



Guide

# How a PEO Can Help Your Practice Thrive



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## Introduction

In the ever-evolving landscape of healthcare, independent medical practices are consistently navigating through the complexities of managing costs, ensuring compliance, and maintaining a satisfied workforce. Amidst the clinical responsibilities, these administrative burdens can become overwhelming and detract from the core mission: providing exceptional patient care.

Enter the solution: Professional Employer Organizations (PEO). **Businesses in a PEO arrangement, grow 7-9% faster, have 10-14% lower turnover, and are 50% less likely to go out of business.** One such PEO, Stitch, has emerged as a beacon of support, particularly for independent medical practices, offering a pathway not only to navigate administrative complexities but also to achieve enhanced stability and growth.

# What is a **PEO**

A Professional Employer Organization (PEO) is a firm that allows small and medium-sized companies to outsource their employee management tasks, such as employee benefits, payroll and workers' compensation, recruiting, risk/safety management, and training and development. It does so by hiring a client company's employees, thus becoming their employer of record for tax purposes and insurance purposes. This relationship is known as co-employment, and more than **15% of employers with 10-99 employees use a PEO** to operate their business.





# The Advantages of a PEO

Navigating the multifaceted challenges of running a medical practice, from managing costs to ensuring regulatory compliance, demands strategic solutions. Engaging with a Professional Employer Organization (PEO) offers practices a pathway to not only mitigate these challenges but also enhance operational efficiency and employee satisfaction, thereby solidifying the foundation for providing exemplary patient care.

## Stabilizing Costs with PEOs

One of the paramount advantages of engaging with a Professional Employer Organization (PEO) is the ability to stabilize costs, particularly in areas that can be financially straining for smaller medical practices. In fact, A PEO can **save a business up to 35% on HR costs**, compared to what a business would spend if they did not use a PEO.

PEOs utilize their expansive client base to negotiate superior rates and terms for various benefits and insurance policies, granting smaller practices access to cost-effective solutions that might otherwise be financially unattainable. This is not merely a matter of providing affordable options but also ensuring that the quality and appeal of such benefits are not compromised, thereby ensuring that practices can offer competitive packages to their employees without destabilizing their financial equilibrium.

## Transferring Risk to Ensure Focus on Care

The complexities and ever-evolving nature of employment law present a significant risk to medical practices, where the primary focus is, rightfully, on patient care rather than legal compliance.

PEOs absorb this risk by taking on the responsibility of ensuring that the practice is in compliance with all relevant employment laws and regulations. This transfer of risk shields the practice from the potential legal and financial repercussions of non-compliance, allowing healthcare providers to direct their attention and resources fully towards patient care and satisfaction without being encumbered by the fear of legal pitfalls.

## Attracting and Retaining Top Talent

In the competitive field of healthcare, attracting and retaining top talent is crucial for ensuring the provision of quality care and maintaining a positive reputation.

PEOs, through their management of various HR tasks including payroll and benefits administration, not only enhance employee satisfaction and retention but also provide the expertise needed to create compelling compensation and benefits packages. This dual role ensures that practices are not only able to lure top talent to their teams but also maintain high levels of satisfaction and engagement, reducing turnover and the associated costs and disruptions.

## Reducing Administrative Burdens for Enhanced Care

The administrative burden associated with managing the employee lifecycle, from onboarding to offboarding, can be both time-consuming and resource-intensive.

PEOs alleviate this burden by managing all aspects of the employee lifecycle, freeing up valuable time and resources within the practice. This allows practices to redirect these resources towards patient care, ensuring that administrative tasks do not detract from the quality and efficiency of healthcare provision.

## Ensuring Compliance and Future Viability

Ensuring that a practice remains compliant with all federal and state regulations is not merely a matter of avoiding fines and penalties but also ensuring its viability and overall value of the practice. At a minimum, **businesses that work with a PEO are 50% less likely to go out of business.**

PEOs safeguard practices by ensuring adherence to all relevant regulations, providing peace of mind and stability. This not only protects the practice from potential legal and financial repercussions but also enhances its reputation and reliability in the eyes of potential future partners or acquirers, ensuring its longevity and sustained success.

In essence, the advantages of partnering with a PEO like Stitch extend beyond mere convenience, providing a strategic foundation upon which practices can build a stable, compliant, and financially healthy future, ensuring the provision of quality care for years to come.

# What to Look for in a **PEO**

Selecting the right Professional Employer Organization (PEO) is crucial for managing the intricate operational and HR demands of a medical practice, requiring a keen understanding of various pivotal factors to ensure alignment with the unique challenges of healthcare.



## Specialization in the Healthcare Sector

When exploring potential PEOs, a pivotal aspect to consider is their specialization and expertise within the healthcare sector. A PEO that possesses a robust understanding of the healthcare industry, including its unique challenges, regulatory environment, and workforce management nuances, is paramount. Tailored solutions, designed to meet the specific needs and challenges of medical practices, ensure that the PEO can navigate the intricacies of healthcare management, from compliance to employee relations, with adept precision and efficacy.

## Compliance Expertise

Navigating the labyrinth of federal and state regulations that impact medical practices requires a PEO with a deep and current understanding of regulatory compliance. The PEO should not only ensure your practice remains compliant and avoids penalties but also proactively update its practices to ensure ongoing adherence to regulatory changes. This involves continuous monitoring of the regulatory landscape and implementing necessary adjustments to policies, procedures, and practices.

## Scalability and Flexibility

The ability of a PEO to adapt its offerings as your practice grows is crucial for ensuring that evolving needs are met. A PEO should offer a blend of adaptability and customization, ensuring that the solutions provided can be tailored to the specific needs and challenges of your practice, regardless of its size or stage of growth. This involves providing scalable solutions that can accommodate growth and change, ensuring your practice is always supported.



## Technological Capabilities

In our digital age, opting for a PEO that offers integrated technology solutions to streamline HR, payroll, and benefits administration is vital. The technology should be user-friendly, offering a seamless experience for both administrators and employees, and prioritize data security to protect sensitive information. This involves employing robust cybersecurity measures and ensuring that technology platforms are both secure and easy to navigate.

## Robust Customer Support

Accessibility and dedicated support are key when it comes to customer service. A PEO should provide easy access to support via various channels, such as phone, email, or chat, and offer a dedicated account manager or support team that understands your practice's unique needs and history. This ensures that any issues or inquiries are addressed promptly and effectively, providing peace of mind and reliable support when you need it.

## Employee Benefits Expertise

Leveraging its buying power to provide competitive benefits offerings is a key advantage of partnering with a PEO. Efficient administration of these benefits, handling everything from enrollment and changes to employee inquiries, ensures that your staff are supported and satisfied. The PEO should navigate the complexities of benefits management, providing your practice with access to competitive offerings and managing them effectively.



## Transparent Pricing

Clarity and transparency in pricing structures ensure that you understand the cost and value of the PEO's services. All costs should be disclosed and explained upfront, with no hidden fees or unexpected charges. This transparency allows you to accurately assess the financial impact and ROI of partnering with the PEO, ensuring alignment with your practice's budget and financial strategy.

## Reputation and Reliability

Exploring client testimonials and checking for industry certifications can provide insights into the PEO's reputation and reliability. Reviews from other medical practices and certifications from recognized industry bodies can indicate a commitment to best practices and client satisfaction, ensuring that your practice is partnering with a reputable and reliable PEO.

## Employee Training and Development

Ongoing training and development opportunities are crucial for ensuring that your staff can grow, adapt to industry changes, and remain compliant with relevant laws and regulations. The PEO should provide access to training resources and opportunities, supporting the continuous development and compliance of your team.

## Risk Management

Implementing and managing safety programs and providing legal assistance for employment-related matters are key risk management functions of a PEO. This involves reducing workplace incidents, managing workers' compensation claims effectively, and providing access to legal expertise to navigate any employment-related legal challenges.

Choosing a PEO involves a comprehensive evaluation of these aspects to ensure that the partnership will effectively support the strategic growth, stability, and compliance of your practice.



# How **Stitch**<sup>PEO</sup> Can Help

Navigating the complexities of managing a medical practice requires a specialized approach, particularly in areas like HR and compliance. Our mission at Stitch is based on serving as a strategic ally for independent medical practices, offering tailored solutions that address the unique challenges of the healthcare sector.

With an impressive **ROI of using a PEO being 27.3% in cost savings alone**, Stitch ensures not only operational efficiency but also a steadfast focus on exemplary patient care, providing a financially savvy solution that aligns with the critical needs of medical practices. This enables healthcare providers to maintain a balance between administrative management and delivering quality patient care, while also safeguarding the financial health of the practice.

## Tailored Solutions for Healthcare

We are 100% focused on independent medical practices, offering tailored solutions to meet the nuanced demands of the healthcare sector. Our platform provides bespoke solutions in HR, payroll, and benefits administration, ensuring that the unique operational and regulatory demands of medical practices are met with precision and expertise.

## Managed Risk to Focus on Care

Risk management is pivotal in the healthcare sector, especially concerning employment law compliance. Stitch takes a robust approach in this domain, absorbing the associated risks and allowing practices to focus intently on patient care without being encumbered by the potential legal and financial repercussions of non-compliance. This ensures that practices can operate smoothly, with the assurance that their compliance is managed effectively.

## Access to Better, More Cost-Effective Benefits

Cost management, particularly in relation to employee benefits and compensation, is another area where Stitch excels. By negotiating discounts akin to those accessible to big businesses on benefits and workers' compensation, We ensure that practices can offer competitive, appealing packages to their employees without compromising on quality or financial stability.

## Expert Team for Talent Management

Talent management is crucial for maintaining a high-quality care provision, and Stitch supports practices with a team of experts dedicated to managing HR, payroll, and benefits administration. This ensures that practices can attract, retain, and manage talent effectively, enhancing operational efficiency and ensuring that employees are satisfied and engaged.

## Ensuring Compliance and Future Viability

Compliance assurance is another key offering from Stitch, ensuring that practices are always in adherence to federal and state regulations. This not only safeguards them from potential fines and penalties but also enhances their appeal and viability in potential future mergers and acquisitions, ensuring that the practice is positioned for sustained success and growth in the future.

In essence, Stitch PEO provides a comprehensive, tailored solution for independent medical practices, ensuring they can operate efficiently, comply with relevant regulations, and provide high-quality care without being bogged down by administrative, regulatory, or financial challenges.

# Happy Employees, Happier Patients

Stitch<sup>PEO</sup>

HR | Payroll | Benefits | Compliance

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