

Your New Practice: Shortcuts for Start-ups

This is an exciting time. You're starting a private practice and there's so much to do!

Congratulations on deciding to open your own practice. You will probably find this is a fascinating departure from agency work that allows you tremendous freedom to explore and deepen your interests. You'll also undoubtedly appreciate the ability to set your own schedule and choose the particular clients who are the best and most interesting fit for you.

This e-book will guide you through the early stages of decision-making involved with setting up a new practice. It's intended to serve as a quick reference. My hope in writing it is to walk you through the steps and supply many details so that you don't have to do the research.

SPACE

You may already have a space you'll sublet or rent. Setting up your own office is a considerable financial commitment. Even modest furnishings that are suitable for an office environment could add an additional \$500-2000 to your start-up costs.

If, like most therapists, your budget is limited, it will probably work best for you to sublet an office from someone who is already established. Most often these arrangements are available for a day or two a week, so you can start with just a few clients. You might pay around \$100-150 a month for each day of the week.

Keep in mind you'll want to set up in a space that will work for a while. The nature of a therapy business is that we are offering consistency and stability, so staying in one place and keeping things predictable for clients is the ideal.



Naturally you only want to commit to an office that is affordable for you. Based on whatever savings and resources you have, when you're setting your practice up for the

first time make your best estimate of a rent you can reliably pay, even while you wait for client referrals to come in. You can break it down to units: At my anticipated fee, how many sessions would I need to do so I can pay ___ amount in office rent? Then you can calculate, as I build my practice how many sessions per week to pay my routine expenses like rent/mortgage/utilities at home?

Location matters; you'll definitely want ready access from freeways, public transport or whatever makes your office easy to find and convenient for your clients. The neighborhood should feel safe and welcoming at all hours, because many people will want to see you in late afternoon and evening times. To minimize security risks, ideally you will locate a building where other tenants are also working into the evening.

Look for an office of suitable size. Is your office just big enough to see individual clients? That may work fine, but it is harder to make a living when you're seeing only individual adults, because that is what most therapists do.

If you want to work with couples or families, find an office that will feel sufficiently spacious. Even better, locate an office that is large enough for groups (although more square feet = higher rent.) Some commercial office buildings include a separate conference room or group room you can use for an additional fee or for no cost.



Sound can be a problem in mixed-use office buildings. Check for privacy and soundproofing before you make a decision about renting, ideally by bringing a friend who can tell you how well passers-by can overhear a conversation. Alternatively you can buy one of those sound-screen white noise machines, but this is an imperfect solution. Make sure that you thoroughly attend to all matters involving privacy, because this helps clients trust you.

Look for or create an office that is aesthetically pleasant, that reflects your personality, and that will feel welcoming to many different kinds of people. Select artwork and décor

that will feel comfortable for the variety of people who may come to you for help. Keep in mind that your seating should accommodate bodies of all sizes.

Many insurers require that you provide a handicapped accessible location if you want to obtain a contract with them, so this is another factor to keep in mind as you look for a space. A lot of charming old houses have been converted to office use but may not work for your practice if you plan to accept insurance.

A private waiting area is a nice addition, but does drive up your rent and isn't an absolute necessity. Clients may wait for you in a lobby or hallway outside your office. They should be able to sit down comfortably. Please don't ask anyone to wait outdoors.

PAPERWORK AND LEGAL MATTERS

You'll need to supply clients with the forms listed below. In addition, many states require members of certain disciplines to provide clients with a disclosure form explaining client rights. Your professional organization will be a good resource for any specific regional guidelines and may offer templates of the following type of material.

While there are cautions in this section, none of this is intended to scare you. If you're an ordinary competent and compassionate therapist, chances are you will do just fine in independent practice and none of this will be any more complicated than what you've already done to get through grad school.

However it is prudent to be informed about your responsibilities and the legalities involved so you can practice according to the community standard of care; this is a legal term for defining the way a reasonable person could be expected to make decisions in your professional role. So, here are the forms you should prepare as you arrange to enter independent practice.



Intake Form, including your fee structure, late cancellation policies and consent to treatment.

It is important that you charge the same fee to all clients. If you negotiate a different fee from your stated fee, you document that in the client record. Many therapists charge a “sliding scale” fee, but this is actually an incorrect term to use and could cause problems with your bookkeeping. Sliding scale is determined by non-profit agencies based on client income, but in independent practice we are not typically set up to perform financial screening and income verification. The proper term to use in your marketing and conversations with clients is an “adjusted fee.”

Who cares about this kind of detail? Well, probably your accountant and the IRS, so you should too.

Another way to refer to this arrangement is that you are assigning a client a scholarship spot. This might lead to a different relationship dynamic and a fresh perspective for both you and the client about the work they are doing in their sessions. Even this small modification in language can create a sensation that the client is being subsidized for a course of study or self-development, rather than the recipient of charity.

Late cancel policies vary widely and often are loosely enforced. Put some thought into this though, because the frequency of late cancels and missed sessions could take you by surprise. Even though this unpredictability creates hassles for you, charging the full fee for a missed visit can feel punitive to enforce and carries the risk of disengaging or offending clients. My solution has been to charge about half my full fee and to explain that I do consistently implement this policy. People then know what to expect but do not feel they are being gouged.



In addition to outlining this agreement in your paperwork you will probably need to remind people at the time the incidence actually occurs. In addition, I ask for 48 hours notice rather than 24; I am unlikely to exactly match an open spot, even with several waiting clients, with only 24 hours advance notice.

If you are seeing minors or families you will need customized versions of these forms in order to collect parental signatures and contact information, often for two separate households. If you meet with a minor, unless the accompanying parent has sole legal custody, you would be wise to obtain written consent by both parents.

If you see couples, collect a set of forms from each partner and then keep a separate chart on each person. Tedious? Undeniably. However, this is correct procedure and will protect you from inappropriate disclosure of information if they ever split up. Attorneys could seek records from their joint marital therapy in a divorce or custody dispute.

This business about keeping separate charts for conjoint therapy is all the more reason to educate yourself on what you minimally need to keep in your records so you aren't spending more time than absolutely necessary on your charting.

Your introductory form should also include some explanation about handling emergencies. You are obligated to provide clients with written direction about how to handle urgent situations outside office hours. More detail on arranging this below, under Backup.

HIPAA Forms

I would include more details on HIPAA information here, but regulations are incredibly complicated and constantly changing. The simplest possible approach to this would be looking at the version your own doctor's office uses and developing your own version with that as a model. Your professional association also may offer resources that are verified as up-to-date. Fines for HIPAA violations are steep but so far there seems to be no actual monitoring of small private practices. Online companies charge hundreds, even thousands of dollars for the latest version of these forms.



Do I want to get immersed in this administrative stuff and keep track of every change? No, I emphatically do not, and I bet the same is true for you if you identify as a creative person. I do, however, take this quite seriously, since it is my livelihood we are talking about.

I do what I must and leave it at that, but I definitely sleep better knowing this is in good shape in my practice. If you feel reassured by seeking out the most thorough information available for our specialized field, here are a couple of mental health people who provide comprehensive information on record-keeping and HIPAA that is up-to-date and reasonably priced.

https://www.theclinicianstoolbox.info/Home_Page.html

<http://www.zurinstitute.com/hipaakit.html>



Release of Information

Again, you can purchase a packet of customizable forms or ask a colleague or your own physician's office what format they use.

Progress Notes

The charting system you choose is up to you, but make sure you're in compliance with requirements of your state licensing board. You must also take any insurers like Medicare or Medicaid into account if you're seeing their clients, and their charting requirements are truly rigorous, with significant penalties for infractions.

If you pay for an online medical records program through systems like TherapyPartner or TherapyAppointment, you can be confident that you're in compliance with record-keeping standards of care. However clients who are particularly attuned to privacy concerns may still feel most comfortable if you keep your records on paper and locked in your office at all times. This includes people in public service jobs, the tech industry and anybody who feels their issues are especially sensitive. These clients will probably appreciate a detailed explanation of your privacy practices, such as that you never carry records outside the office, you would not leave client records or your laptop in your car, even briefly, and that you are not even storing their contact information in your phone.

You can include these details in your introductory paperwork and then offer an explanation as part of your introduction when clients first enter your office. That way people know you take privacy seriously and feel assured that they can trust you.

PracticeFusion and PracticeMate are free systems but controversy remains around true patient privacy when using any electronic system, and these programs may share data with other large systems in ways that are not obvious.

Some companies offer a free trial and that can provide you with a good hands-on introduction. If you try a product you will probably want to enter data for a few clients in the new system and see how that goes for the 30 or 60 day trial period. If you input all your client data you are likely to stay with the product even as you become aware of its drawbacks, just because it would be such a hassle to switch.

If you're serious about choosing an electronic medical records system it will be worth your time to talk with 4-5 colleagues who have direct experience using and comparing a few products. Medical records software is a booming and constantly changing industry. You can search for "mental health EMR software reviews," but keep in mind that these probably function more as a form of advertising rather than actual unbiased reviews.

BACKUP

During vacations or travel to conferences you can make arrangements ahead of time for a trusted colleague to take your emergency calls.



Yes, you could tell people to call the local crisis line, but that plan may not offer the kind of customer service you want to provide your private practice clientele. You probably want to build a service-oriented practice where your clients feel truly cared-for, and assigning calls to a trusted colleague who has agreed to be available is more personalized than relying on a crisis line for the general public.

If you are leaving town for a long weekend and know a client is in a particularly tough situation you'll be able to alert your backup person with details about exactly how to help, so they are prepared in case they're contacted. Most private practice clients appreciate this form of appropriate support and will not take advantage of it. You can later trade responsibilities and cover your colleague's call responsibilities in return. Choose someone you genuinely trust and feel good about being associated with, for you are sharing potential liability.

Similarly, you might want to agree that your backup person will handle notifying your clients on a sick day. It probably doesn't sound like any big deal now, but calling 6-8 clients first thing in the morning to let them know you're ill while you're mowed down with a horrible cold or vile stomach flu is a wretched experience. These calls are best accomplished by a colleague who can deliver the message with their dignity intact.

Many states now require licensed professionals to arrange a designee to carry out their professional will in the event of their disability or death. This also is a trade arranged between therapists and in some states is a legal contract with a signed form which is generated and then archived by the state licensing board.

If something terrible happens, you still hold an obligation to see to your clients' continued care by ensuring they have a contact person to assist them in finding a replacement therapist, and someone qualified to manage the transfer of any necessary medical records. Ask local colleagues or contact your professional association to inquire about how this works in your community.

REINING IN ADMINISTRATIVE TASKS

As you read all this information you may become overwhelmed, so here are a few techniques for organization and productivity that could be worth trying.



Since we often work with clients on habit formation, you'd think we would be experts on this, but just because we know the skills doesn't mean that we practice them, right?

Important activities allow us to make progress toward goals that matter.

Urgent activities demand immediate attention but may have little personal significance to us. Successful practitioners minimize the number of urgent tasks they have to handle and spend as little time as possible on non-urgent and non-important matters.

If a task can be accomplished in 2 minutes, time management researchers say it is preferable to just do the task and not defer it by putting it on a list.

Time spent on planning is always positive. Planning predictably increases your efficiency and supports you in doing satisfying and purposeful activity.

Also, when you are away from office work and clinical work, really step away. Allow yourself to become refreshed and renewed.

BILLING AND COLLECTIONS

One of the first steps you should take in your financial life as the owner of a new practice is to open a business checking account. Even if you have only a small amount of seed money to deposit initially, the IRS and any accountant or bookkeeper will expect you to establish an account that is kept separate from your personal finances.

Shop around and inform yourself about the terms of accounts offered by banks and credit unions. Your accountant will have some recommendations if you want to skip the research, just keep an eye open for things like check-cashing fees, required balances and other details that can erode your savings if you are unaware.



A good relationship with an accountant will probably save you thousands of dollars over the course of your career so it is worth seeking out someone early in establishing your

practice. They can help you set up your bookkeeping system properly so it becomes simple and automatic to stay on top of things rather than feeling panicked as tax time approaches.

You may start with a practice where people pay you directly and thus not deal with insurance except to provide a receipt to the client, who can then seek reimbursement on their own if they have insurance. This can work well if you are patient about your timeline in building your practice or just want to maintain a part-time practice. However this can slow down the growth of your caseload, since many clients will want to see someone who can directly bill their insurer.

If you accept insurance, you can handle your own billing or pay a support person. You can contract with billing services that charge an hourly rate; others charge according to a percentage of collected fees, or a flat fee per client.

Whether you work with a biller or do the work yourself, you'll need a system for following up on unpaid claims. The initial bill can be simple to submit online, but it is not always easy to collect payment from insurers. Local colleagues will be able to refer you to a good billing service, or warn you about unsatisfying experiences they have had.



The goal with any financial aspect of your practice is to set a reliable routine for yourself so you can approach tasks without having to figure out how to start. Even if finances and billing never become your favorite part of your practice, you can create systems that make these responsibilities dull but automatic activities. For example, data entry can feel rather pleasant and undemanding when it is not causing you anxiety or irritation.

Some therapists check client benefits with the insurer before scheduling an appointment; some require that the client check the benefits themselves. You can prepare a list of questions clients should ask and supply a script for them to follow in the call. Unfortunately, insurers are more likely to give accurate and detailed information to the insured person than they are to providers, so we are at a disadvantage when making these inquiries ourselves. These calls can also take anywhere from five minutes to an hour, depending on the company. Some billing services offer this support but you will be charged for at least a portion of their time in pursuing this information.

Many therapists wait until the claim has been processed and then see what is covered. You'll need to sort out how much upfront work you want to do and decide how much financial risk you can absorb.

In the first few years most practices are left with at least a few unpaid balances due to insurance mishaps and misunderstandings. You may be dealing with insurers who authorize treatment for a defined number of visits, or include a date of expiration on the authorization. Staying aware of all of these variables while you're managing people's difficult emotions and personal crises is a bit much, and might be another function you rely on a billing service to track.



Even if you pay a service, you still need to keep your finger on the pulse of your practice. Nobody will ever be quite as personally motivated to safeguard your income and cash flow as you.

You'll receive monthly or quarterly reports on pending claims and the status of your accounts from your biller, but honestly, are you going to take the time to sit down and

scrutinize them? For many therapists, regular phone meetings or conversations with a biller are an essential part of keeping your finances in good health.

MORE ON THE FORMALITIES OF BUSINESS OWNERSHIP

Here are some more tips and short-cuts for taking care of the not-quite-so-thrilling administrative aspects of your new life as a self-employed person. This section is about managing your administrative time so it takes as little space in your brain as possible.

Keep a secure folder on your computer or just put together a paper file folder, but get in the habit of keeping all this information handy in one place so you are ready to do these repetitive tasks as needed. Be prepared, take a breath occasionally and read the instructions to save time.

You will need things like your SSN, date you opened your practice, previous dates of employment, lists of professional references and contact information. Also store copies of your professional license, the certificate of proof of malpractice insurance, and any special clinical certifications.

All these websites are pretty easy to use and free of charge. Beware of sites that try to charge you for these kinds of government or non-profit services.

THE WORLD OF INSURANCE BILLING

Get a Tax ID #

You should sign up for a Tax ID (TID) so you don't need to disclose your Social Security Number on billing and financial paperwork.

<http://www.irs.gov/Individuals/International-Taxpayers/Taxpayer-Identification-Numbers-%28TIN%29>

If you bill any insurance, you'll need a National Provider Identifier (NPI)

If you have billed through an agency, it is likely they have obtained an NPI on your behalf. You will retain that number throughout your career, so if this is the case, visit the site to check whether you already have an NPI assigned to you.

<https://nppes.cms.hhs.gov/NPPES/Welcome.do>

NPI Instructions

<https://nppes.cms.hhs.gov/NPPES/StaticForward.do?forward=static.instructions>

CAQH Credentialing : Universal Provider Database

This site stores all your insurance panel membership and credentialing information in one place. It is operated by the CAQH (Council for Affordable Quality Healthcare)

<http://www.caqh.org/access-upd.php>

Becoming a Medicare provider:

<https://nppes.cms.hhs.gov/IAWeb/warning.do?fwdurl=/register/startRegistration.do>



STEPS BUSINESS OWNERS TAKE TO OPERATE AND PAY TAXES

Register Your Business Name

<https://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/choose-register-your-busi>

Obtain a Business License or Permit

<https://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/obtain-business-licenses->

The entire *Small Business Administration*, all in one place; dry reading but the information you need can probably be found here.

<https://www.sba.gov/thinking-about-starting>

Additional county or city fees and registrations may apply in your area. Your accountant or bookkeeper is the best source for guidance on regional requirements.

BECOMING KNOWN AND MAKING MONEY: BUSINESS VISIBILITY

Your Own Website

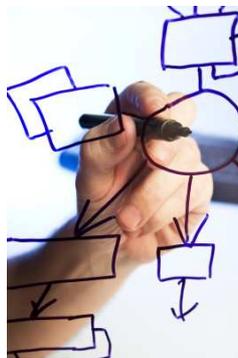
Systems for building DIY websites are made simple, but that doesn't mean they are easy to navigate. You will still probably need some support or instruction; but if you enjoy noodling around with this or have a tech-savvy friend who can help, it's a great way to make a functional website. These are good alternatives to the popular TherapySites hosting service that is heavily advertised; you can build a TherapySites site quickly, but when you add up the cumulative cost of \$60 per month/ \$720 per year over the years you may be in practice, TherapySites is quite expensive compared to these programs.

www.wordpress.com

www.weebly.com

www.squarespace.com

Start with a sketch or diagram of how you want the site to look. It will be easier to see the layout on paper than to begin by creating content in your computer.



Choosing a name

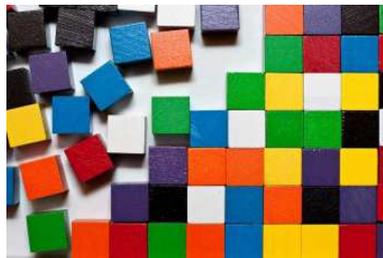
Some of the DIY website builder services above "host" your site for you, meaning they take responsibility for keeping the site visible at all times, or you may use a site builder program and pick a different web host, so that you pay an annual fee for hosting to another company. You might recognize the names of some major webhosting companies like GoDaddy, Arvix, 1and1 or HostGator. Costs vary but average around \$60/year.

So you have some choices. You'll pick a URL, Uniform Resource Locator, the address for your site. Your website should have your name pointing to it, but when you're new to this, not many people will know to look for you by name.

If yourname.com is available, purchase it. If not, you can add hyphens or dots between the words to come up with something that works.

Then think about what people would search for if they were looking for your type of service. The web host page will allow you to search through possible names and tell you which are still available. Domain names are inexpensive and you can arrange for a few different names to point to your website.

Making a website is a substantial project, but when you take a methodical approach and do it in small steps, you'll see it come together.



If building a site is getting you bogged down or sounds overwhelming, another option is a blogging site called www.tumblr.com, which is free and easy to use, but it gives you a blog, not a website. It can be a good way to get something off the ground though while you figure out how you want your website to look and function, or while you save up for getting help with creating a site.

Increasing SEO, Search Engine Optimization

Some of the terminology associated with websites and getting your site found can be rather technical. This can feel like a waste of time or frustrate us if we just want to get to the finish line and have a busy practice. You can consider the research and reading you do about marketing your practice as a lifelong learning process. With repetition these terms will sound familiar and easily within your grasp.

As independent business owners we have incredible opportunities because of developments in technology. The small investment of time we make to acquaint

ourselves with concepts from the world of marketing can provide us with remarkable results for the foreseeable future.

When you create a site, you'll want to start listing it in other places so that you attract visitors. Your site lets people know you exist, but until you get some SEO ranking it is like having a store in a quiet neighborhood out on the edge of town. With a professional manner, we want to let people know we're open for business.



Create a Google Places listing:

https://www.google.com/business/?gmbsrc=us-en-ha-se-z-gmb-s-z-h~bk-42333984407-c&ppsrc=GMBS0&utm_campaign=us-en-ha-se-z-gmb-s-z-h~bk-42333984407-c&utm_source=gmb&utm_medium=ha&gclid=Cj0KEQiAII SIBRDHpIekkMGIiskBEiQAh-0KOPYZkl68P9Eo0PAF03KygdkyKD0H0QC1kThwtxfLcCYaAjV08P8HAQ

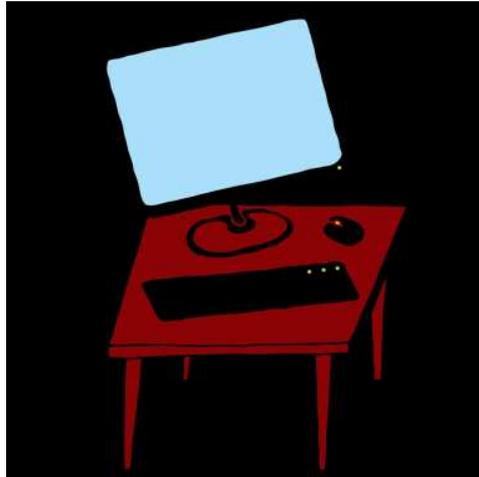
List yourself on Bing:

<https://www.bingplaces.com/>

Consider listing yourself on rating sites:

<https://biz.yelp.com/>

<http://www.angieslistbusinesscenter.com/>



Popular Directories

Even after you make a site, you still need to get people to find it and read your content. Paying for directory listings is one quick way to become visible. Most are in the \$20-30/month range. Here are a few well-known ones with national visibility. You will find many specialized advertising sites based on your skills (EMDR, Imago etc) but these sites serve a general audience.

www.Therapists.PsychologyToday.com

www.GoodTherapy.com

www.NetworkTherapy.com

If you decide to sign up for any of these, you should be able to track the number of referrals you receive so that you know after 6-9 months whether the listing is serving you. These directories are saturated with therapists, particularly in major cities, and you might find you are not receiving sufficient inquiries to justify the expense.

However Psychology Today is an extremely busy and well-promoted site, so membership does add to your website's ranking with the search engines; you may see a real drop in referrals if you sign up and then cut off your subscription. And even one new session from any of these sites will more than equal the annual cost of the listing, so you're likely to get some benefit.

So, there it is- the bare-bones version of the knowledge and resources you can refer to while you Create Your Private Practice.



I hope this is helpful collection of ideas that will help you along the way. If you have suggestions or questions I would always appreciate hearing from you so that I can make this guide even more useful to others. Please get in touch anytime at createyourprivatepractice@gmail.com.