

The Practice of Private Practice

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Introduction

A newly Licensed MFT has a number of opportunities available for the practice of psychotherapy, including fee for service, joining an existing practice, working for an agency, or opening their own private practice. Some adventurous souls will eschew the safety and comfort of an agency, preferring private practice as the ultimate choice for developing as therapists and meeting needs for career satisfaction. It would be fair to say that at some point, most of us will strongly consider opening our own private practice. However, the mechanics and everyday chores of maintaining a private practice can feel overwhelming. Those critical skills of discipline, organization, balance, and perseverance that we spend most of our careers developing in others will be critical to the survival of the private practice.

Maintaining a private practice is the art and science of blending healthcare with small business. The therapist must provide quality care for the clients within a structure consistent with effective business practices. When successful, the clinician will experience satisfaction as a caring support for others and as an autonomous, efficacious professional.

There are a number of components to consider when contemplating and preparing to become a private practitioner. I have identified some of the elements that I have experienced as being important and present them here as a guide for your own personal and professional exploration.

Facilities

Location

A first challenge to address is the location of the private practice. The challenges and needs of urban, suburban, and rural populations are very different, and there is great diversity within those groups. Because the client catchment area for a private practice is relatively small, the treatment population will be highly representative of the community in which you are located. A slight change in location can result in shifts in the characteristics of the catchment community. As you contemplate the location of your private practice, assess your temperament, skill set, and objectives honestly and carefully. Research locations mindful that location is the leading indicator of the population you will treat and the type of therapy you will provide.

In this research, explore the region at different times of day and different days of the week. Are there a number of manufacturing plants, housing developments, universities, office buildings, or nightclubs? There is much information to be gleaned by taking a drive through town. Be sure to read the local newspapers to get a flavor of the challenges, values, culture, biases, experiences, and beliefs of the community members. Talk to other clinicians and business people in the areas who have experience operating successfully in the area. Be attentive to your emotional experience of the exploration and begin hypothesizing about the cultural norms of the community in which you may practice.

Formation

There are options to consider as to the type and form of your private practice. These formations organize themselves into four broad categories; rent, own, independent, or group. Your decision will be economic, social, professional, and artistic. Independent private practice offers the greatest autonomy and freedom. The practice belongs solely to the clinician to manage as best fits individual values, goals, and vision. An independent will feel great control, but also be challenged by feelings of isolation and greater pressure to meet business demands with fewer readily recognizable resources.

Group practice offers a more collaborative approach to providing treatment and collegial support, as well greater distribution of financial and other demands. There can be expanded opportunities to explore creative treatment techniques, especially in groups with clinicians trained in diverse healthcare disciplines. The transition from agency work to private practice might feel more comfortable when forming or joining a group practice and there is frequently an established referral base. However, a clinician may feel constricted by the group expectations and the inevitable friction that develops between participants in any long-term close relationship. The choice is both personal and professional. A more extroverted clinician may thrive in a group setting while the introvert may cherish the solitude and autonomy of the independent private practice.

An independent practitioner can rent, sublet or own. Renting or subletting is usually the best option for a number of reasons. The business aspects of a fledgling practice are plenty challenging without adding the burden of a mortgage and physical maintenance of the premises. Subletting offers some of the benefits of group practice, with some of the same challenges as well. A newly forming group will almost always rent an office suite. However, joining an established group may provide an opportunity to contribute towards being a partner in the ownership of the facility. Generally, it is probably best to start by renting in whichever form that best suits the practitioner, with awareness that buying may be a desirable long-term option.

Furnishings

Keep it simple. It is safest to strive for a neutral yet comfortable and professional environment. The most critical part of the office will be comfortable, supportive seats for the clients and you. Most everything else can be brought in from inexpensive places. Explore consignment shops, yard sales, and your home for displaced items that may have a new life in your office. The goal is to control expenses and open the business as economically as possible. As the practice becomes more established and profitable, the furnishings can gradually be upgraded; thus serving as great tax deductions.

Administration

Financial

As a small business enterprise, the private practitioner will need to establish and maintain a method of bookkeeping. It will be critical to track expenses and control costs. The bookkeeping can be as simple as maintaining a checkbook. However, in order to have a more highly functioning financial system, a business professional might consider using any of the bookkeeping software currently available at very little cost. Quicken is one of numerous financial software programs that will create reports measuring all sources of income as well as ongoing business expenses. The reports are useful for understanding the financial position of the business and making month-to-month and year-to-year comparisons and decisions. There are check writing and other features useful for investment and savings. The Quicken software can be downloaded at www.quicken.intuit.com.

It will be important to develop a relationship with a competent certified public accountant (CPA). The CPA will help design the legal financial structure of the business and prepare tax reports. A business is a legal entity and a private practice qualifies for a number of possible business designations. These include sole proprietorship, S-Corporation, and Limited Liability Corporation (LLC). The CPA will help the clinician navigate these decisions in a manner that best suits the business needs and circumstances. The CPA will also help in creating a SEP-IRA account, which will be a valuable for reducing the tax burden and preparing for retirement.

Healthcare Insurance

Most new private practices accept healthcare insurance coverage as a means of payment for treatment services rendered. There are a number of requirements that must be met before the LMFT can accept clients who will use their healthcare insurance coverage. Licensed clinicians will need a National Provider Identifier (NPI) as provided by the federal government. To request assignment of an NPI, visit <https://nppes.cms.hhs.gov> to provide the required information.

Learning which healthcare insurance providers should be accepted by your practice may be a challenge. Ask clinicians practicing in your catchment area which healthcare insurance companies are most prevalent in their practices. Contact each of those companies to begin the application process. They will refer you to the Council of Affordable Quality Healthcare (CAQH) at www.caqh.org. CAQH will ask you to attest a variety of facts and

information about your practice, which the healthcare insurance companies will access as part of the certification process. This appears to be much more complicated than it actually is, but will require some time and patience. Ultimately you will be in the preferred provider network for any of the companies you determine are active in the community you serve. Complying with the requirements of the insurance company is critical to receiving revenue. Be sure to know the terms of each client's coverage. Each of the companies offers provider support that will help in learning compliance requirements.

Billing

In order to manage receivables, the private practitioner will need to develop an effective billing system. Billing tasks can be handled by the clinician or outsourced. As controlling costs will be a constant priority, clinicians should consider handling billing tasks themselves. This is especially true during the first year, when business is slow and there will be plenty of time to explore the billing process.

There are a number of computer programs that increase the manageability of this task. Therapist Helper is a complete billing program that creates, stores, and prints HCFA-1500 forms, maintains account receivable records, as well as assisting in progress notes, treatment plans, and scheduling. This comprehensive program is available for download at www.therasoftonline.com. The program is expensive to buy and there is a monthly fee for software support. Another option is the HCFA-1500 Fill & Print program offered by www.up-92software.com. This program is easy to use and inexpensive. However, there is little customer support. There are many additional software choices for billing purposes. Some research time on the Internet will be useful for exploring which is best for your practice needs.

Clinicians can also consider completing the HCFA-1500 forms by hand. This may be an acceptable to start out, but will soon become time consuming and tedious as business grows. Another option may be to choose contract with a billing companies to provide these services. They generally charge a base monthly service fee and a percentage, around 5-6% of the gross revenue collected. Irrespective of these choices, it will be necessary to keep a record of payments received and reconcile these payments with the actual billable sessions and submissions.

Marketing

Networking

Effective marketing of the new private practice is essential. As you will be the primary asset of the new practice, marketing is largely about establishing collaborative relationships with potential referral sources within the community. The early weeks after opening your practice will not be very busy. Appreciate this free time as an opportunity and a motivation to fully engage the networking mission.

Before venturing to introduce yourself to the community, design business cards and a one page or tri-fold handout describing who you are and the type treatment that you provide. Indicate which healthcare insurances you accept and invite those interested to contact your office. Have these documents available to offer anyone indicating an interest.

A first step in establishing community connections is to create a list of community resources. The list will be divided into categories, including academic, medical, business, and legal. There may be a number of subcategories within each category and different categories that meet your needs. The Internet is a great resource for gathering the information necessary to construct your list. Search for the schools located nearby. Collect the names and addresses of each school and include the names of the special educators, guidance counselors, principals, vice principals, student assistant advisors, and drug councilors. Use the same strategy for the medical category. Identify the medical practices operating within your catchment area. List the individual doctors within each practice with their addresses and phone numbers. It might be beneficial to subdivide the practices by type, including primary care, pediatrician, hospital, etc.

Apply this strategy to any category created for the list of community resources. Be aware that community healthcare agencies and job placement programs can also be great sources for referrals. Psychiatrists see many clients who could benefit by participating in psychotherapy. Also, if there is a specific specialty of your private

practice, be sure to include other professions who work with a similar population. For example, body dysmorphic disorder and plastic surgery, women's issues and gynecology, issues of aging and geriatrics, etc. Most importantly, in the early stages of establishing your practice, other therapists whose more mature practices have become full will be your greatest source of referrals. Focus attention on identifying other therapist who you know or are practicing nearby.

Once the list and handouts are prepared, there is a simple formula for implementation: Call – Mail – Call – Meet. Start by calling from the names on your list. Ask to speak to the person most responsible for referrals. Introduce yourself and explain the purpose of the call. Inform the resource that you will be following up the call with a mailing. Mail the handout and business cards specifically to the person with whom you spoke, thanking them for the telephone conversation. Within a few days of the mailing, place a follow-up call asking if they have questions, comments, concerns, etc. During the follow-up call, strive to schedule a meeting in the provider's office to discuss their needs and the treatment you provide. If you are fortunate enough to schedule a meeting, be prompt and professional. Keep in mind that most providers are very busy, so be organized and brief. When possible, schedule to attend meetings and other group events that will include all or most of the providers from a single site.

Although this networking strategy is highly labor intensive, you will be pleased by the results. Many providers need to refer clients for psychotherapy, yet have not developed available resources they trust. They will refer to your private practice and you will have the opportunity you need to expand your business.

Volunteering

As you research the location for your private practice, strive to learn about local civic organizations. The Rotary Club, Lions Club, Chamber of Commerce, and other pro-social groups thrive in many communities. Volunteerism can be an invaluable networking opportunity, a chance to be exposed to the perspectives and experiences of people from other professions, and a mechanism by which the practitioner can contribute to the larger community. Seek out these groups as a means of developing your referral base, connecting to the community in which you practice, and increasing the visibility of our profession to other professionals.

As mentioned, other psychotherapists will be great referral sources in the early stages of developing your private practice. Consider increasing your participation in the activities of your AAMFT division. Board meetings, committee activities, and task force assignments within your AAMFT division will provide opportunities to connect with other therapist, share experiences with likeminded professionals, as well as advocate for the benefit of the division membership.

Advertising

It may be useful to place a display advertisement in the local paper announcing the opening of the practice. Beyond that, my experience suggests that traditional display advertising, including local newspapers, regional newspapers, church bulletins, and the telephone book, will not result in attracting clients to the practice. Psychotherapy is a very personal experience and the practice will grow based on referrals by the trusted community members with whom you have developed professional relationships.

It may be important to establish a presence on the web. There are a number of options available to help in the development of a web site that presents the practice to the public. Include the website address with any information you provide clients and other referral sources about your practice. There are also opportunities to advertise on the web. The AAMFT sponsors the Therapist Locator, a directory of member LMFTs, for access by the public. Be sure to thoughtfully complete your profile information. Psychology Today offers a highly visible and effective directory at www.psychologytoday.com.

Self Care and Development

Supervision

The transition from agency work into a private practice will invoke feelings of isolation and disconnectedness. It is important to structure your workweek in such a way as to mitigate this effect. Maintaining a supervisory relationship may be a most important solution. If you have had a productive relationship with an AAMFT approved

supervisor through the licensure process, then arranging to continue meeting on a monthly or weekly basis can be invaluable. If your current supervisory relationship was provided by the agency or is no longer sustainable, research supervision providers attuned to the population you will serve and begin work with a new supervisor who you experience as knowledgeable and supportive. The sessions will insure connectedness with a developed professional and serve to provide a mechanism through which you can process challenging cases and access an objective perspective.

In addition to professional supervision, a private practitioner can consider a peer consultation group. Such groups generally meet on a monthly or bi-monthly basis. They can be difficult to organize as clinicians frequently have work schedules that vary a great deal. Like professional supervision, peer consultation groups also serve to help clinicians to explore perspectives, share insights into ethical and practical challenges, and experience connectedness with diverse practitioners. Moreover, peer consultation groups can be an excellent source of referrals.

Lifestyle

Building a private practice can be a self-actualizing experience. The clinician is addressing core values for development, growth, autonomy, authenticity, and independence. Building a private practice can be a risk for triggering self-destructive tendencies. Neglecting emotional, spiritual, physical, family, and community needs will gradually erode the self-actualizing benefits. It is important to be mindful of both the opportunities and risks associated with private practice.

The clinician must maintain a sense of balance in the structure of the practice within the larger context of an enriched, satisfying life. Such a life will need to include time in each day to meet nutritional needs. It may be necessary to schedule a block of time each day in order to eat a healthy lunch. The best way to insure the meals consumed are healthy may be to develop a habit of preparing a healthy meal at home to enjoy for lunch during the workday. The practitioner can eat this meal in the office, but would be better served by creating rituals around going to a park, library, museum, or meeting with a friend. Restaurant lunches are dangerous for this purpose, as restaurant food tends to be prepared with excessive salt, sugar, oils and other products of dubious nutritional value. Moreover, a regular pattern of relying on restaurant food for lunch becomes expensive and detrimental to the goal of controlling operating costs.

Many of the clients will prefer to meet in the evening hours. These clients will be the first to find your office. Other clinicians who have filled their evening time slots will refer them, or they will be self directed clients who have been unable to schedule sessions around their other life demands. Soon the practice will attract business during the mornings and as your practice matures, afternoon clients will be more common. Evening and/or weekend hours are essential when starting a private practice. This business reality must be balanced against the clinician's need to maintain an integrated, cohesive lifestyle.

Being flexible in meeting these needs may necessitate being somewhat rigid. Identify specific hours of operation that will provide for some evening hours. This may be one, two, or perhaps as many as three evenings of offering session time slots late into the day. Schedule them enthusiastically. Likewise, identify specific hours that will be dedicated to family and self. Enjoy healthy dinners with your family. Allow time in the evening to decompress before going to sleep at a reasonable hour. Reading and journaling are self-nurturing ways to transition from a challenging day at work into a night of restful sleep. Create a space in your mind where activities that attend to your family and your self become sacred rituals and maintain boundaries to fervently protect them.

The workday of a clinician in private practice consists largely of sitting and listening. Avoiding a descent into a sedentary lifestyle will require attentiveness to the needs of your mind and body. Allot time nearly every day to exercise. Take classes for yoga, aerobics, and dance. Go running, walking, and hiking. Lift weights at home or at the gym. Start small with a daily physical activity and cultivate physical fitness as part of your lifestyle. As you become more effective in building your practice within the context of living a balanced life, you will be creating a parallel process in which your clients will strive to live in a similar manner.

Biography

Peter Rossi maintains an independent private practice of psychotherapy and clinical supervision in Wakefield, RI. He is the current president of the RIAMFT and serves as Chairman of the Charitable Contributions Committee for the Wakefield Rotary Club. Peter has taught classes for the University of Rhode Island in Family Financial Issues and Consumer Economics. He earned a B.S. in Business Administration and an M.S. in Human Development and Family Studies from URI.