

PODCAST TRANSCRIPT

CPP Ep. 24 Building a Successful Practice: Private Pay OR Insurance

Camille McDaniel (00:14.36)

Welcome back. For anyone who is new here, welcome. I'm so glad that you've decided to join this journey talking about our belief in Christ and how that goes together with our desire to be entrepreneurs and mental health professionals. And we're gonna be talking a little bit as it goes along with that being

faith-based mental health professionals. We're gonna be talking today about the decision to actually even start a private practice. One of the largest decisions that you'll probably make, there are many large decisions to make in our adult lives, but I think the desire to be an entrepreneur and to open up your own private practice is probably right up there with major decisions that you make.

And then once you decide that you're going to go ahead and open a private practice, you are going to start the journey of being your own boss and being an entrepreneur. Then another big decision that you have to decide is what kind of payment are you going to accept in your practice? And we're going to be talking about that today. We're going to be talking about insurance and self-pay or private pay.

and what's gonna be right for you. So, you know, let's kind of dive in with where it all begins when we are talking about building a private practice. Many people may have had dreams of just owning their own business, working for themselves, providing support to individuals in the form of mental health, emotional wellness, spiritual wellness. For some, the decision came about

after you had a pretty hard time working for someone else. Maybe you were in an environment that was what you would consider toxic. Maybe it happened to be that you really enjoyed the environment and then along the lines, things started changing in that environment. And since you weren't at the top of the totem pole, you didn't really have much say about the changes and whether or not they should actually take place. And so,

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Many different things may go into you deciding that you want to step out and you want to actually do your own thing. But before you step out and for some people maybe they didn't think about this very very much before they stepped out but whether you are somebody who is in the process of considering stepping out on your own or whether you've already just kind of dove headfirst into the pool we're gonna talk about

starting private practice, we're going to talk about, like I just said before, insurance or private pay, which one's going to be good for you. We're going to talk a little bit about marketing and advertising in this episode. So if you decided that you want to start business for yourself, then you're definitely going to want to take account of a few things first. You're going to want to evaluate what your financial needs are.

not your goals, but your needs. Because sometimes it's going to require that you stay put even in an uncomfortable position to make sure that you're not jumping from the frying pan, as they say, from the frying pan into the fire and causing yourself undue hardship because you did not plan out properly what it was going to look like.

to actually take care of your financial responsibilities when starting a practice. So the first thing you wanna do is ask yourself, how much do I actually need in order to take care of my regular responsibilities? And if I left my job today, do I have enough savings that it would carry me for the first several months of having my own practice because it takes some time to get started?

You don't just really, you know, and you probably have heard this before, but you don't really hang a shingle on the door. It doesn't really work like that anymore. And then people come, or if it's like, if you build it, they will come. You definitely want to make sure that you're doing things right and in order. So with much prayer and with hearing from the Lord, you then are able to determine when it's the right time to move as you are looking at your finances.

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as you are trying to determine what populations you really feel led to serve, called to serve. For some people, they really are called in the way of being a little bit more of a generalist and they serve a variety of people. And for some individuals, they really have a passion and a talent for serving certain populations that struggle with certain challenges. So they...

do really well in certain areas, whether that be like eating disorders or addiction or suicidality or some other challenge, but they really do well with just specific populations. When I say populations, I mean like children or couples, teens, college students, or they do really well with certain challenges that may arise like trauma or like I said, addictions or eating disorders.

or some other challenge. So you wanna take a look at those things because that's really important. As I said, it takes a little bit of time to build up a practice. And I know you may have heard the individual who said like, my goodness, I was totally full within the first three to five months of even opening my doors. Full, that word full is very tricky in the field of mental health, private practice specifically.

because full actually means different things to different people. Now, what you would ask if you ask me, I would say full in private practice is probably around 20 to 25 people a week. Now, if you ask somebody else, 25 people isn't entirely too much. They really are full at about 17 people. And then you ask someone else and they really are full.

at about 30 people. And then you always have individuals who are kind of at the extreme of both ends. And so there are some individuals who may see more than 30 people a week. And there are some people who see less than 10 people a week. But when you ask somebody full, it's always, or when you hear that someone says, I filled my practice in this amount of time, you always want to know, how many people is that for you?

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And so once you have calculated how much money you are going to need to have saved up in order to maybe hold yourself afloat for the next several months or if you've decided that you're gonna stay at your job until you can comfortably build up enough people and then make that transition, then the next thing that you wanna look at is what is it going to look like to be able to accept payment? There are...

some pros and cons to accepting both insurance and private pay. So I'll just share some of my experiences and then hopefully that gives you just some ways to look at the situation. When it

comes to private pay, it really honestly depends on your location and again, populations that you serve, depending on how much you actually charge and...

While we're not going to go into too much depth about like your pricing, but you definitely want to take into account where you live, the cost of living, how much it actually costs for you to run your practice, keep your doors open, keep yourself, you know, on top of things with regards to your trainings and certifications and any other things. All of that needs to go into the prices that you set. You may then decide that there's a portion of your practice that is going to be a give back area.

giving back in the way of maybe having sliding scale, or maybe there is a percentage of your client care caseload that you are going to dedicate to pro bono services. Again, these are all decisions that I say pray on and what comes to you is what you should do after you have talked to the Lord. And so.

Going back to the pros and the cons as it relates to private pay or whether it's insurance, we'll start with private pay. Private pay or cash pay, it gives you a little bit more freedom to not have to worry about always giving a specific diagnosis for every single person who is coming through the door. Because insurance companies do require a diagnosis because that diagnosis tells them what they're paying for.

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You have a little bit of leeway with that when you are working with individuals who are paying cash. And that is something that is a little bit of a comfort for a number of mental health professionals. You do not have to give a diagnosis, especially for what we might consider the wounded well. Those individuals who, by and large, are doing well, if you had to maybe...

not see them for maybe a week or two, they actually would be all right, but they do have some challenges that are going on in their life that they just don't want to hold onto, that they just want to be able to work through, get some help. And so that's one of the positives. The other thing is just a lot less paperwork. When you're talking about private pay or cash pay, you don't have to worry about completing any kind of claims.

for the insurance company. You don't have to worry about the paperwork that is required to file those claims. And you don't have to worry about challenging claims that weren't paid or the insurance company deciding that they're going to recoup money if maybe your notes don't reflect what they feel is sufficient treatment or too long of treatment, all those different things that can sometimes come up when you are using insurance. Now,

The flip side to that is that when you're talking about just cash only, you also have to just be aware of, who are you serving? So there's obviously needs to be populations who can afford to pay out of pocket for their care. And sometimes you may notice that that can be influenced by the world around us. So one of the things that I remember from years back is that when COVID hit, it tended to hit

some cash practices pretty hard because individuals were losing their jobs. They were losing ability to just pay out of pocket. so some people were starting to make decisions to maybe cut back on the number of sessions that they had, or some were having to stop the sessions temporarily. And so again,

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our economy definitely impacts sometimes our businesses directly. And so some could say, well, hey, if people are losing their jobs, then clearly they're losing their insurance, right? And while that is the case for some individuals, for some, they were able to get on maybe like the

state plan. So here in our state, they have their own healthcare system and gives you some additional credits depending on your income.

And so you may not have to pay so much for healthcare and that will allow you to then be able to get the services that you need through insurance versus cash. So that's just something to consider when you're talking about wanting to accept cash. The other thing to also consider is the fact that getting on insurance panels takes some time. So it's not really like you can even make the decision to accept insurance and then poof.

before you know it, you're on insurance panels within the next two weeks. That's not how it works at all, actually. But I'll stick with private pay for a quick minute as it relates to marketing. And so you want to make sure that if you are going to have individuals be paying out of pocket, that you are definitely making your service and the delivery of your service one that really says it is absolutely worth it.

paying this and you may find that there are some specializations that do just a little bit better. Again, you might find that there are individuals who pay for just general help or general challenges. They'll pay out of pocket. But overall, sometimes you find specialties are a little bit easier when it comes to private pay specializations like trauma treatment, eating disorder treatment.

And there are many who say, well, eating disorders aren't covered under insurance. And that's one where you really would have to actually talk to the insurance company because sometimes the symptoms that are coming from the eating disorder are actually covered by insurance. But either way. So like I was saying, trauma treatment, eating disorders, sometimes those types of specializations are actually ones that people will pay for working with children.

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Children who have experienced trauma, children who are experiencing certain disorders, disorders of eating or maybe addiction issues. Sometimes parents are willing to go the extra extra mile just to ensure that their children are okay, even if it means that they need to pay out of pocket. And so you may find that again, a little bit easier being able to have a private private pay practice.

when you have certain specializations, even Christian counseling services. When you happen to be marketing when you're talking about a practice that does not accept insurance, you probably want to connect with referral sources and other clinicians who do not accept insurance. It makes it so that you are building a referral network of individuals who are

supporting the same groups of individuals, individuals who have the extra income to pay out of pocket if they need to. And so you might want to connect with other mental health professionals who do not provide the service you provide. So let's say mental health professionals who are specializing in couples counseling. Well, they may then want to maybe

connect with some mental health professionals who work with children and teenagers. And as the children and the teenagers may be having challenges, that might be impacting the parents' relationship, and they may need their own counseling. So you kind of have services that kind of toggle off of each other. There might be other individuals, maybe attorneys, doctors who...

do not accept insurance, so sometimes concierge medicine, things of that nature, you may want to then seek out referral sources along the lines that I just mentioned and even outside of that box of what I mentioned, but ultimately individuals who do not usually accept insurance. That may be something that really benefits you. I know that I have received quite a few referrals.

Camille McDaniel (16:26.668)

I remember from a buddy of mine who also was someone who did not accept insurance. And whenever I did receive referrals from them to help individuals in ways that they did not treat, those individuals were very open to paying privately cash pay because they had already been doing so from their time with the other mental health professional that they were working with or that a family member of them.

there's had been working with. You really are going to want to also make sure that if you are shy about getting your name out there, your business out there, the way that you can help out there, that you are going to want to practice with somebody, have someone help you, be your accountability partner per se, so that you can easily help individuals understand how you help them. If you're talking to a physician,

be able to effortlessly explain to them how you can help them to better serve their clients and how you can help their clients experience more relief emotionally, mentally, or even spiritually if that is something that you are also doing in your practice. And those are things that you want to make sure that you're clear on so that you don't fumble, so that it doesn't sound like you're not really sure how you actually help people.

And practice that. Again, like I said, get an accountability partner, practice with that person, have that person say to you, so hey, what do you do? And let them pretend to be like different individuals, whether they are other mental health professionals or pretend that you are a medical professional or pretend that you're an attorney, whoever it is that you are desiring to work with so that you can really get comfortable and smooth with being able to explain to them exactly how you might be able to help from a mental health perspective.

those individuals that they also may come in contact with or serve in their own different ways. And if you happen to be someone who is providing Christian counseling services, you also want to be able to explain how that can be very beneficial and how you offer your services. We have an interview that we did with a pastor in case you want to check out like, you know, how you might be able to connect with churches.

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then you want to go ahead and listen to our previous episode, which I believe may have been like episode two or three, where we spoke to Bishop Matthew L. Brown, he explained just ways that we could come to churches and connect genuinely to help provide care for those that he pastors. Now, if you happen to be thinking that you want to accept insurance in your practice,

then like I was saying earlier, you're going to have to be a little patient because getting on insurance panels does take different amounts of time depending on the state that you live in. And so I know, for example, where I'm living, just to get on, for example, Blue Cross Blue Shield takes about 120 days to get on United Healthcare. That took a little longer than 120 days actually.

I believe where I was, Aetna Insurance was the shorter. And at that time, Aetna Insurance, I was able to get a network with them within 30 days. And then there's a little variation with the other insurance company. again, you do have some time from the time that you put your application through with them.

to the time that they may say, okay, we have received your application and maybe you are moving along to the time where they actually give you the official you are in network as of this date. They will give you that specific kind of verbiage to let you know that you are in network and you are an effective in network provider.

as of a specific date. So that way, you'll know when you actually can accept their clients and be able to get paid. If you start seeing clients too soon, they are not likely to back pay you while you are still trying to get in network with them and they're still making decisions. So you wanna be careful about that. In the meantime though, you can offer what is called a super bill.

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Now, some people will be able to take it and some people won't feel comfortable with it, but it is something that you can still offer to people who want to use their insurance, but you're not in network yet. And so you can let them know that you are in the process of being credentialed with their insurance, but you are awaiting the final decision and effective date. And in the meantime, you can provide them with a super bill if they have out of network benefits.

which means that you will give them essentially a receipt that says when they came, what their diagnosis is. It will probably require you to put like your address, your NPI number. And again, this episode is not gonna really go into all the details of getting into insurance, but you will need an NPI number for your business. And then you'll need an individual NPI number for yourself as the provider. And so,

they probably will ask for that to be on this super bill. And then you give that to the client. The client can submit that to their insurance company for reimbursement. In the meantime, they would have to pay your regular fee. And then in order to get reimbursed a certain percentage of that, they would have to submit that super bill to their insurance company. So using

insurance or getting on insurance is a bit of a process initially. Once you actually get on insurance, some of the pros and cons, some of the pros that you will actually have a wide variety of individuals that you would be able to see. sometimes even though insurance companies say they don't do this,

they will sometimes refer their members to you. I have gotten a number of referrals from insurance companies directly over the years. I don't know why they say they don't do it. Maybe they're not supposed to. I don't know. But either way, you have the opportunity to have insurance companies essentially market for you because they will send you referrals. And you have the opportunity to use that as something that makes you just a little bit more available to more people.

Camille McDaniel (23:18.018)

because there are a large number of people who would like to use their insurance, and you can put that on any directory that you're listed on, or you can share that with any doctor's offices. And just like I said with private pay, you're going to possibly want to connect with other individuals who do accept insurance. And therefore, whether it happens to be doctor's offices or other mental health professionals,

You can let them know you also accept the insurance plans that they accept. And if individuals need the specific type of treatment that you're providing to consider you as a referral source, because you'd be more than happy to provide some support or collaborate with them in order to meet the needs of the client that they are seeing currently. Again, just like with anything, you will have to be comfortable sharing what you do and how you can benefit.

the clients or benefit if you're talking to referral sources, the individuals that they also may treat and want to be able to help people understand why is it important to consider mental health in this whole scenario? Why is it important to consider spiritual health and wellness? And so get familiar with being able to explain those things so that you can then coordinate.

I really think that it also is helpful that depending on the referral sources that you're connecting with, it is great to offer them a way to better help their clients. So for example, I know that there are a lot of doctors office who use screening tools in order to be able to see if their clients are struggling with like depression or anxiety, but they don't generally have a lot of screening tools that they are using as far as I know. I can't speak for all doctors offices, but.

As far as I know, they may still not have a lot of screening tools that readily alert them to trauma responses or readily alert them to disordered eating. You know, it's easy to notice if maybe somebody is underweight, but you know, there are other signs that eating disorder specialists can help with for doctors and for pediatrician, well, doctor, those are doctors or.

Camille McDaniel (25:28.692)

any other professionals that may work with, so I don't know, dentists or speech therapists, know, places where people may frequent and get other services, what are the alarms that might go off to say this person might have an additional challenge where you may want to refer them? And then say, hey, here's a scale that you can use.

if you have a suspicion that this person might be struggling in this particular area. So providing people with maybe tools that they can use in order to help their patients or their clients and also something that allows them to know when they need to refer on. And here you are available. All they have to do is contact you at whatever number or email address that you have provided for them.

I have also been able to kind of actually, I guess, get on a number of lists for mental health professionals providing certain services, whether it been Christian counseling or whether it be working with individuals who are struggling with suicidal thoughts or anything else, sometimes from other mental health professionals who need referrals. So staying connected.

with other mental health professionals, get to know them, start conversations. Whether you're in online circles, start conversations, contribute to the conversation, give information that's going to be helpful so that people can sometimes get to know you. It's really hard to refer to people when someone just says, I do that. Yeah, I'm available for new clients. Why? Because as mental health professionals, our name is also on the line and we kind of have to be careful.

who we're referring to. And it sometimes gets a little bit difficult when we don't know each other that well. So one of the best things to do is to make either available kind of your expertise online, or if you happen to have some great information on your website, then you can always link information or articles that you wrote or other things that you did, a podcast, a vlog. And you can say, you know, I answer this. Here are a couple of things that I mentioned.

Camille McDaniel (27:48.158)

in this particular article or in this particular vlog or podcast. Hope this helps you or your client. And then you can send a link. So there's a lot of ways that we can be helpful and memorable that increases our, I guess, I wanna say our trustworthiness and our expertise so that other mental health professionals feel a little bit more comfortable referring to us and other potential clients.

feel as though we are absolutely going to be a right fit for their needs, even if they need to pay out of pocket. Give value so that you can then get gain as far as clientele, as far as referrals in your practice. Absolutely. So now it's time for you to kind of take a look. You know, go back, write it down.

If you're going to jump into this entrepreneurship or this world of entrepreneurship, what is it going to require as far as your savings? If you don't get as many clients as you want within the

first four to five months, it doesn't necessarily mean that you're doing anything wrong. It could be your location. It could be the particular challenges that you're serving in that location. And it could be the state of the economy.

It could be a lot of things. to that, story, I told a story about something that happened with private pay practices and I did not tell the story about insurance. You know, we wanna just make sure that we do have savings, that we do make sure that we are building strategically. And I remember that when there was a breach in our healthcare system, some kind of cyber attack occurred just a couple of years ago.

And they locked down all of our, or a good portion of people's abilities to file insurance claims, which meant that it was locking out people's ability to get paid. And that created a mess for a number of practices who relied on insurance to sustain themselves and to meet their payroll. So you always want to make sure that in all your planning, you plan for the unexpected.

Camille McDaniel (30:08.654)

Depending on the clientele that you serve, summer times might be real rough. Holidays might be real rough. The beginning of the year, people may not come back if the economy is tough. You know, there's just a lot of things. So that's really kind of the world of a business owner. That's all right. But we want to just plan accordingly. So if you decide to accept private pay, if you decide to go the insurance route, or if you decide to do both.

You wanna just make sure that you have a plan. You wanna make sure that you're led by the Lord. You wanna make sure that you are not afraid to share exactly what you do and you know how to share the benefits of what you do and how you'll help other people. And you wanna be willing to just kinda hit the ground running and you just keep on running until you reach whatever full means to you in your practice in order to reach your goals and your responsibilities.

I hope that this is giving you a lot to kind of think about. I ask that you just ask any questions that you need to, whether it happens to be through the email or whether it happens to be underneath the video or if you're listening on Apple or Spotify, you can ask questions there too. But when you're trying to make the decision, there is a lot of things that go into it.

And so I hope that you just take your time, you sleep on it. Don't rush yourself, even if you're in a stressful situation, get an accountability partner and obviously first and foremost, talk to the Lord. Until next time, I wish you all the best.