

## Some essentials to consider when opening a private psychiatric practice

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### Disclosure

Dr. Braslow is the founder of Luminello.com.

**A**h, the dream of opening private practice! Whether you're a resident making less than minimum wage or a clinic employee seeing ever more patients, the allure is powerful. But, just because you're whip-smart in matters of the mind, doesn't mean you know how to run a business. To prevent your dream from succumbing to the siren's allure, you'll need to create a blueprint that gets you moving today, as well as prepare systems that will endure over the years.

### Establish a business model

Before signing a lease or scheduling patients, think through these fundamental questions, not just from a clinical perspective but a business one as well:

- **What kind of care would you like to provide?** If you want to practice psychotherapy and medication, you'll have fewer time slots to have to fill, but it may be more challenging to find patients who want and can afford psychotherapy from you as well.

- **Where do you want to practice?** Time spent commuting rarely produces income, so how close do you want your office to be to where you live? Being able to walk to work is wonderful, but is where you live the best location for your patients?

For example, downtown areas in big cities are good for providing a critical mass of patients, especially if you only want to manage patients' medications. But if you want to see children and families, you should consider a location that is friendlier for them—usually more residential areas. Having a coffee shop nearby for waiting parents doesn't hurt. If you work in a rural

area, how easily can patients get to your office?

- **Which hours do you want to work?**

Many patients will want to see you at "prime time"—before or after their work day or during the weekend. This might, not coincidentally, be when you don't want to work. Consider whether there is room for compromise: Can you work 1 or 2 early or late days? Can you do 1 weekend day once in a while? If you want to see children, can you regularly be available after school?

- **Will you accept insurance?** Pros: The insurance companies will do the marketing for you; your practice will fill quickly; their checks don't bounce; and, 98% of the time, the claims and payment process works just fine.

Cons: You will make less money per patient, in return for the higher volume of patients that are sent your way; the insurance companies won't want to pay you more than they pay non-psychiatrists for psychotherapy; and the small amount of time that there are administrative problems can consume a disproportionate share of your sanity.

### Run the numbers carefully

Next, think about the financial aspect. How much do you need to make, after you've paid business expenses and taxes, to be content? You might be tempted to work as many hours as possible, thinking that every hour off is an hour that you could have billed. Shifting your viewpoint from "hours lost" to "hours free" is a necessary approach to reduce burnout.

Once you have figured out your financial goal, do the math: multiply hours/



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week  $\times$  hourly rate  $\times$  how many weeks/year you'll work to determine your annual income. Play around with the numbers to test your priorities, such as optimizing daily hours vs vacation time vs charging more or less.

## Build your brand

This is your professional identity—the picture of your practice that your colleagues and future patients will see and that will start to get those hours filled. How will you convey your strengths and personality? The answer: Get out of the office.

- **Take clinicians who will refer patients to you out to lunch** (and pick up the tab).

- **Give free talks to psychotherapists or primary care providers.** Grand rounds, group practice meetings, or local clinical associations are potential venues. Give the organizer a menu of topic options that connect your clinical interests and theirs, and

then create a dynamic presentation based on their feedback. Tip: Do not PowerPoint them to tears.

- **Start blogging.** If you enjoy writing, use a blog to showcase your talent and expertise. It is free advertising and makes you seem like a trusted authority. However, don't start a blog unless you can commit to posting regularly.

## Proceed thoughtfully; seek advice

As you think through the matrix of issues presented above, each set of answers may lead to a deeper set of questions. Consultation with a colleague or mentor can save you valuable time. Although you don't have to have all the answers before you open your practice, spending time thinking through these and other issues beforehand will optimize the chance that your dream becomes a reality.

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