you have 10, 12, or 15 years of records. Properly destroy them to save space and reduce the size of the storage unit you need to rent.
- ▶ Limit the freebies you give out during sales calls.
- ▶ Evaluate your office hours. Are there hours that are slower than others and the office can be closed? Try to consolidate patients into other hours. Instead of reducing staff hours, have staff members clean the office, eliminating the need for a cleaning service.
- ▶ Back up data online because it's less expensive than buying hard drives. This also allows you to back up data off-site.
- ▶ Purchase gym equipment from a second-hand sporting goods store. Such stores offer quality merchandise at low prices.
- ▶ Carry a portable phone to eliminate the need for a receptionist.
- ▶ Buy generic brands when supply shopping. Box stores such as Sam's Club and Costco have good prices on items such as printer supplies.
- ▶ Keep office supplies in a storage cabinet and distribute them when staff members need them. It helps people remember to keep things at work.
- ▶ Fax all evaluations, progress notes, and discharge reports to the referring physicians instead of mailing paper copies.
- ▶ Reduce the number of magazine subscriptions ordered for the waiting room.
- ▶ Implement a cancellation/no-show policy for your patients (e.g., \$10 for a cancellation within 24 hours and \$20 for a no show). ■