

SETTING UP YOUR PRIVATE PRACTICE

Christopher C. Jones, CAGS

Licensed Educational Psychologist 2819

President and CEO

Dynamic Interventions

What makes you think you can just hang your shingle and clients are going to walk through your door?

SETTING UP YOUR PRIVATE PRACTICE

WARNING, PARADIGM SHIFT AHEAD!

You are now a business owner who practices educational psychology!

SETTING UP YOUR PRIVATE PRACTICE

- ▶ Examples of services an LEP can provide
 - ▶ Individual counseling
 - ▶ Group counseling
 - ▶ Family counseling
 - ▶ Private assessment
 - ▶ IEEs
 - ▶ Public assessment
 - ▶ Contract work
 - ▶ Public and private consultation
 - ▶ Speaking engagements
 - ▶ Consultation
 - ▶ Advocacy

SETTING UP YOUR PRIVATE PRACTICE

- ▶ Things to think about
 - ▶ Part-time or Full-time?
 - ▶ Very few LEPs have a Full-time practice
 - ▶ If part-time, how and where?
 - ▶ Ethical issues of working within your SELPA
 - ▶ Get permission from your SPED & SELPA Directors if practicing in your district
 - ▶ Be sure to have clear directives on what you can and cannot do within your district/SELPA
 - ▶ Use of public facilities/equipment
 - ▶ How do you market yourself and get clients within your district/SELPA?

SETTING UP YOUR PRIVATE PRACTICE

- ▶ Full Time Practice
- ▶ Define what you are trying to accomplish
 - ▶ Professional goals
 - ▶ Mission and Vision Statements
 - ▶ Scope of your practice
 - ▶ Assessment, counseling, consultation
 - ▶ All, some?
 - ▶ What else do you want to do?

SETTING UP YOUR PRIVATE PRACTICE

SWOT Analysis Template

State what you are assessing here.

(This particular example is for a new business opportunity. Many criteria can apply to more than one quadrant. Identify criteria appropriate too your own SWOT situation.)

Criteria examples

Advantages of proposition
Capabilities
Competitive advantages
USPs (unique selling points)
Resources, Assets, People
Experience, knowledge, data
Financial reserves, likely returns
Marketing - reach, distribution, awareness
Innovative aspects
Location and geographical
Price, value, quality
Accreditations, qualifications, certifications
Processes, systems, IT, communications

Strengths

Weaknesses

Criteria examples

Disadvantages of proposition
Gaps in capabilities
Lack of competitive strength
Reputation, presence and reach
Financials
Own known vulnerabilities
Timescales, deadlines and pressures
Cash flow, start-up cash-drain
Continuity, supply chain robustness
Effects on core activities, distraction
Reliability of data, plan predictability
Morale, commitment, leadership

Criteria examples

Market developments
Competitors' vulnerabilities
Industry or lifestyle trends
Technology development and innovation
Global influences
New markets, vertical, horizontal
Niche target markets
Geographical, export, import
New USPs
Tactics: eg, surprise, major contacts
Business and product development
Information and research
Partnerships, agencies

Opportunities

Threats

Criteria examples

Political effects
Legislative effects
Environmental effects
IT developments
Competitor intentions - various
Market demand
New technologies, services, ideas
Vital contracts and partners
Sustaining internal capabilities
Obstacles faced
Insurmountable weaknesses
Loss of key staff
Sustainable financial backing
Economy - home, abroad
Seasonality, weather effects

SWOT ANALYSIS

MISSION STATEMENT (WHY YOU EXIST)

A one-sentence statement describing the reason an organization or program exists

This should be a practical, tangible tool you can use to make decisions about priorities, actions, and responsibilities?

NEEDS TO...

- ...be clear and simple (most aren't)
- ...avoid elaborate language & buzz words
- ...easily explained by others
- ...not be confused with a **vision** statement
- ...be recognizably yours

1-5 WORD ANSWERS

What type of entity/program? Is this important?
(e.g. a nonprofit, volunteer program, event, business, etc)

Why do you exist? (problem/needs)
(e.g. Millions lack access to safe water)

What's the broadest way to describe the work?
(e.g. Providing clean drinking water)

For whom do you do this work?
(e.g. To people without access)

Where do you work? (geographic boundaries)
(e.g. in developing countries)

EXAMPLE MISSION STATEMENTS

charity: water is a non-profit organization bringing clean, safe drinking water to people in developing nations.

HandsOn Network inspires, equips and mobilizes people to take action that changes the world.

View a list of 50 great mission statements
<http://topnonprofits.com/mission-statements/>

VISION STATEMENT (DESIRED END STATE)

A one-sentence statement describing the clear and inspirational long-term change, resulting from your work.

These should be practical, tangible tools you can use to lead your group or organization in achieving quality results

NEEDS TO...

- ...be clear and simple (most aren't)
- ...avoid elaborate language & buzz words
- ...easily explained by those involved
- ...not be confused with a **mission** statement

QUESTIONS TO CONSIDER

! What needs to be changed?
What are the major issues or problems?

? Why should issues be addressed?
What are their costs to the involved parties?

! What are the strengths and assets?
Both of org/program and those being served

! What is your dream end-state?
In a perfect world, what would this look like?

! What would success look like?
Specifically for this particular project/organization

EXAMPLE VISION STATEMENTS

No child in our city will go hungry to bed in the evening.

HandsOn Network's vision is that one day every person will discover his/her power to make a difference.

View a large list of example vision statements
<http://topnonprofits.com/vision-statements/>

**CREATING A VOLUNTEER MANAGEMENT PROGRAM
A COLLABORATION BETWEEN**



if you share this resource please link to
<http://topnonprofits.com/vision-mission>

topnonprofits.com
[@vankorlaar](#)

handsonnetwork.org
[@HandsOnNetwork](#)

pointsoflight.org
[@PointsofLight](#)

MISSION AND VISION STATEMENT

- ▶ Business Plan
 - ▶ Take business classes
 - ▶ Partner with a business professional
 - ▶ Read business books
 - ▶ Take the time to create a business plan
- ▶ Business Model
 - ▶ Sole Proprietorship, LLC, S-Corporation

SETTING UP YOUR PRIVATE PRACTICE

▶ Sole Proprietorship

- ▶ A business that legally has no separate existence from its owner. Income and losses are taxed on the individual's personal income tax return
- ▶ The sole proprietorship is the simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts

SETTING UP YOUR PRIVATE PRACTICE

▶ Sole Proprietorship

- ▶ A sole proprietorship can operate under the name of its owner or it can do business under a fictitious name, such as Jones LEP Services. The fictitious name is simply a trade name--it does not create a legal entity separate from the sole proprietor owner
- ▶ The sole proprietorship is a popular business form due to its simplicity, ease of setup, and nominal cost. A sole proprietor need only register his or her name and secure local licenses, and the sole proprietor is ready for business. A distinct disadvantage, however, is that the owner of a sole proprietorship remains personally liable for all the business's debts

SETTING UP YOUR PRIVATE PRACTICE

▶ Partnership

- ▶ A partnership is a formal arrangement in which two or more parties cooperate to manage and operate a business. Various partnership arrangements are possible in which all partners might share liabilities and profits equally or some partners may have limited liability
- ▶ Not every partner is necessarily involved in the management and day-to-day operations of the venture, such as in the case of a "silent partner." In some jurisdictions, partnerships enjoy favorable tax treatment relative to corporations

SETTING UP YOUR PRIVATE PRACTICE

▶ Partnership

- ▶ When taking on partners, remember that everyone goes in with the best intentions, but issues occur over time
- ▶ Consider getting a Buy/Sell Agreement that outlines what happens if a partner wants to leave the business

SETTING UP YOUR PRIVATE PRACTICE

▶ S-Corporation

- ▶ A Subchapter S (S-Corporation) is a form of corporation that meets specific Internal Revenue Code requirements. The requirements gives a corporation with 100 shareholders or fewer the benefit of incorporation while being taxed as a partnership
- ▶ Corporation taxes filed under Subchapter S may pass business income, losses, deductions, and credits to shareholders. Shareholders report income and losses on individual tax returns and pay taxes at ordinary tax rates

SETTING UP YOUR PRIVATE PRACTICE

▶ S-Corporation

- ▶ Like a Partnership, S-Corps typically have partners, so the same precautions should be taken
 - ▶ Business Operating Agreements
 - ▶ Buy/Sell Agreements
- ▶ Required to have a Board of Directors and Company Officers who meet at least yearly and keep a record of those meetings
 - ▶ Directors and Officers can be the same people

SETTING UP YOUR PRIVATE PRACTICE

- ▶ Limited Liability Company (LLC)

- ▶ A limited liability company is a corporate structure whereby the members of the company are not personally liable for the company's debts or liabilities
- ▶ LLCs are hybrid entities that combine the characteristics of a corporation and a partnership or sole proprietorship

SETTING UP YOUR PRIVATE PRACTICE

- ▶ Limited Liability Company (LLC)
 - ▶ While the limited liability feature is similar to that of a corporation, the availability of flow-through taxation to the members of an LLC is a feature of partnerships
 - ▶ The primary difference between a Partnership and an LLC is that the LLC separates the business assets of the company from the personal assets of the owners, which insulates the owners from the LLC's debts and liabilities
 - ▶ The same is true for an S-Corp
 - ▶ There is yearly fee paid to the State of California for the privilege of being an S-Corp or an LLC

SETTING UP YOUR PRIVATE PRACTICE

▶ Nonprofit Organization

- ▶ A Nonprofit Organization is a business granted tax-exempt status by the IRS. Donations made to the Nonprofit are typically tax deductible to individuals or businesses that make them, but the Nonprofits must make financial and operating information public so that donors are certain their contributions have been used effectively
- ▶ Nonprofits pay no income tax on the donations they receive or on any money they earn through fundraising activities

SETTING UP YOUR PRIVATE PRACTICE

▶ Nonprofit Organizations

- ▶ This designation is given to an organization that furthers religious, scientific, charitable, educational literacy, public safety or cruelty prevention causes or purposes
- ▶ It must generate some public benefit
- ▶ Services are typically low or no-cost to clients

SETTING UP YOUR PRIVATE PRACTICE



The One-Page Business Plan

Answer each question with one or two short sentences.

OVERVIEW

What will you sell?

Who will buy it?

How will your business idea help people?

KA-CHING

What will you charge?

How will you get paid?

How else will you make money from this project?

HUSTLING

How will customers learn about your business?

How can you encourage referrals?

SUCCESS

The project will be successful when it achieves these metrics:

Number of customers

or

Annual net income

(or other metric)

OBSTACLES / CHALLENGES / OPEN QUESTIONS

Specific concern or question #1

Proposed solution to concern #1

100STARTUP.COM

1 PAGE BUSINESS PLAN

- ▶ Financing
 - ▶ Start up capital
 - ▶ Assessment equipment, computers, office supplies, liability insurance
 - ▶ Working with a business bank
 - ▶ Line of credit/loans
- ▶ Office Space
 - ▶ Rent space, or work from home?
 - ▶ Your own office, or sub-let?

SETTING UP A PRIVATE PRACTICE

▶ Insurances

▶ Business Insurance

- ▶ Necessary if you are leasing space
- ▶ Highly recommended if you are subletting space
- ▶ Typically inexpensive
- ▶ Necessary if you are going to do contact work for schools

SETTING UP YOUR PRIVATE PRACTICE

▶ Insurances

▶ Professional Liability Insurance

- ▶ Referred to as malpractice insurance
- ▶ Highly recommended
- ▶ Typically inexpensive and can be obtained at a discount through CASP and NASP
- ▶ Required if you are going to do contract work for schools or almost any public agency

SETTING UP YOUR PRIVATE PRACTICE

▶ Insurances

▶ Auto Insurance

- ▶ Recommended if you are doing contact work and need to travel to various sites
- ▶ Typically an inexpensive add-on to your business insurance policy
- ▶ Covers you while you are driving for work
- ▶ It is an additional cost, and not necessary if you want to use your own personal insurance

▶ Workman's Compensation

- ▶ Required if you have employees

SETTING UP YOUR PRIVATE PRACTICE

▶ Licenses

- ▶ LEP is needed in order to provide psychological services to clients
- ▶ Business License may be required for you to operate your practice
 - ▶ Check with the business office at City Hall
 - ▶ Free Enterprise Zones typically do not require business licenses to operate
 - ▶ Many cities do not require business licenses for companies that are service oriented

SETTING UP YOUR PRIVATE PRACTICE

- ▶ All forms should be HIPPA compliant
- ▶ Typical forms include
 - ▶ Intake
 - ▶ Consent for individual and group counseling
 - ▶ Consent for consultation
 - ▶ Consent for assessment
 - ▶ Release of information
 - ▶ Developmental/Family history

CONSENT FORMS

- ▶ All consent forms need to have a disclaimer indicating that services similar to yours may be available at no cost through the client's local school district
- ▶ All consent forms should indicate that you carry liability insurance

CONSENT FORMS

- ▶ Individual counseling
- ▶ Group counseling
- ▶ Consultation
- ▶ Speaking engagements
- ▶ Assessment
- ▶ School contracts
- ▶ IEEs
- ▶ State agencies

REVENUE STREAMS

- ▶ Payment from clients
 - ▶ Many LEPs (and other mental health professionals) have a fee for service payment structure
 - ▶ This means they do not take insurance
 - ▶ Payments are made when services are rendered or through other agreed upon schedules
 - ▶ Cash
 - ▶ Check
 - ▶ Credit Card
 - ▶ PayPal

SETTING UP YOUR PRIVATE PRACTICE

▶ Payment from clients

- ▶ To take insurance, or not to take insurance, that is the question....
 - ▶ Many insurance companies are unfamiliar with the LEP, or feel that because of the word "Educational" in our licenses, our services should be provided in schools and therefore are not covered
 - ▶ You will need to inquire with the various insurance companies to determine if you are eligible to apply to be on their insurance panels, i.e. Blue Cross, Aetna, etc.
 - ▶ Insurance companies are difficult to navigate, rarely pay your rate, and are 30-90 days out for payment once claims are submitted
 - ▶ They do allow for a large quantity of clients, and provide some advertising because you will be on their website as a provider

SETTING UP YOUR PRIVATE PRACTICE

- ▶ If I do not accept insurance, you should provide “superbills” for reimbursement for clients with insurance that covers out of network providers.
- ▶ Superbill should include your National Provider ID, Federal Tax #, ICD-10 Diagnosis Code, and CPT Code.
 - ▶ National provider ID: <https://nppes.cms.hhs.gov/>
 - ▶ Federal Tax # (EIN): <https://sa1.www4.irs.gov/modiein/individual/index.jsp>
 - ▶ ICD-10 diagnosis codes can be found in the latest DSM-5
 - ▶ CPT Codes: These are procedure codes for the service you provide. The most common codes used in an LEP practice are:
 - ▶ 90791- initial diagnostic consultation
 - ▶ 96101 – psychological testing – includes testing, interviewing, observations, interpretation, and report writing
 - ▶ 90832 – individual counseling – 30 minutes
 - ▶ 90834 – individual counseling – 45 minutes
 - ▶ 90837 – individual counseling – 60 minutes
 - ▶ 90853 – group counseling

INSURANCE

- ▶ If you are not accepting insurance and providing a superbill, make it clear to your clients BEFORE providing services that you cannot guarantee they will be reimbursed by their insurance company for your services or how much they would be reimbursed
 - ▶ This should be a disclaimer on your consent forms
- ▶ Advise them to contact their insurance company prior to beginning services to find out those details. Also, clients should be notified that superbills contain some confidential information such as diagnosis and treatment provided.

INSURANCE

- ▶ Marketing
 - ▶ Brand recognition
 - ▶ Promoting yourself and your business
 - ▶ Getting clients
 - ▶ Print advertising
 - ▶ Word of mouth
 - ▶ Networking Opportunities
 - ▶ Groups
 - ▶ Committees
 - ▶ Chamber of Commerce

SETTING UP YOUR PRIVATE PRACTICE

- ▶ Marketing
 - ▶ Website
 - ▶ Social Media – LinkedIn, Twitter, Facebook, Instagram, etc.
 - ▶ Business groups on social media
 - ▶ Professional directories – Psychology Today, Google Business, etc.
 - ▶ Partnering with other LEPs, mental health providers, educational therapists, OTs, speech pathologists, etc.
 - ▶ If you are going to provide private assessments, make sure you have two or three solid sample assessment reports to provide
 - ▶ Give free presentations and workshops – online or in person
 - ▶ Business mentoring groups
 - ▶ Podcasts, Youtube videos, vlogging, blog, professional journals

SETTING UP YOUR PRIVATE PRACTICE

▶ The Ugly Truth

- ▶ Prepare for hard work
- ▶ Many businesses fail within their first year
- ▶ After year one, businesses are in “survival” mode until year five
- ▶ Businesses typically begin to thrive after five years
 - ▶ The five year mark is when small businesses usually have their start-up loans paid off
- ▶ Prepare to supplement your income for the first two to three years as your practice develops
 - ▶ If you go directly into full-time

SETTING UP A PRIVATE PRACTICE

- ▶ Cost/Benefit Ratio
 - ▶ You are your own boss
 - ▶ There is no more guaranteed income, benefits, or vacation time
 - ▶ You get to set your own hours
 - ▶ There is a lot of evening work, as the majority of your clients will be school aged students
 - ▶ Allows you to do the parts of the job that you enjoy the most
 - ▶ Fewer IEP meetings!!!

SETTING UP A PRIVATE PRACTICE

- ▶ BBS Statutes and Regulations
- ▶ BBS Advertising Guidelines
- ▶ BBS Disciplinary Guidelines
- ▶ BBS Self-Empowerment
- ▶ BBS Therapy Never Includes Sex
- ▶ www.bbs.ca.gov

IMPORTANT DOCUMENTS

▶ Thanks for coming, it has been a pleasure!

Christopher C. Jones, CAGS

Licensed Educational Psychologist 2819, NCSP

Dynamic Interventions

cjones@dynamicinterventions.net

www.dynamicinterventions.com

QUESTIONS AND ANSWERS