As the health care arena continues to evolve, the traditional model of solo psychology practice is giving way to innovative practice models* that can bring psychologists, physicians or other health care providers together in new ways. While these innovative practice models bring opportunities for both patients and practitioners, they can also bring new risks and require new ways of thinking.

Whether you’re interested in creating or joining an innovative practice model or just finding new ways to expand your private practice, this toolkit can help. You’ll learn how to avoid legal problems, communicate and collaborate more effectively with physicians and transform your relationship with insurers.

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  Learn what to consider before joining an innovative practice model, ways to ensure a fair contract and how to avoid ethics violations.

- **Understanding the Law** ............................. 4
  Get an overview of the many laws that apply to innovative practice models.

- **Avoiding Antitrust Problems** ..................... 6
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- **Reaching Out to Physicians** ....................... 8
  Use these tips to find physicians willing to refer patients, develop co-located services or even invite you to integrate behavioral health into their primary-care practices.

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  While integration offers benefits to psychologists, physicians and the patients they share, there are important points to consider before you begin.

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* Innovative Practice Models (IPM), formerly referred to as Alternative Practice Models, is now being used to avoid confusion with Alternative Payment Models.
innovative practice models offer tremendous opportunities for psychologists. They also bring new risks. Prevention is key.

Weighing the pros and cons

There are advantages and disadvantages to joining an innovative practice model. Before you take the plunge, you should think hard about the following areas:

- **Employment status.** From a risk management perspective, it’s important to make a conscious decision about whether you’ll be an independent contractor or an employee. As an independent contractor, you won’t receive health coverage, paid vacations or other benefits. You’ll also have the same risks you have as an independent practitioner.

- **Insurance.** If you’re an independent contractor working with an innovative practice model, you might think you no longer need malpractice insurance because the practice’s policy will cover you. That’s not the case. Even employees should maintain their own coverage. While the organization’s policy will cover you, the practice’s first priority will be protecting itself, not you.

- **Level of autonomy.** If you’re an employee, ask whether you’ll be making treatment decisions or whether the group will. Remember that you can’t delegate responsibility for your patients.

- **Patient care.** One advantage to many innovative practice models is that you’ll have access to other professionals – both psychologists and those from other disciplines – who can help improve the services you provide. In addition to consultation opportunities, you may have access to physicians and emergency care.

- **Privacy.** When you’re working with a large practice, other people may be reading your clinical notes. To manage your risk, you must know what you should include in your notes and what you shouldn’t.

- **Competence.** In an innovative practice model, you may be assigned cases more complex than you’re used to. Before you join a practice, ask how much say-so you’ll have over your case load and whether you’re competent to provide the services the practice offers.

- **Vicarious liability.** If you’re part of a group practice and another practitioner makes a mistake, you could be named in a malpractice suit.

Ensuring a fair contract

Before you sign a contract, have a health law attorney review it with you. While your new colleagues probably aren’t trying to deceive you, people can interpret language differently – especially when there’s a problem. The time to
hire an attorney is before you sign a contract, not when trouble arises.

Pay special attention to these elements of your contract:

- **Services you’re agreeing to provide.** You may assume you’ll practice like you did when you were in independent practice; your new colleagues may have something else in mind.

- **Financial terms.** How do you get paid? What do you get paid for? Are incentives involved? Are there benefits beyond money?

- **Incorporated documents.** Many contracts include a statement that you’ll abide by the organization’s policies and procedures. Be sure you read and understand those policies and procedures and keep a copy of them with the contract.

- **Terms and termination.** The contract should include the duration of the contract, how much notice you have to give before quitting and how much notice the organization must give you before terminating you.

- **Record-keeping requirements.** The contract should include information about what records you’re required to keep, how internal and external audits will be handled and the like.

- **“Hold harmless” agreements.** Don’t sign an agreement that makes you responsible for the actions of anyone but you - or your employees if you’re the employer. Your malpractice insurance covers you, not everyone in the practice.

Be sure to keep a copy of the contract in a safe place.

**Avoiding ethical pitfalls**

Working in an innovative practice model can expose you to new ethical risks, especially in the following areas:

- **Competence.** The practice may assign cases to you that go beyond your level of expertise. It’s your responsibility – not the practice’s – to make sure you have the competence you need and are practicing within the bounds of that competence.

- **Informed consent.** Just because you had someone sign a consent form doesn’t mean you’re covered. In an innovative practice model, you must explain to your clients who, besides you, may see their records. The practice may have a quality assurance program, for example, which means that someone else will be reviewing the records. To protect both patients and yourself, ensure that informed consent materials include a statement that, as allowed by law, records may be shared for purposes of payment, health care operations and treatment.

  Just because you had someone sign a consent form doesn’t mean you’re covered.

- **Documentation.** When you’re collaborating with other professionals, documentation facilitates optimal patient care. Determine what documentation the practice, state law, your contract and APA record-keeping guidelines require you to keep.

- **Disagreements.** What happens if you disagree with other professionals in the innovative practice model? Remember to put patients’ welfare first. Document your actions and consult APA’s Ethics Code.

- **Marketing.** While it’s convenient to have the practice handling marketing for you, you’re still responsible for what that marketing says. Be sure that any advertising adheres to APA’s Ethics Code.
As you move into innovative practice models, the laws become far more complex. And the penalties for violations can be harsh, including hefty fines and even prison time. Before you begin engaging with other professionals, you should seek advice from an experienced health care attorney. Remember, investing in prevention is far less expensive than dealing with problems.

You should familiarize yourself with several laws:

- **Fee-splitting law.** It’s inappropriate to give or accept fees or other forms of compensation for patient referrals. It’s not just money that can get you in trouble. Gift cards, payment for things and other forms of remuneration are also illegal. Many states also have laws prohibiting referral fees. Such fees are also a violation of APA’s Ethics Code.

- **Anti-kickback statute.** This law prohibits offering, paying, soliciting or receiving kickbacks or other compensation for health services reimbursed by federal health care programs, including Medicare, Medicaid and TRICARE. While bribes and rebates are the obvious examples, other violations are less obvious.

While bribes and rebates are the obvious examples, other violations are less obvious. Giving gift cards, show tickets, even t-shirts or referral sources can also land you in trouble.
Giving gift cards, show tickets, even t-shirts to clients or referral sources can also land you in trouble. So can offering “lunch and learn” sessions for physicians or other providers if you do it more than once or twice a year or exceed a specific participant dollar amount. And while you may waive co-pays or deductibles on a case-by-case basis for patients with financial difficulties, routinely doing so or advertising such waivers are also no-nos. There can be both civil and criminal penalties for violations.

- **Stark Law.** Also known as the physician self-referral law, the Stark Law prohibits — with a few exceptions — physicians from making referrals (for designated health services covered by Medicare) to entities in which they or family members have a financial interest. While the law doesn’t apply directly to psychologists, it does apply to psychiatrists who are referring patients to psychologists and to practices that include psychiatrists. Some states have laws prohibiting general corporations (as opposed to professional corporations) from employing psychologists. Some prohibit corporations from employing psychologists or physicians but allow other kinds of practitioners. States vary widely in what they allow. Even within states, there may be confusion, with departments of health, boards of medicine and boards of psychology unclear about how each enforces the law. Although there may be exceptions for hospitals or health maintenance organizations, these laws frequently require licensed professionals to own the corporation. In almost every state, these laws also require that professionals—not the general corporation—have the ultimate authority over decisions about appropriate tests, the number of patients who can be seen in a given period of time, advertising, rates and contracts with payers.

- **State laws.** States may have their own self-referral, fee-splitting, false claims and other laws in addition to the federal versions. Consult with a health care attorney knowledgeable about laws in your state to review what additional laws may apply to you.

If you’re worried that something is a violation, it probably is.

- **Fraud and abuse.** Multiple laws target health care fraud and abuse. The False Claims Act, for example, targets providers who bill for services more expensive than what they actually provided, fail to repay overpayments within a set period of time or otherwise attempt to defraud the government. The Health Insurance Portability and Accountability Act also has fraud provisions. Multiple federal agencies, third-party payers, even patients or former employees can raise concerns about fraud and abuse. If you’re worried that something is a violation, it probably is.
The nation’s antitrust regulations were originally designed to keep giant oil companies and railroads from becoming monopolies. But the rules also apply to solo practitioners and small practices: Competitors can’t negotiate jointly because that would mean price-fixing.

The government recognizes, however, that sometimes joint negotiation is good for consumers. And that ability to jointly negotiate contracts is one of the advantages of certain innovative practice models, such as independent practice associations and management services organizations.

There are two basic approaches for joint negotiation:

- **Messenger model.** With this approach, one person agrees to serve as a conduit for price information between a payer and a network of providers. The process begins with asking providers privately what fee they would be willing to accept for a given service. The messenger finds an optimum price point of $100. The messenger then brings that information to the payer, saying, for example, “If you pay $100, I can offer you a network of 200 providers.” If the payer counters with a lower number, the messenger simply consults the list.

Clinical integration is more attractive [than financial integration] because it helps practices improve care, lower costs and enhance patient satisfaction while avoiding antitrust problems.
of providers to see how many would be willing to accept that lower rate. The messenger can then either tell the payer, “OK, I can offer you a network of 150 providers at that rate,” or can go back to those 50 providers to see if they’d be willing to accept the lower rate in order to stay in the network.

This model is easy to set up. The downside? It can be difficult for the messenger to avoid the temptation of directly negotiating with the payer, which is strictly forbidden.

- **Financial or clinical integration.** Most psychologists aren’t interested in financial integration, which entails sharing financial risks through capitation arrangements or risk pools. Clinical integration is more attractive because it helps practices improve care, lower costs and enhance patient satisfaction while avoiding antitrust problems. To achieve clinical integration, a practice should have most or all of the 11 elements outlined at [apapracticecentral.org/update/2015/04-30/antitrust-issues.aspx](http://apapracticecentral.org/update/2015/04-30/antitrust-issues.aspx). The practice must have measurable goals for monitoring utilization and treatment quality, for example. There must also be a process for disciplining or even terminating practitioners who can’t meet those goals. Clinical integration can be hard to set up. An experienced antitrust attorney should review your plans. The upside? That investment will pay off because the elements of clinical integration are beneficial.

**Clinical integration can be hard to set up. An experienced antitrust attorney should review your plans.**

Don’t ask what the bare minimum is you should do to avoid legal trouble. Instead, ask how you can use integration to improve patient care. By doing so, you’ll be making your services more marketable to consumers and payers. Plus, you’ll have data you can take to a hospital system or payer to show the results you’re achieving with your patients.
Many psychologists aren’t ready to jump into an innovative practice model. For those who want to maintain their own private practices, there are ways to explore the changing health care environment without making a big commitment. You can start by more effectively helping with the care of patients who have been already referred to you.

Beginning to integrate the services you provide with primary-care and other medical practices is one key strategy. That shift from working independently to becoming part of your patients’ overall health care isn’t just good for your patients’ health. It’s also good for your practice’s bottom line. And the options range from simply encouraging physicians to refer patients to you to co-locating your services within physicians’ offices or integrating your services entirely.

Consider these ideas for communicating and collaborating effectively with physicians and their practices:

- **Assemble a team.** Primary-care physicians typically see 20 to 30 patients a day, and as many as half of those patients should be seeing a psychologist rather than a physician. That means there’s a great potential for lots of referrals. You’ll need to have providers in your practice or relationships with other providers in your community to meet that demand, plus an excellent administrative staffer. Remember that not every psychologist can do everything. If your practice is in a large city, you should be able to develop a network that includes psychologists specializing in cognitive-behavioral therapy, eating disorders, testing and other specialties.

- **Consult with physicians about the patients you share.** Many physicians view mental health practices as black holes: They refer patients to psychologists or other mental health practitioners. Reaching Out to Physicians
health professionals, but often never hear anything back from them about how their shared patients are doing.

**Sending a note to a patient’s primary-care provider isn’t just good practice; it’s also one of the most effective marketing tools there is.**

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When you see a new patient, ask who his or her primary-care provider is and ask for permission to communicate with that physician, both verbally and in writing. After a patient’s appointment, send a note to the primary-care provider describing the patient’s psychological issues, outlining the proposed treatment and thanking the physician for the referral, if relevant.

Once you establish a relationship with a physician, call to talk about shared patients occasionally or even schedule regular check-ins. These quick calls not only give you a chance to update physicians on how their patients are doing, but also give you an opportunity to see if the physician appreciates what you have to offer. Ideally, the communication should be bidirectional, so invite physicians to call you, too. To avoid phone tag, suggest scheduling an appointment.

- **Educate physicians about how a psychologist could help them and their patients.** Once you’ve established a collegial relationship and demonstrated how helpful you can be, ask physicians if they’d like to learn more about integrating a psychologist into their practices. Bring an agenda to help make the meeting seem more official.

You could offer to give a 15-minute presentation at their next practice meeting, for example. You could pitch the idea of an annual psychological health check-up for every new patient in a physician’s practice. Offer to manage the practice’s most challenging patients or monitor suicidality and other potential side effects of psychotropic medications. Become familiar with the behavioral side effects of common chronic conditions and strategies to help those patients. Explore credentialing or medical staff membership at a local hospital, evaluate patients and write consultation notes and become known as someone who is skilled and helps to improve patient outcome.

- **Start small with co-location.** If you decide to start co-locating your services within a primary-care provider’s office, try a one or two day per week placement at first so that practice members can get to know you or a psychologist from your practice. Keep in mind that you’re going into someone’s professional “home,” which may have different rules, roles, structures and personalities than your own. A co-located psychologist can assess patients and provide treatment for uncomplicated problems within the medical practice, referring patients who need weekly psychotherapy or more intensive help back to the home practice.

- **Recognize your own value.** Physicians and other medical personnel highly value the knowledge...
and skills that you take for granted as a psychologist. A nurse may not know how to help a patient whose past medical traumas have left her terrified of a simple procedure like having surgical staples removed from a healed wound, for example. Teaching the patient a simple visualization exercise to manage her anxiety doesn’t just help that patient: the nurses will go on to teach it to many more patients throughout their careers.
Integrating behavioral health services into a primary-care practice is another option for psychologists interested in exploring innovative practice models. Instead of merely co-locating in or near a medical practice, psychologists offering integrated services become part of a medical team, readily available right there in the primary-care office. By allowing early identification, evaluation and treatment, integration helps both primary-care and mental health practitioners better meet patients’ health needs.

Integrated behavioral health offers many advantages. For one thing, it’s frequently primary-care physicians and other medical providers who first spot depression, anxiety, substance use and other behavioral health issues in patients. Primary-care providers usually have a long-term relationship with patients but may not have the depth of the training, comfort level and time to address such issues, especially given the standard 15-minute length of a primary-care appointment. If they identify a problem, they usually don’t have time to conduct a thorough assessment and work with the patient to determine next steps. For these busy professionals, being able to send a patient across the hall to a trusted psychologist or other behavioral health provider is a huge asset. It not only assures that the referred patient is receiving immediate, appropriate care, it also allows them to focus their medical care.
expertise on their patients.

Integration helps psychologists meet patients’ needs, too. Specialty mental health care has its limitations. Getting people in the door is one major challenge. Stigma, long waiting lists, even logistical problems such as lack of transportation or child care can all keep people from getting the help they need. Being able to seek behavioral health services at a physician’s office can be more convenient and less threatening. In addition, integration allows for more efficient use of scarce mental health resources by treating most cases in primary care and reserving specialty mental health care for those with the most serious problems. Integration is also the direction that health care is moving, as the Affordable Care Act and other policy initiatives emphasize increased access, comprehensive care and integration.

Before you consider integration with a primary-care practice, consider the following points:

- **Training.** Most psychology training still prepares practitioners for the traditional model of care rather than integration. Not all psychologists are prepared—or comfortable with—the fast pace, unpredictable schedule and wide range of issues that are the hallmarks of integrated practice. Training in specific approaches useful in overall medical care such as stress management, pain management, cognitive interventions for sleep and depression, and motivational interviewing are all helpful skills that can be implemented in primary care.

- **Buy-in.** Early buy-in from all involved is crucial when it comes to integrating behavioral health services into primary care. Not every physician is open to integration, so you may have to approach several primary-care practices before you find one that’s amenable to your proposal. An increasing number of primary-care physicians are enthusiastic about the idea and looking for psychologists, so keep trying and network with other psychologists in your region who have been successful in this approach.

- **Cultural differences.** All clinics have their own cultures. In bigger, busier clinics, for example, integration may feel more like co-location because you’re not having face-to-face contact with physicians and other medical providers multiple times a day. In smaller clinics, the practice may feel more like a family.

> Make sure your role is clearly defined, and remember that your expertise has real value.

- **Defined roles.** When a psychologist joins a medical practice, physicians and other medical providers often don’t quite understand the psychologist’s role or knowhow to put a psychologist to the best use. Be visible. If you’re always in your office, physicians may forget you’re there. Remind them that you’re ready to help. And don’t let them ask you to do things that are inappropriate, such as assessing a patient over the phone. Make sure your role is clearly defined, and remember that your expertise has real value.

- **Coding, billing and reimbursement.** These kind of logistical issues can be one of the biggest challenges of integration. Reimbursement for codes isn’t consistent across insurers, for example. And the primary-care practice may not have billing
Communications. Ask primary-care providers what they need to know and what information is helpful to them. Physicians and other medical personnel understand that providing services doesn’t just mean seeing patients face to face; they also have to write up notes and engage in other behind-the-scenes work also takes time.

Cross-disciplinary meetings can help close that communications loop. It also helps to speak in medical terms, so understand the jargon. If psychologists from your practice are spread out across multiple primary-care practices, come together periodically.

Flexibility. In a primary-care setting, you never know what kind of patient will walk through your door. Embrace the unexpected and be flexible.
Traditionally, psychologists and third-party payers have had a combative relationship. But it doesn’t have to be that way. These days, insurers are no longer viewing psychologists and their interventions as a cost to be controlled but as a resource for meeting shared goals — improving patients’ health, reducing costs and enhancing patient satisfaction.

How can you foster that kind of collaborative relationship with the payers you work with? Try these tips for demonstrating psychology’s value and showing payers how you can help them achieve their goals:

- **Ask payers what they need.** Instead of focusing on what you think is important, ask insurers what they think you should focus on and how you could improve your services. Like patients, insurers care about your results.

- **Grow your practice.** Being a large, interdisciplinary practice gets payers’ attention. That’s especially true if you can include psychiatrists on your staff or at least have collaborative relationships with psychiatrists in your community. Even if you want to stay small, you can still command attention from payers by forming collaborative relationships with other professionals in your area.

- **Instead of focusing on what you think is important, ask insurers what they think you should focus on and how you could improve your services.**
Ensure access to care. Insurers don’t want to hear from patients that they called your practice to make an appointment and no one picked up or no one called them back. Even if you’re a small practice, you can ensure high-quality customer service by sharing a secretary or call service with other practices in your area. Extended office hours also make you more attractive to insurers. Many members work at jobs that don’t allow them to take time off for appointments during the work day, so offering evening and weekend hours increases access. You might even explore moving into tele-behavioral health, an emerging area that interests many insurers.

Focus on patient transitions. Payers are eager for practitioners to follow up with patients soon after they’re released from the hospital as a way of preventing unnecessary re-admissions. Because it can be difficult to connect with patients once they’re discharged, some behavioral health providers are visiting an insurer’s behavioral health patients in the hospital, creating a list of their medications, learning why they were admitted and connecting with the other practitioners involved in their care to get additional information. The behavioral health providers even show up when the patients are discharged and alert the insurer’s care managers to any psychosocial factors that put patients at risk of re-admission.

Measure outcomes. You may be providing the best services possible, but if you can’t prove that to insurers, it doesn’t matter. As a result, you need to collect data to prove that what you do is making a difference in patients’ lives and then provide those data to insurers. But be sure the data you collect is data the payer wants, not simply information that interests you. Being able to show payers that you get results means gaining a seat at the decision-making table and possibly higher reimbursement as well.

Ask about incentives. Insurers might want you to integrate your services within primary-care practices. That’s good for patients, but requires new skills and more time than traditional psychological services. Recognizing that, an insurer might offer a separate billing code with higher reimbursement for services provided in primary-care settings. Payers may also be willing to incentivize the use of outcome measures. If you’re able to reduce overall health care costs, you should share in the savings.

Explore value-based contracting. Value-based contracting is the ultimate form of incentivizing new ways of working. Ask payers if they offer value-based contracting, which means your reimbursements increase if you meet certain criteria. Those criteria could include getting patients seen quickly, using assessment tools, collaborating with physicians, referring patients to psychiatrists when appropriate, following up with patients who stop treatment before they should, even reaching out to patients with customer satisfaction surveys. You can negotiate what criteria – and the details of each of them – with payers.
It may not always feel like it, but payers have the same goals you do: getting patients healthy, saving money and making sure patients are happy about the care they have received. And payers can help you and your patients in ways you might not realize are possible.

Insurers are moving away from trying to manage every little aspect of care. Instead, they’re increasingly focusing on patients who just aren’t getting better. Payers need your help, so they’re often willing to do what it takes to help you help your patients. As a result, payers may be able to offer you a wide range of assistance.

Ask the insurers you work with if they offer any of the following services:

- **Data mining.** The insurers you work with may be willing to share relevant clinical data about your patients with you. You may not know that a patient with a medical condition has been to the emergency room twice in the last month but isn’t picking up the prescription for the medication that helps control that condition, for example. If depression is sapping the patient’s motivation to address the medical condition, the insurer wants you to know so that you can refine your treatment plan. Similarly, the insurer...
could let you know when a patient is leaving the hospital so you can follow up with the person and work together to prevent re-admission to inpatient care.

- **Customized technical assistance.** Insurers who share clinical data also want to make sure that you know what to do with the information. Call the provider representative at the company and ask for help in interpreting the data or producing reports of your own.

- **Integrated care management.** If one of your patients isn’t showing up for appointments, it’s worth a phone call to the patient’s insurer. The insurer may have a team that can help figure out what’s going on with the patient and what kind of additional support they might need. Maybe the patient simply needs more reminders about appointments or lacks access to reliable transportation. While your practice may not have the administrative support to provide that kind of assistance, the insurer probably does. Plus, they’re motivated to get patients what they need to get better. The insurer may even be able to help with social risk factors such as food insecurity.

- **Help with behavioral health integration.** Insurers are pushing behavioral health providers to work more closely with their primary-care counterparts and may be willing to help make that happen. One insurer facilitates integration by offering behavioral health practitioners lists of primary-care practices that might be a good fit with them for co-location or just referrals.

- **Valued-based contracts.** Payers may be willing to offer you bonuses for achieving certain goals, such as improving medication adherence or reducing emergency room use.

Ask the insurers you work with if they can provide retrospective baseline data and tell you how you compare with other practitioners. Then work together to set and meet new goals.

- **Lunch and learn sessions.** Insurers want to ensure that the providers and practice staff their members encounter have the most up-to-date knowledge. Ask the insurers you work with if they can offer lunch-time educational sessions for your practice or the primary-care offices you partner with. The insurer might offer a session to primary-care practices on how to use simple depression screening tools, for example – which not only ensures that problems are caught but could also increase referrals to you. And because the receptionist and other staff are part of the patient experience, be sure to include your entire staff in such sessions.

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**Stigma is still a powerful force in our society, and insurers may be willing to work with you to combat it.**

- **Public education.** Stigma is still a powerful force in our society, and insurers may be willing to work with you to combat it. One insurance company, for example, sponsors movie nights at schools. The events feature the 2015 film *Inside Out*, an animated look at emotions. Behavioral health professionals attend, too, to answer questions from students and their parents afterward. Another resource to use with both insurers and patients is APA’s Psychology Help Center, which offers consumer information on stress, depression, other psychological issues and how psychologists can help.
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