
This document has been prepared by the Association of Psychologists of Nova Scotia (APNS) Private Practice Committee. It contains considerations, tips, and suggestions for psychologists who are interested in starting, joining, or adding associates to a private practice.

Starting a Private Practice

1. Where do I begin?

- ✓ Check out a variety of psychological associations for guidance. The **Canadian Psychological Association (CPA)** and **American Psychological Association (APA)**, provide booklets and training related to starting a practice. Here are some specific resources from these and other psychological associations to get you started:
 - i. [A Guidebook for Starting and Operating an Independent Professional Practice in Psychology](#) (CPA)
 - ii. [Practitioner's bookshelf – Focus on practice management](#)"; "[Are you really ready for private practice?](#) (APA)
 - iii. [Setting up a private practice: Issues to consider](#)(Australian Psychological Society)
- ✓ Remember that the **Nova Scotia Board of Examiners in Psychology (NSBEP)** has specific requirements for those in private practice. For example, the registrar requires that you make provisions for client care, including client records, in the event of your retirement, incapacity, or death. As part of your planning for private practice, you will want to revisit the NSBEP [Standards and Guidelines](#) to ensure that you will be meeting the requirements of the registrar.



Joining an established private practice

1. What questions should I ask?

- ✓ When meeting with the owner of the practice, come prepared with questions that will provide you with the information you'll need to make your decision. For example:
 - i. How are decisions made in the practice?
 - ii. What is the short-term and long-term vision for the practice?
 - iii. What is the history or evolution of the practice?
 - iv. What is the reputation of the practice?



A thorough list of questions can be found at the end of a helpful article by **The Practice Institute** entitled "[Joining a Practice: A Practical Guide](#)".

2. What is fair compensation?

- ✓ You will need to negotiate fair compensation for your services to the practice. According to a survey of private practice psychologists conducted by the APNS in 2015,

compensation of associates ranged from 50% to 75% of client fees, with an average of 65%. Note, an owner who sets a lower compensation rate should be providing you with greater services and benefits than one at a higher compensation rate. For example, full administrative support, furnished office space, marketing, etc.

- ✓ As a private practice associate, you will want to consider which benefits and services provided by an owner are important to you.
3. Do I need a written contract?
- ✓ A contract clarifies expectations between two parties. As such, it can smooth the relationship between an associate and an owner.
 - ✓ See the section below entitled Contracts for ideas of what to include in a contract.

Adding associates to an existing private practice



1. How do I determine when I need more associates?
 - ✓ Look at your referral base. If you have more clients than your current practice can handle, you may want to add associates.
 - ✓ If you want to expand the types of services you offer, you can add an associate who has expertise in another specialty.
 - ✓ Think about whether you have the space and administrative resources to support additional associates. For example, will office sharing become complicated? Will administrative staff have the ability to handle additional demands on their time?
2. What kind of practice do I want?
 - ✓ Think about the environment you want to promote in your practice. Understanding what you're looking for will help guide you when drafting policies, interviewing, etc.
 - i) Do you want people to feel like they're part of something, like an employee might, or are you just providing administrative services and office space to independent contractors?
 - ii) How much openness are you looking for between yourself and associates?
 - iii) How much do you want to include them in decision-making?
3. What is fair compensation?
 - ✓ According to a survey of private practice psychologists conducted by the APNS in 2015, compensation of associates ranged from 50% to 75% of client fees, with an average of 65%.

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- ✓ As a private practice owner, you will probably adjust the compensation based on the level of benefits and services you provide to your associates (e.g., full-time reception staff, marketing of the business).
4. Would it be beneficial to have written contracts with my associates?
 - ✓ A written contract clarifies expectations of the parties involved, which can make for less confusion and conflict in your office, especially if you have more than one associate.
 - ✓ See the section below entitled **Contracts** for ideas on what to include in a contract, including considerations for non-compete and non-solicitation clauses.
 5. How will the allocation of clients to therapists be decided?
 - ✓ Will allocation be determined by a triage person or group?
 - ✓ Note that client allocation can be a sensitive issue especially when psychologists are trying to fill a caseload. As such, it can be helpful to have clear policies around this, especially if you have more than one associate.
 - ✓ Regardless of who is responsible for assigning clients to therapists, certain factors need to be considered including:
 - i) Ensuring client care is a priority (e.g., is this a good fit between client needs and therapist abilities?).
 - ii) Meeting the ethical requirements of the legislative body in the province (i.e., NSBEP)
 - iii) Ensuring company policies, including contracts with associates, are fulfilled.
 6. Do I need to develop written policies?
 - ✓ Good business practice suggests written policies help in the transfer of information between members of the organization. Good communication is essential to good business and ensures consistency amongst professionals working in the practice and in the provision of services to clients.
 7. What if I want to sell the practice?
 - ✓ Think about how this might affect the stakeholders in your practice, especially clients, staff, and associates.
 - ✓ As in any healthy relationship, open communication and listening to concerns is important. Think about this and the people that will be impacted by the decision to sell and whether or not you are able to give them a voice in this decision.
 - ✓ Some associates may worry about the practice being sold to a non-psychologist. Note that NSBEP has requirements for the provision of psychological services in the province. These apply even if the owner is not a psychologist.
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8. Contracts

- ✓ Here are some items you may want to include in a contract. Note that you can include anything that is important to you. Some of the items from the list of questions to ask when joining a group practice may also be helpful to include in the contract.
 - i) Legal relationship (employee or an independent contractor).
 - ii) Any limitations or restrictions on how associates practice (e.g., methodology used, types of client seen).
 - iii) Facilities, staff and supplies provided by the owner.
 - iv) Facilities, staff and supplies provided by the associate, if any.
 - v) Work hours, vacations, holidays, and sick days.
 - vi) Responsibility for the associates professional dues, professional development costs, advertising, and liability insurance.
 - vii) Minimum, and if applicable maximum, time commitment of the associate (e.g., hours per week) and policies when minimum or maximum levels are not maintained.
 - viii) Trial period (if any), future pay increases, sliding scale rules, pro bono policy, policy when clients don't pay.
 - ix) Confidentiality requirements (e.g. administrative staff will need to be contracted to protect client confidentiality as they are not bound by NSBEP standards of confidentiality).
 - x) Procedure for either party to terminate the contract. Note that this procedure needs to consider NSBEP standards and guidelines pertaining to terminating services with clients (e.g., psychologists need to ensure clients are not abandoned).
 - xi) Who has ownership of client files?
 - xii) Procedure for informing impacted parties if the business is to be sold
 - ✓ What about non-compete and non-solicitation clauses?
 - i) Non-compete clauses prohibit employees from working in a certain geographic area for a period of time.
 - ii) Non-solicitation clauses prohibit employees from securing the business of existing customers, clients or patients before — and sometimes after — leaving the organization.
 - iii) Depending on the wording, these clauses may or may not hold up in court. If you are an associate and are asked to sign a contract with these clauses, it is advisable to consult a lawyer before doing so. If you are an owner and want to include non-compete or non-solicitation clauses in a contract, make sure you understand whether these will be legally binding.
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References



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