



## **Sculpted Success or Financial Facelift Needed?**

### **The Top 7 Financial Mistakes Plastic Surgeons Make (And How to Fix Them)**

#### **Are You Contouring Your Cash Flow?**

Running a plastic surgery practice isn't just about lifts, tucks, and transformations—it's about revenue streams, regulatory compliance, and that ever-elusive balance between professional fulfillment and personal life. Between consulting with patients, overseeing procedures, managing a team, and keeping up with the latest aesthetic innovations, who has time to dissect their profit and loss statements? (Hint: You should make the time.)

We understand—most plastic surgeons didn't pursue years of residency and board certification to become financial wizards, and tax codes weren't on the board exams. But overlooking your finances can scar your practice deeper than a botched incision. This month's guide dives into the top 7 financial pitfalls we see in plastic surgery practices and, crucially, how to correct them without upending your schedule.

At Accent Financial Services, we've partnered with surgeons across the spectrum—from solo practitioners to multi-location aesthetic centers—to streamline their finances and amplify their success. Let's address these pain points head-on, using strategies tailored to the unique demands of your field, like fluctuating elective procedure volumes, high equipment costs, and insurance complexities.

Think of this as a non-invasive procedure for your practice's financial health. Let's reshape those issues into opportunities.

## **1. Mixing Business and Personal Like Botox and Fillers in the Wrong Hands**

### **The Mistake:**

It's common for plastic surgeons to blur the lines—using the practice's credit card for personal vacations, family dinners, or even home gym equipment, or pulling from personal savings to fund a new laser without proper documentation. This creates a tangled mess that's hard to unravel come tax time or during an audit.

### **Why It Matters:**

In the high-stakes world of plastic surgery, where malpractice risks and patient outcomes demand precision, financial ambiguity can be disastrous. It muddies your practice's true performance metrics, complicates bookkeeping, and invites IRS scrutiny. You might miss out on deductible expenses like marketing for cosmetic services or continuing education on new techniques. In worst-case scenarios, it could lead to disallowed deductions, penalties, or even questions about your practice's valuation if you're eyeing a sale or partnership. Lenders and buyers prefer clean, professional financials—not a patchwork that looks like amateur work.

### **Actionable Tip:**

Treat your practice as its own entity, just like you separate reconstructive from cosmetic cases. Establish dedicated business bank accounts and credit cards exclusively for practice-related transactions, from supplies like injectables to marketing campaigns on social media. Automate a consistent "salary" or owner's draw transfer to your personal account based on your entity structure (e.g., S-Corp or LLC). If personal funds must cover a business need—say, an emergency equipment repair—document the reimbursement with receipts and notes. This separation not only simplifies tax prep but also enhances your practice's appeal for growth opportunities. It's like applying the right filler in the right spot: precise and effective.

## **2. Ignoring Cash Flow Like It's an Optional Post-Op Follow-Up**

The Mistake:

Many surgeons focus on gross revenue from procedures—rhinoplasties, breast augmentations, and liposuctions—and assume the practice is thriving. But when bills for staff, rent, high-end equipment leases, or marketing hit, you're suddenly short, leading to reliance on credit lines or delayed payments.

Why It Matters:

Plastic surgery practices face volatile cash flows due to seasonal trends (e.g., more body contouring in summer), delayed insurance reimbursements for reconstructive work, and the elective nature of cosmetic procedures. Overhead is steep: think surgical suites, anesthesia supplies, and digital marketing to attract patients. Poor cash flow can force you to turn down growth investments, like adopting new tech for minimally invasive treatments, or worse, rack up interest on debts. It adds unnecessary stress, potentially leading to burnout in an already demanding field, and hampers your ability to scale or weather economic dips.

Actionable Tip:

Adopt a proactive approach, like planning a complex facelift. Use practice management software (e.g., Nextech or ModMed) with cash flow forecasting to project inflows and outflows 90-120 days ahead. Identify peak expense periods—quarterly taxes, annual ASPS dues, or bulk purchases of fillers—and build reserves. Calculate your monthly "burn rate" (operating costs) and aim for a buffer of 2-3 months. For cosmetic-heavy practices, offer patient financing options like CareCredit to accelerate collections. Partner with a financial advisor familiar with medical practices to refine this; it's not about glamour, but preventing financial emergencies that could derail your precision work.

## **3. Forgetting Tax Planning Until It's Audit Season**

The Mistake:

Taxes often get sidelined amid busy OR schedules and patient consults, treated as a once-a-year scramble rather than an ongoing strategy. This results in surprise tax bills or missed opportunities for deductions on big-ticket items like surgical lasers or office expansions.

#### Why It Matters:

Plastic surgeons deal with multifaceted income: fees from cosmetic cash-pay patients, insurance for reconstructive cases, and perhaps consulting or med spa revenue. Unique expenses—like travel to conferences on emerging techniques or depreciation on advanced imaging tools—offer prime deduction potential, but only with planning. Delaying means overpaying on self-employment taxes, missing Section 179 expensing for equipment (up to \$1.2M in 2025), or facing penalties for underpaid estimates. In a field where margins can be tight due to competition from non-specialists, this erodes your take-home pay and retirement savings.

#### Actionable Tip:

Make tax planning a routine check-up, not an emergency procedure. Schedule quarterly reviews with a CPA specializing in healthcare to analyze income trends, forecast liabilities, and adjust estimated payments. Leverage strategies like accelerated depreciation for new CO2 lasers or setting up HSAs for tax-free medical expenses. For high-earners, consider entity changes (e.g., to S-Corp) to minimize self-employment taxes. Document everything—from marketing costs for patient acquisition to CE credits on injectables. Proactive planning turns taxes from a burden into a tool for financial sculpting, potentially saving tens of thousands annually.

### **4. DIY Accounting: Like Performing Your Own Surgery**

#### The Mistake:

Surgeons, accustomed to self-reliance, often handle bookkeeping themselves via basic software or delegate to unqualified staff, ignoring the nuances of medical billing codes and practice-specific deductions.

#### Why It Matters:

Accounting in plastic surgery isn't plug-and-play; it involves tracking CPT codes for procedures (e.g., 19318 for breast reductions), separating cosmetic vs. reconstructive revenues, and optimizing deductions for high-cost items like 3D imaging systems. Errors can lead to underclaimed expenses, billing denials (costing 10-20% of revenue), or IRS flags. A general accountant might miss industry quirks, like deducting med spa integrations or handling patient refunds, ultimately costing you time, money, and peace of mind in a litigious field.

#### Actionable Tip:

Outsource to experts who speak your language—CPAs or bookkeepers versed in plastic surgery finances. They can integrate with your EHR system for seamless billing, ensure compliance with HIPAA and IRS rules, and uncover overlooked savings. Start with a monthly reconciliation service to catch issues early. It's like referring a complex case to a specialist: you could try it solo, but expertise ensures better outcomes and lets you focus on patient transformations.

### **5. Neglecting Retirement Planning Like a Deferred Maintenance Procedure**

#### The Mistake:

Amid building a practice and staying current with trends like non-surgical aesthetics, retirement gets postponed—assuming the practice sale will fund it all, or starting small contributions too late.

#### Why It Matters:

Plastic surgeons often retire later due to high earning potential, but without diversified plans, you're vulnerable to market shifts, health issues, or undervalued practice sales. Student debt and equipment loans delay savings, but compounding is key in a career spanning decades. Relying solely on a sale ignores variables like economic downturns reducing buyer interest or regulatory changes affecting valuations. This can lead to working longer than desired or a scaled-back lifestyle post-retirement.

#### Actionable Tip:

Build a robust plan early, tailored to your stage: early-career surgeons might start with a Solo 401(k) for up to \$69K contributions (2025 limits), mid-career add defined benefit plans for \$200K+ deferrals, and late-career focus on Roth conversions. Automate contributions and diversify beyond the practice—perhaps into real estate or index funds. Consult a financial advisor for succession planning, including buy-sell agreements. It's the ultimate long-term contouring: start small, but consistently, to ensure a smooth transition.

## **6. Overpaying Staff Without Tying It to Performance**

### The Mistake:

To retain top nurses, aestheticians, or front-office staff in a competitive market, surgeons offer high salaries without linking them to metrics like patient satisfaction or procedure upselling.

### Why It Matters:

Staff costs are a major overhead in plastic surgery, where teams handle everything from consults to post-op care. Without KPIs, you might overpay for mediocrity—e.g., low conversion rates from inquiries to bookings or inefficient scheduling that wastes OR time. This bloats expenses, reduces margins on high-value procedures like facelifts, and fosters a stagnant culture, impacting overall practice efficiency and growth.

### Actionable Tip:

Define role-specific KPIs: e.g., consultation-to-procedure conversion rates for coordinators, re-booking percentages for aestheticians, or denial rates for billers. Conduct quarterly reviews and tie bonuses to achievements, like hitting 80% case acceptance. Foster accountability through training on upselling non-surgical add-ons. This incentivizes excellence, aligns staff with practice goals, and optimizes your investment in human capital—like fine-tuning a procedure for optimal results.

## **7. Not Knowing Your Numbers: Operating Blind in a Precision Field**

### The Mistake:

Focused on clinical excellence and patient outcomes, many surgeons skim financial reports sporadically, relying on intuition rather than data for decisions like expansions or marketing spends.

### Why It Matters:

In plastic surgery, where competition from med spas and trends like social media influence patient acquisition, ignorance of metrics can be fatal. Do you know your break-even per procedure? Overhead as a percentage of revenue? AR aging for insurance claims? Without this, you risk overinvesting in underperforming areas (e.g., ineffective ads) or missing red flags like rising supply costs. It hinders strategic growth, like adding injectables lines, and makes your practice vulnerable to economic pressures.

### Actionable Tip:

Implement a monthly dashboard tracking essentials: production vs. collections, patient acquisition costs, profit per procedure (e.g., lipo vs. Botox), and AR over 90 days. Use tools like QuickBooks integrated with your PMS for real-time insights. Review with your accountant to interpret trends—e.g., if cosmetic margins dip, adjust pricing or marketing. It's diagnostic imaging for your business: early detection prevents major issues, empowering data-driven decisions.

### **Ready for a Financial Transformation?**

Let's sculpt a strategy that enhances your practice's vitality. Schedule a free Taxsmithing Strategy Session at Accent Financial Services—we'll address your pain points and craft solutions tailored to plastic surgeons. Your expertise deserves financial support that matches its precision.

### **Final Takeaway: Empower Your Practice with Intention**

The plastic surgery field is dynamic, innovative, and rewarding—but longevity comes from financial mastery. Avoiding these mistakes isn't about perfection; it's about building resilience. You've mastered the art of transformation for patients—now apply it to your finances. Start today, scale wisely, and watch your practice thrive.