

Why Does Therapy Cost this Much?

The 50-minute hour

- Compliance with increasing regulations and the “Standard of Care” requires complex documentation that usually results in 1 ¼ hr of time per 50 minute counseling session.

Compliance with the Standard of Care

“Compliance with the standard of care means that therapists have acted in a prudent and reasonable manner and followed community and professional standards as have others of the same profession or discipline with comparable qualification in similar localities. Demonstrating compliance with the standard of care is done primarily via documentation in the clinical records”

- “Diagnosis, assessment, mental status exam and/or details of the presenting problem.
- Relevant biographical-background information.
- Treatment planning, which includes treatment goals, type of interventions, scientific or theoretical rationale for the intervention and, when appropriate, rationale for ruling out certain standard interventions. The records should include initial and updated treatment plans, documentation of progress or lack thereof and evaluation of the effectiveness of the interventions.
- Progress notes.
- When applied, records should include test results, collateral information, consultations, referrals, follow ups, crisis interventions, emergency sessions, special phone calls, authorization to treat and to release information, detailed informed consents, office policies, HIPAA Notices and authorizations, if applied, and termination notes.
- Extra documentation is often required in cases of emergencies, violence, abuse, mandated reporting, boundary crossing, dual relationships, abrupt termination, crisis intervention and in complex clinical, legal and ethical cases.”

Source: 05-14-15, <http://www.zurinstitute.com/standardofcaretherapy.html>)

Professional status for California

- Master’s degree or higher with an internship
- Minimum of 3000 hours of experience as a registered intern
- Clinical supervision during all internships until licensed
- Passing of licensing exams
- Receiving a license number

Licenses, fees, and insurance

- Registration/licensing fees
- Government fees
- Professional association fees (e.g., CAMFT)
- Professional liability insurance
- Slip and fall insurance

Ongoing education and training

- Continuing education
- Advanced training
- Specialization training

Office space and utilities

- Furnished office with lobby
- Business line service
- Cell phone service
- Internet service

Business equipment and supplies

- Computer
- Printer, scanner, copier
- Locking filing cabinets
- Common supplies (i.e., folders, forms)
- Therapy software
- Accounting software
- Encryption software
- Cell phone
- Online HIPPA compliant fax
- Online HIPPA compliant video

Administrative

- General administrative functions
- Banking, credit card and accounting services fees
- The most significant cost is the increasingly complex overlay of legal, regulatory, and eligibility requirements brought on by governmental rules and guidelines

Self-employment taxes

- Currently, this tax rate is 15.3% (this tax is separate from personal income tax)

Advertising and marketing

- Websites
- Website Search Engine Visibility
- Website domains
- Professional listings (e.g., Psychology Today)
- Postcards, brochures, business cards
- Public presentations, workshops
- Networking
- Referral sources

Hidden time in addition to the Standard of Care

- Special phone calls with clients in between sessions
- Crisis interventions (increased phone contact, possible pro bono emergency sessions)
- Child/Adult Protective Service reports: Phone report; completing and submitting paper report; notes for client file; follow-up calls; and additions to report need to be resubmitted and called in as well.
- Communications connected to Releases of Information (i.e., other healthcare providers)
- Consultations with other professional therapists
- Court case and subpoena requirements
- Insurance company requirements (i.e., calls, claims, appeals, paperwork)

Summary

A therapy practice requires a solid business foundation in order to provide a safe, reliable, and professional service to its clients and a large portion of each session's fee goes to build and maintain that foundation.