Developing Your Private Practice

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Agenda

Introductions

Self-Assessment of Entrepreneurial Aptitude

School vs Clinical Behavioral Health Models and Structures of Private Practice

Creating Your Business Plan: Mission, Marketing, Finance

Plan in Action: Daily Tasks and Functions of the Psychologist in Private Practice
Characteristics of Private Practitioners

● Past Work Experiences
  ○ Reflect on your performance reviews from other job sectors as well

● Approach to Work
  ○ Persistence and Initiative /or/ Responsive as Events Unfold

● Communication Style
  ○ Assertive and Direct /or/ Good Mediator

● General Outlook
  ○ Focus on Possibilities /or/ Focus on Realities

● Attitude on Money and Financial Matters
  ○ A Great Method of Measurement /or/ An Unfortunate Necessity

● What Makes You Unique?
  ○ Cultural, Religious, Geographic, etc. (Identity)
  ○ Discipline of Psychology
School “versus” Clinical Psychology

**School**
1. Educational Relevance Concept
   a. Eligibility Categories
2. The Problem-Solving Model
3. Multi-Disciplinary Teams
4. Accountability:
   a. Student Outcomes
   b. Administrators
   c. ISBE Documentation
   d. FERPA

**Clinical**
1. Medical Necessity
   a. DSM-5
2. The Medical Model
3. Maintenance of Team Orientation
4. Accountability:
   a. Client Outcomes
   b. Practice Owners
   c. Managed Care Entities
   d. HIPPA
Psychological Services in the Broader Health Care Spectrum

- Increased appreciation of physical origins for psychological problems
  - Neuro-cognitive and Developmental orientations
- Stigma exists, benefits may be limited
- Third party payers moving toward expedited service delivery models
  - Integrated Behavioral Health
  - Tele-coaching Programs
  - QM-UR policies (akin to school based progress monitoring)
- Find your like-minded colleagues and develop your own “team”
- Consideration of what services to offer:
  - Traditional “school” services are not covered by insurance
  - Testing and Assessment
  - Therapy (individual, group, family)
Health service psychologists’ work settings
Private practice continues to be the primary work setting.

- **Private practice**
  - Primary: 45%
  - Secondary: 47%

- **Hospital settings**
  - 17
  - 10

- **University**
  - 12
  - 11

- **Organized human service settings**
  - 7
  - 6

- **Government settings**
  - 7
  - 4

- **Four-year colleges**
  - 2

- **Business settings**
  - 2

- **Other educational settings**
  - 6
  - 8

- **Other settings**
  - 4
  - 10

Note: Missing values were excluded prior to analysis. Totals may not sum to 100 percent due to rounding.

Source: 2015 APA Survey of Psychology Health Service Providers
Models of Private Practice

- Referral Network Model
- Co-Location
- Independent Practice Association (IPA)
- Management Services Organization (MSO)
Referral Network Model

- A basic first step most practices can take
- Contract with Referral Sources
  - Start with your existing referral sources
  - Find out what behavioral and MH problems they could most use help with
- Limited Risks
- Solo or Group
  - Group: Contract (1099) vs Employee (W-2)
Co-Location

- Rent or Share Office With Possible Referral Sources
- Limited Risks
- No business integration
- “Warm hand off” advantage

Issues/Adaptation:

- Clarifying your role as separate from medical practice
- Free office space
- Getting used to unscheduled hand offs and shorter initial interventions
Independent Practice Association

- Independent practices affiliated for common goals
- IPA’s typically **designed to sell services to a single entity**
- Limited Legal Risk
- Unlike prior models, different independent practices come together in a collaboration
- But retain their own business autonomy
Management Services Organization

MSO and other large models *may* help us solve other major issues LRA helps members with:

- Reimbursement
- Parity
- Bureaucratic hassles from payors
- Unequal bargaining power
- Complying with all of the new regulations
- Push for outcomes data
- Need to demonstrate value of psychology
Business Structure or Entity

- Consult with an attorney and accountant
- Sole Proprietor
  - LLC or PC
- Partnership
- Corporation
  - S Corp
  - C Corp
Business Plan

Mission Statement

Marketing

Finance
Think About it This Way:

If ____________ opened a psychology clinic, what would it be like? who would be their target? where would they market?

Disney
Nordstrom
Nike
Wal-Mart
Apple
Hasbro
Starbucks
Jeep
Louis Vuitton
YOU
Business Plan: Mission

The name of your practice:

The services you provide:

Your competitive advantage:

The clients you serve:

The geographic area(s) you serve:

The goals/target outcomes of your services:

The core values and philosophy that drive the work you do:

Your long-term or overall goals:
Business Plan: Marketing

● Purpose is to grow your referrals and client base
● In this part of the plan, answer the following questions:
  ○ What geographic region am I serving?
  ○ Who are my potential clients and payers?
  ○ Who are my competitors?
  ○ What benefits do I offer that my competitors do not?
  ○ How do you intend to get this message to potential clients and referral sources?
  ○ Make your services easy to “buy” (promptness in returning calls, availability in schedule, willingness to spend time on phone in initial contact, increase visibility [brochures, website])
● “Everything is Marketing”
  ○ Cohesive “look” on materials, in office space, in presentation
  ○ Networking with others and developing trust in collegial relationships
Business Plan: Finance

- Consult with accountant to address financial aspects of your practice

- This portion of business plan should include:
  - 3-year projections
  - Cash flow analysis
  - Short and long-term capital requirements

- Know your KPI’s
- Consider it a living document

- Believe in your value. If, at your core, you don’t see your value, you will find ways to undercut yourself. Stay on top of your fees and expenses.
Now that you’re up and running, let’s look at what you will be doing each day:

- **Legalities**: The work to stay “legal” and protect your practice typically involves annual maintenance.
  - Annual Report for Corporation (filed by attorney)
  - Renewal of State License as a Professional Service Entity (IDFPR)
  - Renewal of Insurance Policies
  - Renewal of Professional Licensure and CAQH for credentialing

- **Accounting and Administrative Duties**: Monitoring and accounting for work flow is daily to quarterly.
  - Payment of Taxes
  - “Closing” your day, “closing” your months (Practice Management Software, Quickbooks, Bank)
    - Collection: Following up with billers, collecting old debt
    - Expenses: Paying bills, purchasing, inventory
Daily Roles and Functions

- **Marketing and Generation**: Daily work! Includes following up on referrals and generating new connections
  - SWOT Analysis: Strengths, Weaknesses, Opportunities, Threats
    - Strengths: What makes your practice effective, different, or special?
    - Weaknesses: In what areas do you need to improve?
    - Opportunities: Where are there opportunities for you to enhance or expand services?
    - Threats: In addition to internal weaknesses, what are real threats to your success?

- **Compliance**:
  - HIPPA: Daily to annual work. Includes locking files, cleaning desk, updating business associate agreements, conducting own risk analysis
  - File Audit: Daily to annual. Includes checking releases, up to date charting, formally closing files
  - Work Space Analysis: Posting of wage requirements and discrimination policies, OSHA
Daily Roles and Functions

- **Diagnostics and Assessment:** Daily to Monthly
  - What measures are you conducting to document symptoms and how often?
  - What constitutes your referral for formal testing?
  - Documentation of Mental Status Examination

- **Treatment Planning:** Daily
  - Goals and Objectives that are Evidence Based
  - Charting of interventions and progress
  - Talking with insurance reviewers, justification of interventions

- **Self-Care:** Daily
  - Collegial Interaction/ Case Consultation
  - Compassion Fatigue
Questions?

(we might have answers)
References / Resources

APA Practice Organization:  http://www.apapracticecentral.org/


Abundance Practice Building:  abundancepracticebuilding.com

Practice of Therapy:  www.practiceoftherapy.com