

# New Mental Health Practice Transition Guide [2020]

So you're thinking about transitioning from a group to your own practice. You're a licensed mental health provider who has been employed by an organization to provide behavioral health services, perhaps a group practice or an agency or a hospital.

Now you want to venture out on your own and transition from a group to a solo practice, make your own income, and perhaps offload the burden of mental health insurance by working with a **billing partner** like TheraThink.

You have clients who are eager to come with you as you move to your own gig and now you have questions on how to set everything up, handle insurance, and get started on the right foot.

Our group to solo practice transition guide will help you ensure your move to your own practice is successful.

## What you Need to Start a Practice

Make sure you tick all these boxes when creating your mental health private practice.

### Licensed Mental Health Provider(s)

Ensure you are working with licensed mental health providers. LPC, LMFT, LCSW, PhD, PsyD, MD, etc

## Your Own Office

### Location

Make sure this location is not a PO Box.

You want your address to have access to a secure mailbox for your insurance checks and sensitive information.

### Private Practice Check List

- Mental Health Providers
- Office Location
- Insurance Contracts
- Data Management
- Billing Management
- Payment Management
- Legal, Compliance

## Your Own Insurance Contracts

To bill insurance companies like Aetna and Cigna and Medicare, you need to establish your own contracts with these insurance companies. Your agency or group contracts rarely transfer over to your new practice. (This is a common misconception).

## Data Management

You will need to find a way to safely store sensitive client and appointment data for record keeping and billing purposes. At TheraThink, we offer our providers a **free data management system** for your practice as part of our mental health insurance billing service.

Other options include SimplePractice, TherapyNotes, AdvancedMD, Valant **EHR (electronic health record)** and EMR systems that require you to supply your own billing management solution.

And finally, it's worth mentioning that many folks continue to use paper records without problem. While this method does create the most 'drag' in the data management and billing for the practice, it can work.

## Billing Management

Some EHRs offer claim submission services for very very low fees. This is because they do not offer any additional follow up, tracking, correcting and refiling, and EOB processing services. That will be up to you at your new practice.

If you decide to offload the burden of eligibility and benefits verification for your new clients, accounting, claims processing from start to finish, etc, to a **billing service**, make sure that service charges you based on paid claims and paid claims alone.

This will guarantee that they are going to work exclusively in your interest to get your billing done right the first time.

## Payment Management

Depending on if you are a group or individual practice, you'll need a way to collect payments from clients and potentially a way to run payroll. We recommend credit card processing services like **Square** and **Stripe** and **Quickbooks Payroll** for staff payment.

## Legal, Compliance

Make sure you cover your bases, have insurance, and make sure everything you do is recorded transparently and clearly in an organized manner.

It's easier to handle any sort of audit or question that might come up in a worst case scenario when you have clear and organized reference for services, transactions, agreements, etc.

Make sure you sign a contract and BAA with a billing service, if you work with one, for your own legal protection. Consider working with an attorney at least at the outset of creating your practice to ensure your documentation and methods are appropriate.

Make sure to pay your city, state, and federal business and payroll taxes!

## Solo vs Group Practice: Which Do I Pick?

This is purely a matter of preference.

- Do you want to hire colleagues to work within a larger office space who can piggy-back on to the group-contracts you have with insurance companies?
- Do you want to manage the costs, payment to, payroll for, other people in a space you rent?
- Would you prefer to always work alone?

Both group and solo practices can become successful, so these (and many others) are your questions to answer.

While many might be motivated by the allure of added income from starting a group, it's very important to note the increased complexities created by managing multiple people.

*Tip: Speak to other groups and owners to interview them, ask colleagues about their experiences, consider all the added work.*

Perhaps a solo practice is your ideal size. That is totally okay!

## What is The Right Size of Group Practice?

We work with quite a few “super small” groups at TheraThink; often 2-4 providers maximum.

Maybe it's a duo of significant others or a very experienced and up and coming therapist or three. This size is often manageable, profitable, and doesn't require a larger infrastructure and cost to become successful. Often a **billing team** as a supplement to the group is enough.

If you're trying to create a huge intensive inpatient treatment plan, your logistical requirements, staff, legal, etc, becomes increasingly complex.

So consider your "best day at work" scenario when choosing whether to start a solo or group practice. You might find that it's easiest to have a thriving solo practice or you may find you really want to be able to check in with colleagues on a regular basis.

Make your decision based on how you'd prefer to live, not what you're trying to get paid, as that will help ensure you have the patience and grit to get through the initial bumps in the road.

## **Picking Your Tax ID for Your Practice: SSN vs E-IN**

Whether you use your social security number (SSN) or employer identification number (E-IN) for accounting and billing is answered by two questions:

- Are you creating a group practice?
- Does this panel require an E-IN, even if you're a solo practice?

If you're creating a group practice, you need an E-IN and you therefore need a licensed business like an LLC or Corp.

If the insurance panel that you're looking to work with requires an employee identification number to

### **SSN vs EIN?:**

Are you creating a group? E-IN

Insurance Co Required? E-IN

Otherwise, your SSN works!

get credentialed, you'll also need your own business and associated E-IN.

Otherwise, if you'd prefer to be the only "employee" in your solo practice, you can skip the whole business side of things and just process your claims through your personal social security number (SSN). This is the least complex way to process your billing!

## How to get an E-IN for Your New Group Practice

Make sure you handle all of the above important aspects of your new practice and if you're set to establish a group, you'll need to do the following:

### Establish a Business (LLC, PLLC, S-Corp, C-Corp, etc)

Go to your [state's business licensing website](#) and apply to create a business of your choosing. Perhaps consider consulting an attorney and CPA during this step to ensure you are doing so correctly!

*Example Google Search: "California Business License Website"*

*Results: <https://www.sos.ca.gov/business-programs/business-entities/starting-business/>*

### Establish an E-EIN (Employer Identification Number)

Once you have a licensed business you can obtain the federally administrated "E-IN" for your business. You can do so online via the [IRS's E-IN application portal](#). Your CPA should also be able to help you with this process.

There are many other companies out there offering their services to help you start your own business, so feel free to google for them!

### Create a Business Checking Account

You can now go to your local credit union or bank and establish a bank account for your new business, using your state business ID and federal E-IN.

We recommend non-profit credit unions to our providers in general because they tend to have the lowest (if not free) rates for starting a business checking account.

## **Get Your Credentialing Info Right for Insurance Billing**

For the transition from a group to a solo practice, you need to have your own insurance contracts at your current service location under your own NPI (and/or your own group NPI). This is important.

You need your own insurance contracts!

It is highly unlikely your previous org has credentialed or paneled you with the insurance “brands” you take under your own contract. If they paid you directly from their business via W2 or 1099, you can almost guarantee you are not in-network under your own contract.

As such, it is mission critical to begin the credentialing process for your new practice if you plan to take insurance!

Do not rely on the group or agency’s insurance panels as they are highly unlikely to transition with you when you begin your own solo or group practice.

## **Mental Health Credentialing For Your New Practice**

Reach out to every panel that you’re on via their “provider relations” department. Call and ask them how to apply to get re-credentialed with their company under your new solo practice or group practice.

Make sure to mention the address and tax ID updates that are required when starting your own practice. Then follow their instructions on how to apply to get re-credentialed with their panel.

If you're creating a group, you must use your E-IN during credentialing to get things set up perfectly; otherwise you won't be able to bring on other providers.

If you're looking for help with this process, you can **reach out to us** at TheraThink to discuss your credentialing needs.



move from agency to private practice



move from agency to solo practice



move from group to private practice



move from group to solo practice

## WE HANDLE YOUR INSURANCE BILLING

Let us handle **handle your insurance billing** so you can focus on your practice.

Get Billing Help

*Note: We only work with licensed mental health providers.*

## OUR MENTAL HEALTH BILLING SERVICES

- Daily Claims Filing & Submission
- Daily Claims Processing
- Claim Tracking & Updates
- EFT & ERA Forms Processing
- Eligibility & Benefits Verification (in 2 business days)
- EOB & Payment Accounting
- Appeals, Rejections, Denials
- Appointment Reminders (Email or SMS)



- Appointments Calendar
- EAP / Medicare / Medicaid / TriCare Billing
- Credentialing Services
- Network status verification.
- Month-by-Month Contract: No risk trial period
- Free Account Setup - we input your data at signup.
- [Learn more..](#)

You can call, text, or email us about any claim, anytime, and hear back that day.



## **OUR MENTAL HEALTH BILLING GUIDES**

- [Insurance Reimbursement Rates for Psychotherapy](#)
- [Insurance Reimbursement Rates for Psychiatrists](#)
- [Telehealth Billing for Therapists](#)
- [Beginner's Guide to Mental Health Billing](#)
- [Mental Health CPT Code Guide](#)
- [Psychiatry CPT Code Guide](#)
- [CPT Code 90847 - Family Therapy Billing Guide](#)
- [CPT Code 90791: How To Bill Intake Sessions](#)

# Billing Isn't In Your Job Title



## Denny

Denny has interviewed hundreds of mental health practitioners to better understand their struggles and solutions, all with the goal of making the professional side of behavioral health a little easier, faster, and less expensive.

He co-founded a **mental health insurance billing service** for therapists called TheraThink in 2014 to specifically solve their insurance billing problems.

[MORE BY DENNY](#)

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## OUR MENTAL HEALTH INSURANCE BILLING SERVICES

Daily Claims Filing & Submission

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Daily Claims Processing

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Eligibility & Benefits Verification (in 2 business days)

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EOB & Payment Accounting

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Appeals, Rejections, Denials

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Appointment Reminders (Email or SMS)

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Appointments Calendar

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EAP / Medicare / Medicaid / TriCare Billing

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Credentialing Services

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Network status verification.

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Month-by-Month Contract: No risk trial period

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Free Account Setup - we input your data at signup.

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Claim Tracking & Updates

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EFT & ERA Forms Processing

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Free 30 Day Trial

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[Learn more..](#)

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You can call, text, or email us about any claim, anytime, and hear back that day. We are your billing *staff* here to help.

## AFFORDABLE & TRANSPARENT SERVICE

We charge a percentage of the allowed amount per paid claim (only paid claims)

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No per claim submission fee

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No annual or monthly subscription fee

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No hidden fees

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ICD10 Ready, HIPAA Compliant

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## RELIABLE & DEDICATED TO CUSTOMER SERVICE

Our mental health insurance billing staff is on call Monday – Friday, 8am-6pm to ensure your claims are submitted and checked up on with immediacy.

We understand that it's important to actually be able to speak to someone about your billing. Every provider we work with is assigned an admin as a point of contact. You'll always be able to get in touch.

## Secure

Your access portal for updated claims and reports is secured via our HTTPS/SSL/TLS secured server. Our data is encrypted and backed up to HIPAA compliant standards.

## **INQUIRE ABOUT OUR MENTAL HEALTH INSURANCE BILLING SERVICE**

### EXPRESS YOUR INTEREST IN OUR BILLING SERVICE

Learn how we can handle your mental health insurance billing and credentialing headache:

Your first name

Your email address

A good phone number

**GET IN TOUCH**

We'll email you to discuss your billing situation asap. *Note: We only provide services to licensed mental health providers.*

## GET YOUR BILLING HANDLED!

It's our goal to ensure you simply don't have to spend unnecessary time on your billing.

You want to get paid quickly, in full, and not have to do more than spend 10 or 15 minutes to input your weekly calendar.

You want to know you can call your billing admin, a real person you've already spoken with, and get immediate answers about your claims.

You want to not have to deal with it!

Learn how to **offload your mental health insurance billing** to professionals, so you can do what you do best.

“As private practitioners, our clinical work alone is full-time. Add in the unnecessarily difficult insurance billing system and we run the risk of working way over full-time. TheraThink provides an affordable and incredibly easy solution. My daily insurance billing time now is less than five minutes for a full day of appointments. My cost is a percentage of what is insurance-approved and it's my favorite bill to pay each month! Denny and his team are responsive, incredibly easy to work with, and know their stuff. I cannot capture in words the value to me of TheraThink. Thank you. You free me to focus on the work I love!”



**Karen Wyome LICSW, WA**

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