GUIDE TO
Innovative Practice Models

Managing Your Risk

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

This is the first of seven sections in the Guide to Innovative Practice Models. To access other sections or the full guide, visit apapracticecentral.org.

The APA Practice Organization gratefully acknowledges the assistance of Jana Martin, PhD; Kevin Ryan, JD; Karen Dale, RN; Alan Nessman, JD; Geoffrey Kanter, PhD; and Vincent J. Bellwoar, PhD, in developing this material.
Managing Your Risk

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:

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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.
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.


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 attach a copy to 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.

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 treatment, payment and health care operations.

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.

Please note: Legal issues are complex and highly fact specific and laws vary by jurisdiction. APA Practice Organization staff, consultants and speakers cannot provide legal advice. The information provided in this toolkit is an abbreviated compilation of several workshops and does not constitute legal advice. It should not be used as a substitute for obtaining personal legal advice prior to making personal decisions. Those needing legal advice should contact an experienced attorney licensed in your jurisdiction.