



PRIVATE PRACTICE STARTUP GUIDE

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PRACTICE
OF THERAPY

Private Practice Startup Guide for Mental Health Clinicians
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So where are you in your journey? Maybe you are you a graduate student or recent grad who is looking toward going into private practice. You have gotten some great clinical training and are ready and willing to see clients. The problem though is that you really did not get the business training you needed to know how to run a private practice.

Or maybe you are already working full-time for an agency and feeling like you are always burning the candle at both ends... The caseloads seem to constantly stay over-loaded. There seems to be an endless stream of paperwork and deadlines. You stay “on eggshells” from being on-call and not knowing when the next crisis with a client will hit. Court dates, follow-up with psychiatrists and doctors, intakes, discharge summaries, treatment plans, utilization reviews, treatment team meetings, safety plans...the list goes on and on... For financial reasons, you are afraid to leave that job or only make a lateral move to another agency to just get more of the same.

Do any of these describe where you are in your journey as a clinician? Are you graduate student ready to start into private practice but not sure when or how? Are you feeling burned-out and stuck working for an agency?

My own story and journey into private practice started about 15 years ago. I was working for an agency feeling all the pressure and feeling stuck in my career. I was working 60+ hours a week and felt like I was getting nowhere. I was not getting to spend the time that I wanted with my family. My weekends were spent getting caught up on paperwork. I felt like I really was burning the candle at both ends.

It wasn't that I did not want to be a therapist, it just felt like I was not thriving or doing what I really wanted to do in my career. Because of this, I began the process of building a part-time private practice. Once I started that private practice, it gave me sense of hope and motivation. The agency work somehow felt less burdensome because I knew I was not going to be doing that forever. The agency work was simply a stepping stone to bigger and better things for my career.

That part-time counseling practice I started began to grow. It grew to the point that I was able to leave the security of my agency job and devote all of my time to my own private practice. Now I have a thriving group practice with 4 other counselors/therapist working with me.

You can do that too!

Going into private practice is absolutely doable. There are no real “get rich quick” schemes with private practice. But by starting small and being patient with the process of building a private practice, it can grow into something that is supporting and sustainable.

To be totally realistic, very few private practices are financially sustainable and viable when they are getting started. That takes some time to build. But by putting the right systems in place and focusing on building the business (*yes, it is a business!*), you can create something that is sustainable and supports the lifestyle you want to live.

In general, it takes most practices about 2 years to reach this point. And if the right things are done in terms of marketing the practice and having the right systems in place, you can reach viability with your practice much sooner. The formula is pretty simple. You have to bring in more money than you spend. You have to pay yourself, pay taxes, have the business expenses covered and make a profit.

The key to success is to be patient with small incremental growth. Then before you know it, you will reach a point of momentum that can take you to success and having your ideal practice serving your ideal clients. You can find meaning and purpose in your work and absolutely live the lifestyle you want for yourself.

What to expect from this guide

This guide does not contain “everything” you need to know about running a private practice. Nonetheless it will hopefully get you headed in the right direction. The next few pages will guide you through some steps you can take now to begin your private practice by starting small and growing. It will give you some basic things you will need to think about and know as you move into private practice and start the process of being your own boss.

Links to Resources

Throughout this guide there are links to resources that I recommend. And to be fully transparent about this, some of these links are affiliate links which means that I do receive a commission, with no extra cost to you, if you use the link to the purchase products or services suggested. I only recommend those products and services that I use myself or know come highly recommended. Thanks in advance for using the links!

Let's start the journey!



Step 1- Finding a Place to Meet with Clients

Where and when you see potential clients as you begin a private practice can range from easy to complicated. Either way, it is important for you to begin thinking outside the box. The two obvious things you need to consider are location and cost. The other thing to consider is the [business model](#) you might want to use for your practice. It makes sense that before you go to the expense of paying full monthly rent for your own space, that you look into sharing office space with someone or other less traditional models for providing services (ex., online therapy or in-home counseling)



Finding the place

Here is where thinking outside the box is important. So here are some ideas to consider as you think about finding a place to start seeing clients:

- Who do you know that might have some unused office space? Doctors, attorneys and banks typically do not use their office space in the evenings and on weekends.
- Churches and other houses of worship typically have lots of unused space throughout the week. In fact, depending on where you are, they are usually happy to have their space used during the week and it also gives them some “outreach” in the community.
- Other counselors and therapists that are in private practice might have times they are not seeing clients and would be willing to share the cost of their office.
- Check local listings like [Craigslist](#) to see what sort of office space might be out there. If you do not have access or know any of the above, post an ad on Craig’s List, “office space needed” to see what leads you might get.

Other Business Models



In-Home Counseling

Another concept to consider is doing in-home counseling. You may or may not have a comfort level with doing it this way, but there are a lot of counselors that have built very successful practices around going to the client rather than the client coming to you. Of course you need to know something about your clients and where they live. Be safe about this one.



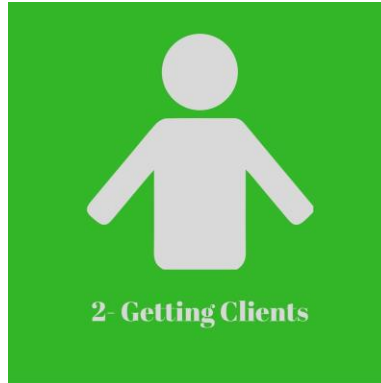
Online Therapy

Online Counseling, often referred to as “Tele-Therapy”, is an up and coming way to deliver psychotherapy services. With this type of service you simply meet with clients online by video conferences. There are therapists that have built whole practices around providing this type of counseling and even do it exclusively to traditional face to face counseling.

There are more and more platforms that are emerging that are secure and designed specifically for counselors and therapists doing online counseling. Services like [Talkspace](#) and [7 Cups of Tea](#) are designed to provide the platform and marketing for therapists doing online therapy. These might provide a good place to start in that they are somewhat turn-key. Essentially a therapist signs up to be a provider for one of these services. They do have a credentialing process that you will need to through in which you verify your license and liability insurance coverage.

Another option is to be more do-it-yourself and use a platform that is specific to your practice. I can recommend [Doxy.me](#) as a good basic and secure platform to start with. Doxy.me is a free service for single users. Another one that is good is [Zoom.com](#). It is a paid service but a good return on investment if you go with them. Both these platforms are HIPAA secure and you can get the BAA required by HIPAA.

Do spend some time learning about the legal and ethical issues around tele-therapy. Some great resources for this are with [Clay Cockrell's Online Counselling Directory Toolbox](#) and [Rob Reinhardt's Tame Your Practice](#). Also, check out [Roy Huggins Person Centered Tech](#) for all things about HIPAA and Technology in the mental health field.



Step 2 - Getting Clients and Referrals

One of the MOST important parts of building a private practice is learning how to market your practice. (Yes, I said the “M” word...). This is the fuel that will drive your practice and keep your schedule full. After all, if you don’t have clients to see you won’t be in private practice very long. And what this will require is learning about the “M” word...MARKETING.

Marketing is the one area of having a private practice that tends to intimidate people the most. We do not like to be “salesy”. After all, if you had wanted to be a salesperson, you would have gone into a sales field rather than the mental health field, right?! So I think it is helpful to be thinking about marketing in terms of developing relationships. After all, the number one reason people will refer to you is because they know you.

A better way to think about marketing is to think about it in terms of helping people find you. There are so many people that need and want your services. They truly need your help. Marketing is the way you get your message out and help them find you.

First of all be patient with the process! Developing a “marketing plan” is simply about developing relationships and letting potential clients know how you can help them with their problems. If you focus on this from the beginning, it will be by far the place you will get the biggest bang for your buck.

So here are the essential components of a good marketing plan. First of all you have to constantly get new clients. Secondly, you need to be able to retain clients that you get. So here are some of the essential elements I have identified for having a solid marketing plan:

1. Know and define your niche.
2. Have a great name for the practice.
3. Have a BOOMING web presence.
4. Have lots of people in the community referring to you directly.

5. Have a high level of value and client satisfaction so that clients refer to you.

One book and resource I can highly recommend is [Building A Story Brand by Donald Miller](#). It totally changed the way I think about marketing. He also has a podcast by the same name.



Identify your niche

One thing that most seasoned therapists in private practice will tell you is to identify a niche to focus your efforts on. In other words, if you were to identify your ideal client, who would they be and what would their struggles be? What sorts of problems could you best help them with? What clinical issues are you drawn to working with? Once you identify this person, this “Avatar” this will be who you need to market to.

So as you start the process of marketing and getting a good referral base for yourself, keep your ideal client in the forefront of your mind. Your “avatar” will be who all of your content, advertising and wording will be written for.

The other thing about having a niche is that it will allow you to do the kind of work that energizes you. Imagine filling your days with the people you enjoy working with the most. It will not only energize you, but it will make you a better clinician.



TIP: Always write and market from standpoint of how you solve client's problems, NOT how great you are as a therapist..



What's in a name?

What will be the name of your practice? Let's think about this for a minute and think like a marketer. The number one referral source for most clinicians usually is their website. So with that being said, your practice name needs to be search engine friendly. Start thinking URL.

Take some time to Google counselors and therapists in your area. Go to Google and type in "<your city name> counseling". Do the same for "<your city name> therapists". At the bottom of the search page that comes up Google will also suggest similar searches. Take a look at some of those. If you were looking for a counselor or therapist and went to Google, what would you type in? Talk to friends and family about this and see what they might Google if they were doing it.

Begin by jotting down what you find on the first two pages of Google when you do those searches. Getting any ideas? If you were to name your practice, what would stand out and get your attention? What would seem inviting?

Take some time in brainstorming practice name ideas. You might have had one in mind all along which is great! Do some searching around that name and see what you can find out and if other ideas come to mind.



Developing a web presence

Now that you have thought about a name, take the time to begin thinking about your website. Having a website is absolutely a **MUST** for going into private practice. It really is your greatest and most valuable marketing tool.

A good recommendation is [Bluehost](https://www.bluehost.com) for getting your domain name and setting up your initial hosting. It continues to be one of the most reliable and recommended hosting services for those just getting started. I also recommend that you use Wordpress for your content management system. Don't worry too much at this point about building the website or how to set everything up. For now, just focus on the name you will use for the website.



Tip: If you would like to learn more about building your own website, take a look at [Daniel Fava's Create My Therapy Website Toolbox](#) which is a course that will take you through all the steps. If you are more inclined to have someone else do the work for you and have more of a “turn-key” way of doing it, [Brighter Visions](#) (*use this link and get one month free*) does a great job and specializes in websites for counselors and therapists.

As has already been suggested find out what practice names are already out there. Use this information to think about a practice and website name. As mentioned already, your website name/URL should ideally match your practice name. I would also HIGHLY suggest that the website name include the word “counseling” or “therapy” in it because that is what most people would be searching. To just use your name, (ex. “bobsmith.com”) does not convey what you do. But the name, “bobsmithcounseling.com” would be a better choice. Also making the name shorter helps people remember it and easier to type.



Create Content!

Once you have your website established, it will be important for you to start blogging and create other forms of content. What this will do is help you establish yourself as an expert in your community. It will also help increase your SEO (search engine optimization) of your website.

There is so much about SEO and content creation that will be important for you to know, that we cannot really cover in this short guide. SEO is what you need to make your website discoverable by potential clients when they do a search. And this does take some time and persistence to get your ranking in Google to a place where people can find you on the internet.

Blogging

Blogging is not as difficult as it might seem. There is tons of information on blogging and how to do it well out there on the internet. Whether you like to write or not, blogging is one of the major elements to helping your website get noticed. You can absolutely learn how to do it and do it well!

Podcasts

Whether you know it or not, one of the fastest growing segments of content consumption are podcasts. Recent statistics indicate that 51% of Americans have listened to podcasts. 22% of those listening to podcasts listen to them regularly. And with the current trends, those numbers continue to go up each year.

The advantage of podcasting is that it has a way of creating more intimate and personal connection for people to you. Hearing the spoken voice draws us in more. It's a way of getting the word out about you and your services in a way that connects in a much different way than writing.

There is a bit more to the technical side for podcasting. Having a good microphone, knowing how to edit audio, which hosting to use and tools to use are some things you will need to know. And much of the editing side of things can be outsourced. But once you learn these things and get the tech side of things set up, podcasting can be done easily.

Whether to you choose to blog or start a podcast or both, the key is to do them consistently. The amount is up to you, but I would say to blog at least twice a month, podcast at least once a month. (Weekly is even better...)



Social Media

Another part of having a booming internet presence is through Social Media. Of course there are a lot of options when it comes to social media. Facebook, Twitter, LinkedIn, Pinterest, Instagram, Snapchat... the list goes on and on! The key though is to stick to the ones you like and know the best.

Facebook is of course the most widely used of Social Media sites. I would recommend that you setup a Facebook Business Page for your practice. It's free and will give you a way to begin engaging with potential clients and those that might refer to you.

Depending on your the demographics of your ideal clients (your "Avatar"), some Social Media platforms will be more suitable than others. For example, if your ideal client is 20-40 something females, Instagram and Pinterest are probably where you would want to focus your efforts. For 20-40 something males, Twitter might be a better place to focus (although this demographic is quickly changing). LinkedIn is good to help establish a professional presence with other professionals that could be potential referral sources.

The things to remember about Social Media is the whole “social” aspect. It is something that you will need to stay on top of and keep adding valuable content that is absolutely relevant to your potential clients and referral sources. Social Media is also a tool that you can use to drive traffic to your website. By engaging people there, they will want to know more about what you do and how you can help them.



Tip: Don't try and do “all” the social medias. Pick one that you enjoy and know that you will interact with regularly.

There are lots of resources out there about how to optimize social media for businesses. Educate yourself on all of that! Again, more resources can be found on <http://practiceoftherapy.com>



Directories

One way to get some good referral traffic is to sign up for and invest in some directories. The best known, and by far a great return on investment, is the [Psychology Today directory](#). It costs about \$30 a month. And as mentioned, you can get good ROI (return on investment). If it brings you just one new client a month, it will absolutely pay for itself!

Another one I can recommend and is an up and coming directory is [Therapy Den](#). It is free and a progressive directory with expansive search filters, as diverse and unique as the society we serve.

There are also others to consider. Some of them are even free! [Here is a blog post on this.](#)



Who do you know that would refer to you?

One of the most reliable and best sources of referrals for always come from the personal connections you make in the community. Doctors, other therapists, clergy, psychiatrists, chiropractors, dentists, massage therapists and any of the other helping professionals can be great referral sources. Also depending on your client “avatar”, courts, judges and attorneys can be a good referral sources for you. Consider too getting involved in local Chambers of Commerce and/or civic clubs.



Email Marketing

Start making a list of the people you want to know about your private practice. Get their email addresses or physical addresses to begin putting together mailing lists. These will be valuable to you in the future when you start to really market your practice and build those referral sources.

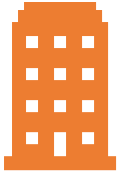
Learn about email marketing. This is a whole area of marketing that can be inexpensive and important in driving referrals your way. Email marketing can simply be used create a monthly newsletter in which you share information on a specific issue or problem people have. For example, information about eating disorders, anxiety, depression, parenting or marriage problems, etc. Per *Inc. Magazine* and *Entrepreneur Magazine*, email marketing is currently the most effect form of marketing.

The email service I use is called [AWeber](#). They have wonderful support and tutorials on Email Marketing and will get you started. The cost is about \$20 a month. And like the use of directories, it can give you a great ROI. To learn more about email marketing and find out more about AWeber- [CLICK HERE](#).



Workshops and Seminars

Another great marketing tool is to offer and have free community workshops or seminars. This is especially effective if it is around a topic that is common and relevant to your community. Seminars on things like, parenting, eating disorders, grief, anger management, or marriage communication are all topics that are generally of interest to people. By doing something like this, you establish yourself as an “expert” in your community. In turn, people will want to make appointments with you for help with those issues.



Insurance Panels

Another reliable way to get referrals and begin getting them fast, is to consider getting credentialed with insurance companies and becoming an in-network provider. There are both pros and cons to doing this. A lot of the decision to doing this might be because of the demographics of your region. Also how you may or may not want to run your practice in the future.

On the downside is that being on insurance panels and becoming an in-network provider does require more work on the front end in getting things set-up. It will also possibly mean that you will need to be willing to accept lower per session rates for your services. On the upside though it will almost guarantee a steady flow of clients and referrals.

I have written several [blog posts](#) on this topic with some “how to’s” that will walk you through the process of getting on insurance panels and start taking insurance. Take a look at those articles and see if this option might be a fit for you.

Marketing is simple but hard

The idea of marketing your private practice might be somewhat intimidating. Do learn as much as you can about marketing and how to get the word out about your practice. It will help drive you getting new referrals and keeping clients.

One way to think about marketing is simply finding creative ways to develop relationships with people. You do this through person contacts, social media relationships and through your website. If you think about, developing relationships is what we do anyway as mental health clinicians. It's not a matter of selling anything. It is simply getting yourself known in your community as a reliable professional. It means putting yourself out there so that people can find you and get the help they need with their problems.

Marketing is about helping people find you, learn about you and how you can help them.



Step 3- Setting Up The Office and Running the Practice

Once you have established a place to meet with clients and have a steady stream of referrals and clients to see, you will need to know how to run and setup your office. (Not just how to arrange the furniture!) By having the office processes and structure to make your private practice run smoothly and efficiently, will ensure that clients are served well and also take care of you.

A way to think about the business side of running a private practice is the practice having separate departments that are out of sight but absolutely support the practice keep it running. A way to conceptualize this is to think of your private practice having *3 departments*. The first one we have already covered; the *marketing department*. The second part would be the *clinical or client information department*. The third part is the *business department*.

Clinical “Department”

This part of your practice is where all of the clinical records and client information is processed and handled. All of your client documentation is handled here. Things like session progress notes, treatment plans, personal health information (PHI), and patient payment information etc. are handled through this part of your practice. And there definitely needs to be a system in place to keep this information confidential and keep it secure. This is where you need to be concerned about HIPAA compliance and things such as that. There will be some cross-over to the “business department” with this, but it can be done in such a way to keep client PHI safe and confidential.



Practice Management Systems (EHR)

One of the easiest ways to handle this clinical side of your practice is to get a ready-made Practice Management System or EHR (Electronic Health Record) System. A EHR system is an application that pretty much handles all of the clinical side of your practice. The advantage is that it can handle everything from scheduling appointments, to entering session notes, to billing, to filing insurance claims. Some of them even send out appointment reminders to you clients.

There are any number of EHR Systems available and can vary in price. On average, most EHR systems cost around \$50 to \$70 a month. There are some that are even free to use, but are not as specific to the mental health field. Here is one of best reviews of them all from Rob Reinhardt at *Tame Your Practice*: <https://www.tameyourpractice.com/blog/cloud-practice-management-system-reviews/>

Another advantage to getting an EHR system is that most of them are already HIPAA secure and cloud based. That means you can access them anywhere and work from home at times. Most all of them also keep backups of your records and allow you to download them if needed.

*The EHR that I use in my practice is **TherapyNotes**. I can highly recommend them and love all the features they have. [TherapyNotes.com](https://www.therapynotes.com) – Use the coupon code **GORDON** and get 2 months free!*



Word Processors and Spreadsheets

A simple way to keep your clinical documentation is to simply use office applications like Google Drive, MS Office or iWork. With any of these you can set up templates and files that can get you started.

A word of caution though is that you do need to take make sure you take the steps needed to keep any information you store in these applications HIPAA secure. This is one of the main reasons I really recommend [Google G-Suite](https://www.google.com/a/business/). In particular, *G-Suite for Business* which is a paid

service from Google. It only costs \$6 - \$12 a month per user depending on which plan you choose. It is well worth the investment!

The main reason why [G-Suite](#) is recommended is that when you use *G-Suite for Business* it is HIPAA compliant and Google will give you a “Business Associate Agreement” which is one of the components of HIPAA compliance. The other reason is that G-Suite can be set up to do any number of tasks that will help you keep good documentation and run your office efficiently for both the clinical and business side of things ([Get the e-course on using G-Suite here](#)).



”Old School” Paper Documents

Another option to documentation is to simply use paper documents. This is an economical solution and can work well if you only have a few clients. But as you grow and expand, going paperless makes much more sense. In fact, if you decide to join insurance panels, paper documents will not work well as most insurance companies now require electronic records.

Paper documents might be a good option as you are just getting started, but as has already been mentioned, not a good long term solution. It is somewhat difficult to be completely paperless because there are always forms that need to be signed like, informed consent forms, authorizations for release and fee payment agreements. These forms will need to be filed and kept secure. So having file folders and a file cabinet is one way to keep these. This gets a bit bulky though over time.

A good solution to this problem of forms are to simply have clients sign the forms then scan them into electronic form to store. Then shred the original paper documents. This will keep the bulk down and make the records easier to access. They can be stored in your EHR or Google Drive to make them more secure than saving them on your computer.

Business “Department”

This part of your practice is where you will handle all of the business aspects of your private practice. There is a lot to manage with a private practice. Even if it is a small practice you will need to have systems in place to handle emails, answer phone calls, set up appointments, receive money, pay bills and track expenses. And like it is with the clinical side of things, you will want your processes and systems to be secure and reliable. Remember... Having a private practice IS running a business!



Communicating with Clients

The first systems to think about are the systems you will use to communicate with your clients. Obviously you will need to have a phone, email and maybe texting to do this. And you will want to keep these systems separate from your personal systems.



Phones and getting called

The truth of the matter is that we are all connected and have our cell phones with us continually. When thinking about a phone system for your practice, one option is to simply get a separate phone that you use just for your practice. This could be a landline or a cell. Either one is not a bad idea, but keeping track of two phones might be cumbersome. Also it does create an extra expense that you may or may not want to have in the beginning. The good news is that there are some other options that might be more practical and allow you to just use one phone for everything.

Phone systems have gotten much more sophisticated. As mentioned, having a separate cell phone or landline is just not all that practical. The solution is to use a VoIP (Voice Over Internet Protocol). There are any number of VoIP services that make having a business phone much easier. Many of them have apps and ways for you to use with your smart phone to make things really simple.

The one thing you do want to do though again is think about HIPAA. Since VoIP services are internet dependent, you will need to have a BAA from the provider you choose. Not all of them do this, so ask before you sign up for one. The cost can vary depending on which services you are needing.

One VoIP service that I recommend and use for my practice is [Phone.com](https://www.phone.com). It is perfect for my practice in that I can give all of my clinicians their own virtual extensions. When someone calls the practice they can “press one for this and press two for that...”. It also has an app that allows you to make calls and text from your business number using your smart phone. So if I need to call a client back for something, the practice number shows up on the receiving end. The cost is about \$20 a month depending on the plan you choose.

[Check out Phone.com here.](#)



G-Suite and Emails

In setting up your office, you will want to have an email address that is professional and not just your personal email address. Certainly you could simply setup a separate Google/Gmail account to use for your practice. And this might be a good option in the very beginning. But over time and as your practice grows you will need something that is more professional and secure. This is where [G-Suite for Business](#) comes in.

Having a Google account allows you to access some very powerful tools that can be used for both personal and business purposes. In addition to Gmail that most are familiar with, there is Google Drive and all of the applications that come with it. Google Docs, Google Sheets, Google Forms, and Google Slides come with your Google account. To just use the free version of these applications does put you and your practice at risk for being non HIPAA compliant. G-Suite for Work solves this problem and allows you to use all of these powerful tools and keep them HIPAA secure.

The other advantage to using [G-Suite](#) is that it can give your emails a much more professional look and feel since G-Suite allows you to use your own domain name for your emails. This feature allows you to use your website name for your email address. For example, instead of having an email that is simply "yourname@gmail.com" you can use, "yourname@yourdomain.com". The other thing G-Suite allows you to do is add multiple users to your account. So if you have a virtual assistant or end up adding other clinicians to your practice, they can use your domain name on their emails as well. G-Suite is a paid service but is well worth the \$5 per month per user.



The Financial Side of Private Practice- “Knowing Your Numbers”

As we have already mentioned, running a private practice *IS running a business*. And for any business to succeed, and survive for that matter, it needs to make a profit. This simply means you need to take in more money than you spend. You need to be able to cover your business expenses, pay taxes, pay yourself (don't forget this part!!) and have money left over.

The number one reason private practices fail is because of poor financial planning. They did not know or understand basic business finance concepts. They didn't know their numbers!

If thinking about the financial side of private practice seems intimidating, you are not alone. Private practice finance is not something we learn much about (if at all) in graduate school. Nonetheless it is something important to have at least some general knowledge about in order to run a successful practice. “Knowing your numbers” is something that needs to always be in the radar screen throughout the life of your practice.

The good news is that learning some financial basics is not really that hard. There are tons of tutorials and information on small business finance out there. Start learning this for yourself because your practice will depend on it.

I do have an online course that I put together called [Money Matters in Private Practice](#). It is a pretty extensive course in which you can learn the basics about the financial side of private practice plus some more in depth study on the topic. [Learn more about the online course here.](#)

Tracking the Numbers

One very important concept to keep in mind is that you should keep your business finances separate from your personal finances. This means having a completely separate business checking account, savings account and credit cards. You need to treat your practice as if it were a whole separate entity.

Most accountants will tell you to begin by setting up a separate checking account for your practice. Use this account to handle everything for your practice. Deposit all of the money received from clients into this account. Pay your bills from this account. Also, pay yourself from this account.

By doing this, you will keep your business accounting “clean” and make it easy to document your income and expenses for your income taxes.

You will need to have a way to consistently track your income and expenses. It is important to keep good financial records not only from a purely business perspective, but also from a tax perspective. Having a good accounting system in place will allow you to do this.

As has been mentioned before, there is some crossover between the way you track your clinical and business parts of your practice. The two sides of these things do need to be kept separate. For example, when a client pays you, you will need to document it for that client and keep that with their clinical records (EHR systems are best suited for this function). But on the business side of the practice, you will need to record that as income to your practice. And when you have multiple clients, you will need to have a way to record that income to the practice accounting system without it being tied to clinical records or specific clients.

Like with practice management systems, a good solution for handling your accounting and bookkeeping is to get a ready-made application. One of the best known and universally used applications is [QuickBooks](#). One of the advantages of QuickBooks is that it is comprehensive and will provide everything you will ever need for your accounting. It has both online and software versions. The downside of QuickBooks is that might be a little pricey for you in the beginning.

Another application that comes highly recommended is [FreshBooks](#). FreshBooks is similar to QuickBooks but much more geared to small businesses and start-ups. FreshBooks is also a bit less expensive than Quickbooks. It is a cloud based application so it can be accessed most anywhere. It is capable of creating reports, invoices and doing other essential accounting functions.

Another way to track things is to simply set up a spreadsheet to record your income and expenses. For example, have one sheet for income and another for expenses. But as your practice grows this might not suffice. Unless you are a “spreadsheet wiz” you will not be able to have the automatic functions.

And then there is simply keeping a paper accounting journal or other accounting book. It works but can be cumbersome and leave room for errors.

And has already been mentioned, consult with a professional about all this. It might be that if you have an accountant, they will recommend the system they prefer you to use.



Tip: I would highly recommend that you consult with a professional accountant that is familiar with your local and state laws concerning small businesses.



Paperwork and Forms

As you start taking clients, you will need systems and forms in place to manage the intake. You will obviously need a way to get basic information about your clients along with having the informed consents for treatment, financial agreements, authorizations for release, HIPAA Policy Disclosure and even a social media policy.

Here are some basic forms you will probably need:

- **Client information form** - which would include contact information, emergency contacts, possibly some medical history, and the reason they are coming to therapy.
- **Informed Consent or Consent for Treatment** - this would be a statement about what they can expect from treatment, privacy policies/confidentiality, duty to report, fees, no shows and cancellation policy, and of course, a consent for treatment. I think it is also a good idea to include a social media policy.
- **Fee Payment Agreement**- this might be included in your informed consent, but I think it is a good idea to have this as a separate form. You can include in this form consents for filing with insurance and collect credit card information for any no shows.
- **HIPAA Disclosure**- this is a form that is required, especially if you are filing insurance claims. This is just a statement about how you are keeping PHI private and secure along with their rights as your client to access information
- **Authorizations for Release**- this form will be needed if you share information or consult with anyone other than the client about their treatment. For example, talking to physicians or other healthcare professionals about the client's case.

You might want to include other forms, but I do think the simpler it is, the better it is for the client. Of course it takes a lot of time to produce these forms and make sure they are accurate and legally vetted. The good news is that there are a lot of samples online that you can draw from. You can also get the [paperwork packet](#) that I have already put together that is pretty comprehensive [here](#).



Taking credit cards

One of the necessities of having a small business and private practice is being able to accept different forms of payments. Of course checks and cash are easy. But what about credit cards? Fortunately taking credit cards has become really easy and uncomplicated. All you need is a smart phone to be able to take credit cards.

There are several credit card systems available now. The one that I recommend is [Square or Squareup.com](#). I like the fact that they deposit the money into your bank account each day and that there are no monthly fees. They do charge a flat 2.75% per swipe which is deducted from what they deposit. If you manually enter a credit card number they charge 3.5% + 15 ¢ per transaction.

Other systems to look at to use are PayPal or Intuit GoPayment which cost about the same as Square. Use what you feel will suit you best. Also, many EHR systems have credit card systems built in so you can collect payments directly and it be automatically recorded.



Step 4 - Get Started Now!

Starting a private practice does not need to be intimidating. As has been mentioned already, by starting small and being patient with the process of building a practice, it can grow into something that is fulfilling and sustainable. You will have the potential to make more income and have the freedom to set your own schedule. You also will have the freedom to see the kinds of clients you feel you can help the most.

Here are 10 things you can do now to get you started on your journey:

- 1** Research [business models](#) and learn what office space might be available in your area to get you started.
- 2** Begin researching practice names and website URLs. Go ahead and lock in your domain name and purchase it. You can do that easily with [Bluehost](#).
- 3** Start researching and deciding on how you want to [establish your website](#). Also set up some social media pages for your practice. Facebook is always a good place to start.
- 4** Get to know and network with other counselors and therapists in your area who are in private practice. Consider finding a [mentor or consultant](#) to help be your guide.
- 5** Check into getting your phone system set up as soon as possible. Again I can recommend [Phone.com](#) and they have plans that are as low as \$10 a month.
- 6** Once you decide on your business model, location, and have your phone number get business cards and rack cards made (check out [Vistaprint](#) for cheap stuff!). This will really help you feel “official”.
- 7** Begin researching [practice management systems \(EHR\)](#). A simple way to start before you need something more comprehensive is to [sign up for G-Suite](#). This will enable you to have HIPAA compliant and secure storage for your records. Also give you a more professional looking email service.
- 8** Open a business checking account. Set up an accounting system to start tracking your income and expenses. (Tip: all of the things you purchase or spend money in starting your

private practice can be deducted from your taxes; consult an accountant on this!) I do recommend [FreshBooks](#) or Quickbooks for a reliable accounting system.

- 9 Begin working on a marketing plan. Make lists of potential referral sources that you can start contacting. Start registering with some [therapist directories](#) like [Psychology Today's Directory](#).
- 10 Finally, put things into action! Do not worry about getting things perfect. You will make mistakes. I know I have! By breaking things down into small steps you can get all of these things done.

Whew!! That is a lot of information. You might feel like you are “drinking from a fire hose” with all this to think about. And this really is just an overview of what is needed and the steps to starting a private practice. There is so much more that can be added to this basic information and suggestions.

I also want to learn from you! Please take a moment to complete the [Practice of Therapy Survey](#). The information collected is confidential and helps me to know what your needs are as you move into private practice.

Let me hear from you and stay connected as you start your journey! Join the [Practice of Therapy Community on Facebook](#) to share ideas and connect with others on the journey. Also connect on [Facebook](#), [Instagram](#), [LinkedIn](#) and [Twitter @Therapistlearn](#). And you can always email me: gordon@practiceoftherapy.com

Enjoy the Journey!



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