

## STARTING YOUR PRIVATE PRACTICE

### Phase One: Foundations for Your Private Practice

#### 1) **Be Organized!**

- A. Digital Documents: Have all documents easily accessible on your computer, W9, Anything that you sign, BAA, etc.
- B. Username & Passwords: Have all passwords well organized for the many insurance companies, state of CT, various softwares, etc. There are various apps
- C. Keep Receipts: Keep invoices/receipts in well-organized folders/ apps/downloadable pdfs, etc. You will need this for taxes etc.

#### 2) **Choose a Name for your LLC/DBA**

*An LLC, Limited Liability Company is a type of business structure that is usually chosen by most mental health professionals. You need a name for this business. It exists to protect you and help you structure your business.*

*A DBA, Doing Business As, is another name that your business, or part of your business, may use. For example, if your name is "Empower The Youth LLC", you could obtain a DBA for "Wise Mind" and start using this new name on your documents.*

*When naming your LLC/DBA, be mindful that this name will be associated with you.*

- A. Consider Collaborating your prospective names run by someone you trust for feedback.
- B. Three Words or less is recommended.

### 3) **Choose an Address for the LLC**

Home Address	Are you okay with this information on documents for clients?
Virtual Address-Commercial Mail Receiving Agency (CMRA)	Some insurance companies/NPPES won't accept this as a <b>practice</b> address.
Renting Office Space	Make sure you have a sub-lease agreement
P.O. Box	Not recommended. Many entities will reject your application.

*Practitioners may use a blend of these, depending on the need. For instance, you may rent space for your practice as your 'practice address', but use your home address for your "mailing address".*

*"Principal place of business" for various state/tax documents, this is usually your home address or office space. It cannot be a virtual mail box.*

*Setting up a Virtual Mail Box may require a notarized USPS form*

*Additional Information on LLC and your address:*

<https://businessyield.com/management/principal-place-of-business/>

### 3) **Create an Email**

*It May include your LLC name? DBA name?*

*In order for any utility to be HIPAA compliant, there must be a Business Associative Agreement (BAA).*

- A. Download the Business Associative Agreement (BAA) (some entities don't always utilized a signed one) and keep it in your e-records.  
BAAs are used for HIPAA compliant entities.
- B. Add personalize business details in your signature.

5) **Fax Number?**

*Make sure it is HIPAA compliant*

*If it has an APP, it will be even easier to use.*

- A. Download the BAA and keep it in your records

6) **Create a Business Phone Line**

Utilize a second phone	It is cumbersome to have a second phone
Add an app to your current cell phone that provides privacy	When calling a client, random phone numbers may appear on their phone, not your business line
Utilize your current phone number	Not recommended due to the closeness of personal and professional use

*Texting is Not recommended with clients. There a very few options for HIPAA compliant texting. This is because encryption has to be on BOTH ends.*

- A. Download the BAA with any phone line chosen.
- B. Set up Auto-Default Text message that includes methods to reach you and a safety plan.
- C. Set up your Voicemail: Have a professional voicemail that includes a safety plan.
- D. Cellular phone: Set up reasonable protection in case the phone is lost or stolen.

7) **Create an LLC-Single Member**

*LLCs are state-based. \*\*You are NOT a sole proprietor, that is different\*\**

- A. Register LLC here: [https://business.ct.gov/?language=en\\_US](https://business.ct.gov/?language=en_US)

APRNs may use NAICS: 621399

**8) File for a Federal Employer Identification Number (EIN) Tax-ID**

- A. After your LLC is approved by the state, File for an EIN under your LLC. An EIN is a Federal Tax ID. This will become very important later.
- B. File an EIN here: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- C. Complete a W9. A W9 uses the EIN, and should match the same demographic information supplied for the EIN registration. A W9 is a tax form that will designate your tax details, so that insurance can pay you. Then insurance companies and your Accountant will notify the IRS via your W9.

*If a client requests a superbill, they will see the Tax ID on the bill. If you don't have an EIN, then your Tax ID is your Social Security Number. Most entities you work with as a private practitioner demand an EIN.*

**9) Connecticut DRS Tax ID**

- A. This may or may not be needed.

*Items, digital items, apps, documentation software may not include CT Tax. However, you need to pay appropriate CT sales tax if that is not included on the invoice. Register for a CT Tax ID and pay those taxes. Consider consultation w/ your accountant or tax attorney for more details. If you plan to sell supplements etc, you must have a CT Tax ID.*

10) **Trade Name Certificate: Register your 'Doing Business As'**

*You are allowed to have one or many DBAs all under one LLC. This is preferential, as opposed to creating an entirely different LLC*

*If you use or in the future want to use a DBA, then you must register your DBA with your municipality.*

- A. Register through your clerk's office. Sometimes, you may need to apply under the planning and zoning department first.

11) **Set up your Business Bank Account**

*The bank account may be your home address or office address. There may be issues using a virtual mailbox (Non-Brick and Mortar) for their address and banks may reject them.*

12) **Order Checks**

*If you plan to be in-network with insurance, a voided checks is required to set up direct deposit. EFTs/Ach means that you have insurance companies pay you directly to your business bank account. Otherwise a check is snail mailed to the address on file.*

**Phase Two: Register Your Practice**

**13) Set up your NPIs**

It is recommended to register for both NPI1 & NPI 2

A. Register here: <https://nppes.cms.hhs.gov/#/>

**NPI 1 vs NPI 2**

NPI 1	Practitioner NPI	
NPI 2	Business NPI/Organization NPI Recommended if planning to apply for in-network w/ Ins.	“Adult Mental Health Clinic”

\*\*If you plan to enroll in Medicare you also need to enroll in PECOS-Medicare Provider Enrollment Chain and Ownership System

A. Enroll here: <https://pecos.cms.hhs.gov/pecos/login.do#headingLv1>

**14) Enroll in CTPMP-CTPrescription Monitoring Program.**

This program allows you to search by client, any controlled substances a client has been prescribed over the last two years.

A. Enroll here: <https://connecticut.pmpaware.net/login>

**15) CONNIE System-Connecticut Health Information Exchange**

A. Enroll here: <https://conniect.org/>

16) **CAQH-Council for Affordable Quality Healthcare**

- A. Register here: <https://proview.caqh.org>
- B. If you work at another agency, ask their billing department if they have a CAQH already made in your name. They should give you the login username and password.

Update all information with ALL of the required documents in preparation for insurances to review. If it is not current or complete this will greatly delay being credentialed by insurance.

*Upload Controlled License, DEA, State RN License, APRN License, Liability Insurance, References too.*

Primary Specialty:

Clinical Nurse Specialist, Psychiatric/Mental Health 364SP0808X

\*\*You will have to review, update, and Attest every 90-120 days, forever.

**Phase Three: Setting Up The Practice Logistics**

17) **Select the Telehealth Video Platform**

It must be HIPAA compliant.

A. Download the BAA

18) **Lab Account**

You will need this for Electronic orders/blood work/urines

You'll need your NPI for this step

19) **Prescription Software**

You may need a second prescriber and their DEA information to solidify your account, even if they are not working with you.



## 20) **Documentation System/Client Payment Management**

*When choosing a documentation system you want something that will work for your practice and meet your needs. Some are more expensive but offer more options, many will do your insurance claims/balance collection, some will even have billers integrated.*

*Insurance Claims: If using an outside biller, your documentation system should meet the needs of your billing team too. If you submit claims through a website, it is recommended that you get one with a Medical Clearinghouse (most have this).*

*Collecting Balances: Some documentation systems will have a Payment Processing Company : Stripe/Square/Clover/Ivy and this allows you to charge copays. However, you have to pay a processing for each charge.*

- A. It is recommended to try a few different documentation systems during their free trial period. Then chose which is best for your needs.
- B. Choose how you will submit Insurance claims: Through your own documentation system? or Biller?
- C. Choose your Payment Processing Company: Through your documentation system or your own set up?
- D. Input all of your data into the documentation system for proper billing through insurance.
- E. Link your business bank account with Payment Processing Company/Documentation System. This likely required submission of a notarized form for approval.

## **Phase Four: Setting Up Insurances**

### **21) Credentialing:**

*Provide 90 days MINIMUM for applications to be approved. Expect it to take closer to 6 months or even a year for some insurance companies.*

*Usually providers pay someone to credential them with insurance. It is usually \$150-250 Per Insurance Application. There are many agencies or social workers who can provide this service. Use someone reliable!*

*Paneling with State Medicaid and Medicare are more specific processes. They also have more requirements/paperwork if you are doing insurance claims yourself.*

- A. Find Credentialing Agency/Biller or Do It Yourself.
- B. Complete a W9. Use the information from your EIN. A W9 will be required to be paneled properly. Keep this completed e-document close. It will be requested numerous times. Your name is listed box 1 and llc name is box 2.

### **22) Create Insurance Provider Accounts**

*After your applications are approved, create provider accounts with every insurance company you paneled. Some insurance companies do not have a Provider Login and you must use Availity.*

- A. Register here: [www.Availity.com](http://www.Availity.com)

### **23) Set up Electronic Fund Transfers (EFT)**

- A. Set up EFTs for each insurance company you paneled.

*This will ensure direct deposit into your account. You need a Voided Check to complete this process. If you do not do this, then you will receive a check via snail mail, and they will not arrived for a long time.*

## 24) **Enroll in Electronic Remittance Advice (ERA)**

*ERAs discuss the processing information of the claim that you submitted. You should enroll in ERAs for each insurance that you paneled. You should consult the Q&A of your health record system. Your biller may do this step for you, and confirm that.*

- A. You may need to enroll for ERAs through your electronic documentation system.

## 25) **Billing**

*Decide if you are going to pay someone for billing. Some people prefer to do their own billing, but it is no easy task. It is VERY complicated. You will learn overtime, but it is a never-ending uphill learning curve with spending a lot of time on the phone to get paid.*

*A biller may charge 4-10% for this service.*

*Some online advertise 3.5%,but I'm not sure the level of customer service you will receive.*

*You probably won't get paid on the first claim for 60 days or so. This is normal.*

## 26) **Administrative Tasks**

*Who will manage scheduling? Taking phone calls? Screening new clients? Some billing agencies may provide this service at an extra cost. Or you can hire someone to do office management. Of course, you can also manage this yourself.*

## **Phase Five: Finance Management**

### **27) Accounting**

- A. Find an accountant, preferably one familiar with small business, and hopefully healthcare business.
- B. Inquire how much they charge for taxes, prices may vary drastically.

*Get additional tips for tax deductions and organization.*

### **28) Organize your Bookkeeping**

*You may consider hiring a bookkeeper. They are quite expensive. Some accountants will also offer this service.*

- A. Get a Bookkeeping App/Program. You need a method to organize your income which can be submitted to your accountant. This will ultimately be submitted to the IRS. And as a business person you want to assess your revenue.

*A bookkeeping program is also a great method to organize your tax deductions/receipts. It is also easy to forward your info to your accountant.*

*\*\*\* Organizing your taxes is a complex and specific process.*

### **29) Meeting with a Business Lawyer**

*APRNs may meet with a lawyer regarding contract and policy writing, verbiage on their website, etc. If you intend to do anything more than therapy/medication management, such as selling any products or hiring other therapists/APRNs, this is highly recommended. If you plan on starting a partnership llc, this is highly recommended.*

## Phase Six: Final Touches

### 30) **Advertisement**

*Word-of-mouth can get many clients. Network with a clinic or therapists. Publishing on popular search sites. Create an appealing website can also make the difference. Consider hiring a programmer if you want special options, such as a portal and payment section.*

### 31) **Practice Forms & Documents**

- A. Letterhead: Make your own business letterhead.
- B. Treatment Consents: Different for Minor vs Adult
- C. Release of Information
- D. HIPAA Consent
- E. Medication Consent Forms
- F. Practice Policies: Review your professional philosophy, establish boundaries, formulate a 'work-life' balance. Then incorporate this into a legally sound and ethical policy statement to be signed off. Consider meeting with a lawyer.

### 32) **Office Space**

- A. Virtual/in-home or in an office?

*Create a space that is ergonomically comfortable and convenient for your needs. If you use a flat screen device, consider shield blockers. Make sure this space is confidential and secure. For Virtual, Consider what is visible in the background for client's to see. For In-Person, take the time to create a therapeutic atmosphere.*

**Q&A**

Q1: Now that I have money in my business account, may I just withdraw the money for personal use?

A1: This is not best practice. Keep your business account for business expenditures, only. Do not make personal charges with your business account. Think of your business as a separate entity. Through your business bank account, you will pay yourself for your services.

Q2: I ordered lunch while I was working. And coffee is needed for me to run my business. Are these tax deductible?

A2: No. You cannot deduct personal meals during work time. You may only deduct meals when traveling for a business purpose Or having a business focused meal with your colleagues.

Q3: I hear that taxes are tax deductible because it is part of my business. Can I deduct the cost of doing my taxes?

A3: It depends. If you have a singular bill for your business taxes only, you may deduct this under Legal and professional services. If you do personal and business together, then these cannot be tax deductible.

Q4: How do I pay myself?

A4: From your business bank account, make an e-direct deposit to your personal bank account. It is that easy. Some people set this up on autopay every month, every two weeks, quarterly, or As needed basis. Some bank accounts will ask you to set up “employee” deposits. If you have a single member practice, You do NOT need to set up any employee or payroll because your revenue is already being submitted to the IRS.