Four Strategies for Avoiding Administrative Overload

Handling administrative tasks in an efficient and cost-effective manner is an important part of building and maintaining a successful psychology practice. While some psychologists can handle day-to-day practice management activities on their own, others find that the administrative demands of their practice necessitate additional support. This article helps you think about the administrative needs of your practice and how to manage them in cost-effective ways.

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For example, if you spend six hours per week on administrative tasks and typically charge $100 per hour for your clinical services, the cost of doing the administrative tasks yourself is $600 per week. If you delegate those tasks to an office assistant whose wages and benefits average $15 per hour, and you use those extra hours to provide clinical services, you can generate an additional $510 per week. Or you could hire a full-time office assistant (for 40 hours per week at a total compensation of $15 per hour) and still break even.

Hiring support staff is just one way to streamline your administrative functioning so you can concentrate on revenue-generating activities. Other approaches include automating and outsourcing your administrative activities.

Do You Need Administrative Support?

In deciding whether you need assistance with the administrative demands of your practice, consider the following questions:

- Would you like to increase your caseload but find that you don’t have time in your weekly schedule?
- Do you receive more referrals than you can handle?
- Do you spend more than a few hours per week on tasks that could be delegated to someone less qualified?
- Are administrative tasks not getting done or consistently getting done late?

Automation

Continue to perform administrative functions yourself, but increase your efficiency by automating your practice. Options include using practice management software, switching to electronic client records instead of paper files or submitting claims electronically.

- Pros: You retain control of administrative activities. You do not have to hire, manage or pay an employee. You can enhance your organization, efficiency and ability to track clinical and financial data. You may reduce office clutter. Electronic claims may be paid faster.
- Cons: Automation usually requires an initial financial investment in computer software or equipment; therefore, savings from increased efficiency may be realized over the long term rather than right away. This option also may: require a steep learning curve, especially if you are not already technology-savvy; inadvertently create more administrative work for you; and may feel like confidentiality could be more easily compromised with electronic record keeping (in actuality, if necessary precautions are taken, information stored electronically can be quite secure). Filing claims electronically will probably trigger your obligation to comply with the Health Insurance Portability and Accountability Act (HIPAA) if you are not already compliant.
Outsourcing
Outsource some of your administrative activities by using outside companies to perform tasks such as billing, collection, transcription and answering services.

- **Pros**: You benefit from the expertise and range of services available to a larger company. You lighten your administrative workload without having to hire, train and manage an employee. This option can be good for occasional or sporadic activities.

- **Cons**: You lose direct control over how administrative functions are performed. You need to oversee and monitor the work of the vendor, who may not understand the intricacies of your practice. This option can cost more than handling functions internally.

Hiring Part-Time Help
Hire a part-time employee to provide administrative support one or two days per week, a few days per month or during busy office hours.

- **Pros**: You maintain oversight of administrative functions. It costs less than hiring full-time staff and may not require you to offer expensive employee benefits. Hiring part-time support can offer flexible scheduling options such as evening or weekend hours. It also helps keep your office running smoothly during busy times.

- **Cons**: Administrative support is only available at certain times. Part-time workers may be less committed to the job, and you may have more employee turnover. It can be difficult to find qualified candidates who want part-time employment. As an employer, you will have increased management duties and responsibilities to state and federal agencies, such as withholding and paying taxes, maintaining required insurance and keeping personnel records (see final paragraph below).

Making the Right Decision
It is important to manage administrative responsibilities in a way that works best for you. Consider your administrative needs, your financial constraints and your plans for the future of your practice.

Remember that the options listed above are not mutually exclusive. The best approach for you may include hiring staff to handle some tasks, outsourcing other functions and using information technology to enhance the overall efficiency of your practice.

It is important to note that, although hiring office staff can be a cost-effective approach to running a successful practice, taking on the role of employer comes with additional responsibilities. You will need to educate yourself about a variety of topics including employment laws, hiring practices, basic management skills, and employee training and development. Visit APAPractice.org for additional information.