

# Setting Up Your Private Practice: A Guide

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It can seem daunting to start a private practice, especially since most of us never received training or education on this in our graduate school years. We've got you covered though. Follow the simple guide for things to think about and address prior to opening your doors (virtual ones, too), and feel free to set-up a consultation so we can delve into this in greater detail.

## **1. Before anything else, set-up a meeting with an accountant and/or lawyer to discuss how to set-up your business.**

In general, you may want to read these articles to get you familiar with the options:

<https://www.simpleprofit.com/blog/businessformation>

[www.apaservices.org/practice/good-practice/legal-structure.pdf](http://www.apaservices.org/practice/good-practice/legal-structure.pdf)

<https://bizee.com/blog/post/understanding-dba-doing-business-as?redirect=fromIncfile>

But the purpose of setting up a meeting with a CPA or lawyer is to get individualized assistance and tailoring to your situation. For example, what business structure is best for your needs and financial status? And, you'll want to ask what are the options for your particular state, as different states have different regulations?

## **2. Flush out finances.**

Set up a business checking account and charge card.

Set up Quickbooks or an Excel spreadsheet (we've got templates) that help you monitor income and expenses month-to-month and year-to-year.

Set up a credit card processing company like IvyPay or Stripe. Some EHR platforms (see below) will have this capability. But it's best to have a back-up method to select payment. Most processors will only charge based on use, not for a monthly subscription.

### **3. Create an NPI and an EIN.**

NPIs are like social security numbers for your license to practice. It's relatively simple and easy to request: <https://nppes.cms.hhs.gov/#/>

EINs are like social security numbers for your business (even if you're a sole proprietor). You'll want to make sure you complete this step AFTER your consultation with an attorney and CPA. Here's the link to create an EIN: <https://irs.taxid-us.com/>

And some additional links and information on EINs:

<https://www.counseling.org/Sub/PPP/August2009-PP.pdf>

<https://www.eatrightpro.org/payment/getting-started/becoming-a-provider/obtaining-an-npi-or-ein>

### **4. Set-up your malpractice insurance.**

There are two primary malpractice insurances for psychologists: American Professional Agency and The Trust. If seeing less than 20 clients per week (or anticipating seeing less than 20), select part-time. If seeing more than 20, you'll need to select full-time).

### **5. Choose your EHR, if you're going to use one.**

Some top contenders to consider are: TherapyNotes, Simple Practice, and Theranest. You could also look into these two which are for and by psychologists: Therapy Appointment and PsyBooks.

We recommend picking 2-3 and taking advantage of their trial period so you can effectively test the platform to see what the user experience will be like. Furthermore, consider setting up some fake client accounts, with an email that you have access to, so you can experience things from your clients' perspective.

#### Things to look for in your EHR:

- Ease and convenience of entering in client demographics, setting appointments, sending invoices/receiving payment, and writing notes
- The possibility for the following features (even if you don't intend to use them all): scheduler, superbill creation, insurance billing, modification of note template, CPT code library, diagnostic code library, features for confidentiality (i.e., use of initials rather than client name on the schedule); credit card processor
- Ability to turn on and off features (self-scheduling, telehealth)
- The quality of reports
- The ease of entering and tracking patients payments (perhaps from multiple sources)
- The each of getting your data when you leave that platform

- The redundancy of storage facilities for your data, so that loss of one facility does not cause you to lose your client data

## **6. Developing your forms, procedures, and policies.**

Before going live, you'll need the following forms:

- Informed consent (can and should include telehealth consent if opening a hybrid or virtual practice)
- Intake form (or you can use your EHR's template)
- Good Faith Estimate (if you intend on seeing self-pay clients)
- HIPAA Acknowledgment

Forms that you should have but can also develop eventually:

- Exchange of or release of information
- Group therapy consent
- Informed assent for minors
- Reduced rate contract

We recommend starting with the informed consent early on in your private practice journey - the experience of developing it can inform some of your practices and policies, aiding in the decision-making process.

If you're needing a starting point, or just want help, we have an entire forms library for members.

## **7. Choose how you will receive phone calls.**

You can choose to use Spruce or Plum as HIPAA-compliant platforms.

## **8. Make a decision around Medicare.**

Did you know that by becoming licensed you are automatically opted IN for Medicare? If you want to opt out, go to this website:

<https://data.cms.gov/provider-characteristics/medicare-provider-supplier-enrollment/opt-out-affidavits>. And click on the question "how do I opt out" and it will bring you to another site.

There's a PDF link in there about who to contact

([https://www.cms.gov/medicare/provider-enrollment-and-certification/medicareprovidersuperroll/downloads/contact\\_list.pdf](https://www.cms.gov/medicare/provider-enrollment-and-certification/medicareprovidersuperroll/downloads/contact_list.pdf)) .

## **9. Find your space.**

If doing a hybrid or in-person practice, you'll need to find office space. Your state may allow for you to use a section of your home address, you can try reaching out to a colleague to rent space, or you can look in classifieds on professional listservs and Facebook groups.

Once you have a space, you'll need to fill out a city or state business tax receipt/license. Check with your CPA or attorney for what's required.

## **10. Build your online presence.**

Once you've developed your business type and have a doing business as (DBA; or using your own name), you're ready to hop online.

Consider creating a website through easy-to-use platforms like WordPress or Wix.

You may want to develop business/professional accounts for Twitter/X or Facebook, but these come with some additional ethical considerations.

## **11. Market and network!**

Check out our other tip sheets for more information on this!

## **Virtual Practice (telehealth) Specific Guidelines**

### **1. Determine what platform to use.**

Most EHRs have a telehealth component. You can use this (usually for an added cost). You could also use Zoom with a Business Associate Agreement (BAA) or Doxy.me (a free platform with the potential for added features).

Things to look for: the ability to conference in parties from different locations; no limit to the length of the call; ability to get a BAA; HIPAA compliance.

Telehealth guidelines recommend that you have at least TWO platforms in case the first one is problematic. For example, you can use Zoom as your primary mode but if for some reason it's not loading on your client's computer, you could switch to Doxy which is web-based (no app required). This reduces the likelihood that you will need to move to a non-secure platform (for example, FaceTime, Google Chat, Skype are not HIPAA-compliant).

## 2. Get a physical address.

Despite being virtual, you'll still need an address for insurance payments, receiving checks if you do so, or even just a place to register your license/insurance.

Even if you're not accepting insurance, you may want to check with your state regulations to see if you are able to use a PO Box in lieu of a "real" address.

Some suggestions, in the order of recommendation, are:

- Asking a colleague if you can "rent" their address. Some colleagues will allow you to pay them \$50-\$100 and they will mail you anything you receive in the mail.
- Renting a virtual address through ipostal or a work suite.

## 3. Check to see if you need to fill out a city or state business tax receipt/license.

Note: The companies listed above in this tip sheet are not endorsed by TPI, but rather are merely suggestions for you to evaluate.

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*The practice of your dreams can be your reality. If you're looking for personalized guidance or more on this topic, consider a one-on-one consultation with a TPI consultant. Contact us at [support@thepracticeinstitute.com](mailto:support@thepracticeinstitute.com) to arrange a convenient time.*

*TPI members have access to our expanded checklists, guides, and tips; a free one-on-one consultation; access to our on-demand Answer Desk; and free small group discussions on a variety of practice needs.*

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