



## 5 Ways Healthcare Administrators Can Reduce Costs

*This is an extra resource to go along with the original article:*  
[3 biggest challenges facing healthcare administrators](#)

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A healthcare administrator's job is to maximize efficiency, so it's important to make every budgeting decision count. Here are a few ways that administrators can reduce costs around the office and maintain a strong budget year-round.

### 1. Negotiate pricing with vendors for fixed costs

Fixed costs can represent more than 80% of a healthcare practice's annual costs. This includes things like rent, facility maintenance, equipment, staffing, and so on. But you may have more say in how much those things cost than you think.

If you can find ways to negotiate better rates with vendors (particularly for IT licensing fees), look for less expensive alternatives for certain equipment and supplies, and reduce office waste (minimize paper file storage to save space and rent, for example), you can reduce fixed costs over time.

### 2. Analyze usage history to budget for variables

Just because you've always ordered a certain amount of supplies or medications doesn't mean you always need to place an order for the same amount. Clinic needs will change over time, so it's important to watch for any changes to your variable expenses.

Healthcare administrators can and should be watching usage history for supplies to ensure that the practice is using all of the resources that are being ordered. Saving money on supplies can cut costs significantly over time.

### 3. Take advantage of outsourced solutions

Outsourcing can be another great way to save money. Using third-party solutions for tasks like lab work, for example, can bolster the budget over time. You want to ensure that these vendors can meet your needs (can they get things to you on time?).

Consider outsourcing other solutions, like customer service, intake forms, or any smaller task that might be weighing down your team. If you're paying staff, they should be paid for patient care, not miscellaneous busy work.

### 4. Collaborate with other practices

Unlike a traditional business, collaborating with your "competitors" can actually be a good thing. Coordinating with local clinics and hospitals will allow you to create systems that reduce redundancy.

# IntakeQ

For example, coordinating emergency or urgent care services with a nearby hospital can help smaller private practices offer better care without having to maintain costs of an onsite emergency physician.

## 5. Focus on specializations

Specialization and specialized services are a growing trend among many healthcare providers, and for good reason. Specialization can be a major source of income depending on the services offered.

Healthcare administrators should look and hire specialized staff and practitioners if possible, or coordinate with local clinics to find specialized practitioners to partner with. This will not only improve patient care, but actually boost the budget in the process.