Building Your Practice in a Changing Market

Staying Ahead of the Curve

Five environmental trends to watch

In the hustle and bustle of daily life, it is often difficult to find time to step back and look at the bigger picture. To remain competitive and viable in the long run, psychologists need to monitor key developments that will influence the way services are provided in the future. This article introduces five trends that will have a significant effect on health service delivery in the years to come and some resulting opportunities and challenges for psychology.

1 Information Technology
With major implications for both administrative practices and the delivery of services, developments in information technology are changing the world on a scale not seen since the Industrial Revolution. The rules resulting from the Health Insurance Portability and Accountability Act (HIPAA) are driving more practitioners into the information age.

Some psychologists are already reaping the benefits of using tools such as practice management software. Others continue to rely on non-automated processes. While such an approach may be effective in the short run, it does not address the scope of change to come.

Experts anticipate a complete shift to electronic client records within the next 10 years, with increasing use of “smart” technology and expert systems that provide enhanced decision support and clinical management. Additionally, as technology becomes more user-friendly and embedded in our everyday activities, the tools will become less intrusive. This development will allow for new ways to monitor health behaviors, track essential data elements and document treatment and progress.

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Opportunities

• More automatic and less burdensome record keeping
• Eventual cost savings and increased efficiency
• More knowledgeable, better-informed clients
• Access to more complete, accurate client records
• Clinical data and latest research at your fingertips
• Opportunities to design and implement new models for delivering services
• Ability to deliver services to remote and underserved areas
• Market shift that favors integrative, full-service providers
• Faced with high-tech health care solutions, client demand for corresponding “high-touch” (warm, caring, supportive) professional relationships

Challenges

• A need for practitioners to be competent with new technologies.
• Safeguards to keep electronic health information confidential and secure
• Potential for information overload
• Questions related to the effectiveness of treatment delivered through emerging modalities
• Ensuring the continued integrity of psychological services as technologies are applied to these services
• Pressure for higher productivity
• Automation of many health care services
• Potential high costs and delayed return on investment for new technologies
• Increasing transparency, with clients and payers scrutinizing practitioners’ performance data
• The potential for new models of technology-driven service delivery to remove geographic barriers
• Broader competition, allowing for a greater variety of services
• Quick access to more information from any location
• The realization that helping others and earning a comfortable living are not mutually exclusive—leading to more effective and efficient business operations that help to advance practice

The Global Marketplace

Fueled by advances in information technology and the desire to reach untapped markets, global competition is changing business models and requiring new competencies. Although most psychologists will not interact at the global level, the competitive nature of the evolving marketplace has significant implications for practice. Whether the United States ultimately moves more toward a free-market or government-sponsored health care system, one thing is certain—all parties involved are increasingly adopting business-oriented approaches.

Opportunities

• Ability to reach a broader target audience

Challenges

• The removal of geographic barriers, creating licensing and mobility issues that need to be addressed
• Increased demand for demonstrable quality and high productivity
• More competition from non-psychologists
• Increasing difficulty for non-tech-savvy psychologists to compete
• A greater need for practitioners to work as part of a system and collaborate with multiple parties (for example, other treatment providers, payers, technology solutions vendors)
• A more competitive environment that requires psychologists develop to additional business skills

This topical edition of Good Practice magazine from the APA Practice Organization focuses on practice building in a changing market. The content includes information to aid practice development along with profiles of new and established practitioners. Examples abound of psychologists who have successfully expanded their professional roles and diversified their practices.

If you are interested in sharing your experience, please contact us by sending an email to praccomm@apa.org or by calling 202-336-5877.
Demographics
The combined trends of growing ethnic and cultural diversity and the aging of the U.S. population affect both the profession and clients whom psychologists serve. Practitioners are increasingly called upon to competently treat diverse populations. In the other major demographic shift, the first baby boomers will reach retirement age in 2011. And for the following 18 years, the largest segment of the population will begin to transition out of the workforce. Although many psychologists will continue to work well beyond age 65, many will transition out of full-time practice over the next two decades. Similar to the trend in the larger workforce, this will leave a much smaller group remaining to treat a population whose largest segment will increasingly require health care services.

Opportunities
- Increasing demand for ethnically and culturally diverse practitioners
- Demand for culturally appropriate assessment, treatment and consultation
- Dramatically increased demand for services specifically targeted to the needs of older individuals (for example, grief and loss, coping with chronic illnesses, dementia, functional issues, depression)
- Baby boomers more open to accessing psychological services than previous generations
- More collaboration with physicians and other health care providers

Challenges
- Need for practitioners to develop cultural competencies
- Language barriers in treating non-English-speaking clients
- Complexity of treating clients with multiple health problems
- Demand for services may exceed supply
- Publicly funded health care system may struggle to finance services for large aging population

Genetics
The mapping of the human genome and the emerging field of applied genetics have widespread implications. Although many of these applications will not become a practical reality for a number of years (or even decades), advances in genetics will create a sea change in the realm of health and science.

Opportunities
- Genetic profiles may help practitioners to diagnose disorders earlier and more accurately.
- Customized treatment packages will improve treatment effectiveness.
- Genetic data that allow practitioners to identify individuals with predispositions to particular illnesses can enhance prevention efforts.
- An enhanced understanding of genetics will help practitioners better understand the biological bases of behavior.
- Advances in genetics will not make psychology obsolete. Psychologists’ expertise in human behavior will continue to add value, since genes interact with their environment.

Challenges
- Ethical issues related to appropriate use of applied genetics, genetic profiles and screening
- The need for psychologists to acquire new knowledge related to genetic bases of behavior
- Health care increasingly driven by genetics and technology
- The need for practitioners to work collaboratively with new professionals, such as genetic counselors
- The complexity of interactions between genes, biochemistry and the environment, posing challenges with regard to diagnosis and treatment

A Focus on the Consumer
As health care costs continue to skyrocket and employers begin to place more responsibility on the consumer in terms of both decision making and cost sharing, the health-care market has taken a decidedly consumer-driven turn. The result is twofold. First, the consumer is now taking the lead in terms of choosing what services to purchase and from whom to purchase them. Second, in an effort to reduce health care costs, an emphasis is being placed on maintaining good health and preventing illness in the first place.

Opportunities
- The marketplace is ripe for new products and services geared toward health, wellness, disease management, lifestyle and behavior change.
- As experts in human behavior, psychologists are well positioned to tap into new markets.
- Advances in information technology can be used to communicate with clients and get them more involved in their own care.
Most practitioners were not trained in core principles that apply to what they must do daily—manage and build a business. And many psychologists find that the business of practice is growing increasingly complicated.

Practicing psychologists interact regularly with a variety of business and financial professionals. When you deal with accountants, managed care representatives, hospital administrators, or your practice consultants, having a firm grasp of business principles and terminology facilitates your interactions.

“The health care system’s growing complexity increases the need for practitioners to be familiar with business concepts,” says David Ballard, PsyD, MBA, assistant executive director for corporate relations and business strategy for the APA Practice Organization. “Psychologists functioning in today’s complex environment must build their knowledge base and learn how to put business concepts into practice.”

Good Practice asked two APA members about ways for psychologists to develop a business mindset and apply business principles to psychology practice.

A first step is to “do your homework,” according to Brian Sullivan, PsyD, owner of Lifeworks, LLC, in Mount Pleasant, S.C., an interdisciplinary suite of healthcare professionals and financial advisers who collaborate to provide client services. “Before you step into private practice or make a move to grow [your practice] in a new direction, ask yourself, ‘What do I know about what I’m going to do?’ . . . Many of us know too little about how to create, position, manage and grow a business.”

To help psychologists build their business knowledge base, Alan Graham, PhD, owner of ACP Consultants, Ltd. in Park Ridge, Ill., and a member of the APA Business of Practice Network* steering committee, suggests reading business books and periodicals as well as material available from the APA Practice Organization (visit the Practice Management section at APAPractice.org).

Continuing education can help fill the gaps created by lack of training in business matters in many psychology
graduate schools. Practitioners find they can reap additional benefits beyond expanding their knowledge of business matters. “Taking business courses puts you in touch with others who are learning about business,” says Dr. Graham. “It provides an opportunity to build your network of business persons.” (See the sidebar, “Where to Look for a Business Course,” page 6.)

These two psychologists have found abundant opportunities to learn by making connections with others who are also managing a business. It’s primarily a matter of “getting out of your office,” according to Dr. Sullivan. “Take long lunches with people you know, but perhaps more importantly, take longer lunches with people you don’t know. Get to know people who do things you don’t, who know things you don’t.” Trading ideas freely can help you learn to think bigger, he adds.

Dr. Graham belongs to a group whose business-owner members meet regularly over breakfast. This affiliation enables him to talk to people outside of psychology, to understand what’s on their minds and important to managing their business.

One central tenet of business is that human and other resources should be put to their most productive use. Along these lines, Dr. Sullivan encourages colleagues to consider the wisdom of outsourcing. “We’re well-schooled in recognizing when we might be at risk for operating outside the boundaries of our competence within clinical practice. But we’re not necessarily good at recognizing our limits when it comes to things like filing insurance claims, marketing and brand development, and creating a viable financial plan,” says Sullivan.

Dr. Sullivan uses information technology specialists to illustrate his point. Some clinicians may be “clueless,” he says, about how to set up and maintain an efficient technology infrastructure—even if that infrastructure consists of only one computer and a printer. There are many ways to optimize technological performance, according to Sullivan, and “we should not be afraid to look to others for guidance, assistance, preventive maintenance and plain old elbow grease.”

Both Drs. Sullivan and Graham recommend yet another common business strategy: Chart your course with a business plan. “Psychologists need a road map for achieving their mission,” says Dr. Graham. A sound business plan helps you set goals, and it guides decision making about how to achieve these goals. Dr. Sullivan observes that a business plan is a “living document” that you should review and update regularly; it needs to evolve along with your professional vision.

Several additional pointers from these psychologists for putting business into practice include:

- Hire solid employees, keep them happy and learn from them. Reward good performance; show good employees you value them with praise and bonuses.
- Think about “return on investment,” not simply the cost of doing business. When thinking about hiring an administrative assistant to take care of matters such as insurance claims filing or scheduling, for example, don’t focus solely on the cost of employing the new assistant. You also need to factor in the additional hours

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- New business models that offer a one-stop shop for services can garner a competitive advantage.
- Trained in assessment, treatment, program design and evaluation, psychologists are uniquely equipped to provide full-service, integrated treatment.
- Psychologists have the knowledge and skills to apply their research and demonstrate outcomes and treatment effectiveness.

**Challenges**

- Practitioners must learn to evaluate the environment and create a business plan that anticipates and responds to changing needs.
- As consumers make their own decisions about what services to purchase, practitioners must increasingly demonstrate the value of their services and the competitive advantage they offer.
- Payers will shift their focus from utilization management to clinical outcomes and provider accountability.
- Provider evaluations and performance data will increasingly be made available to consumers to help inform their decisions.
- As in other industries, practitioners will need to focus on client satisfaction and customer service.
- Lower-income consumers who must spend their own money may opt not to access services, thereby increasing discrepancies in health status, quality of care and access to services.
- The large number of uninsured and underinsured individuals may find it increasingly difficult to access appropriate treatment.

Staying on top of emerging trends will help you creatively meet the changing needs of society and position your practice for a long and prosperous future. Visit [APApactice.org](http://APApactice.org) for more information about environmental trends and practice opportunities.

Putting Business into Practice  (continued from page 3)

that you would be freed up to produce revenue for your practice once you no longer need to handle such tasks yourself.

- Be open to new opportunities. Increasingly, psychologists are finding innovative ways to apply their expertise in human behavior outside of the traditional mental health realm. For some psychologists, such diversification helps to create multiple streams of revenue and improve their practice finances.

* The APA’s Business of Practice Network works strategically to position psychology in a leadership role within the marketplace by developing strong collaborative relationships with the business and employer communities and educating them about the roles and value of psychology in the workplace.

**WHERE TO LOOK FOR A BUSINESS COURSE**

Many colleges and universities will let you register for or audit a single business course and may even offer weekend and evening seminars or online courses. Similarly, local community colleges may offer basic business courses through their adult education programs. And small business associations and other community business groups often offer seminars and workshops at low or no cost.
As part of the APA Practice Organization’s “Tools for Growth” workshops, David Ballard, PsyD, MBA, asks participants to identify psychologists’ core competencies and skills. He then discusses how practitioners can leverage these skills to help them build, manage, market and diversify their practices. The list below reflects some of the most common responses generated by workshop participants.

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<thead>
<tr>
<th>SKILL</th>
<th>APPLICABILITY TO THE BUSINESS OF PRACTICE</th>
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<tbody>
<tr>
<td>Relationship building</td>
<td>Establishing and nurturing mutually beneficial business relationships with payers, vendors, partners, employees, colleagues, referral sources and other professional contacts</td>
</tr>
<tr>
<td>Research</td>
<td>Understanding and using financial, operating, outcomes and marketing data to enhance your practice</td>
</tr>
<tr>
<td>Assessment</td>
<td>Integrating multiple data sources to better measure and understand things that affect your practice—such as environmental trends, market segments, client satisfaction and the effectiveness of your marketing efforts</td>
</tr>
<tr>
<td>Problem solving</td>
<td>Figuring out how your practice can meet emerging community needs, reach target clientele and referral sources, improve efficiency or effectiveness, overcome obstacles and increase profitability</td>
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<tr>
<td>Facilitating change</td>
<td>Diversifying your practice, changing your client, payer or service mix, and remaining competitive and viable in an evolving marketplace</td>
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<tr>
<td>Expertise in behavior</td>
<td>Demonstrating psychology’s value in any setting and applying concepts in areas such as learning, motivation, decision making, group dynamics, social influence and interpersonal relations to your business-related activities</td>
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<tr>
<td>Program design and evaluation</td>
<td>Developing a new service or expanding to serve new clientele; consulting with evaluation individuals, groups, organizations and communities to help them develop, implement and evaluate programs to enhance their functioning</td>
</tr>
<tr>
<td>Communication/listening skills</td>
<td>Marketing your practice, providing potential clients and referral sources with the information they need to make better decisions about your services, understanding the needs and motivations of others, and building effective two-way communication channels</td>
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Handling administrative tasks in an efficient and cost-effective manner is an important part of building and maintaining a successful psychology practice. While some psychologists can handle day-to-day practice management activities on their own, others find that the administrative demands of their practice necessitate additional support. This article helps you think about the administrative needs of your practice and how to manage them in cost-effective ways.

Consider the financial implications of how you manage administrative tasks. Even if you are able to manage the administrative responsibilities of your practice yourself, it may not be in your best financial interest.

For example, if you spend six hours per week on administrative tasks and typically charge $100 per hour for your clinical services, the cost of doing the administrative tasks yourself is $600 per week. If you delegate those tasks to an office assistant whose wages and benefits average $15 per hour, and you use those extra hours to provide clinical services, you can generate an additional $510 per week. Or you could hire a full-time office assistant (for 40 hours per week at a total compensation of $15 per hour) and still break even.

Hiring support staff is just one way to streamline your administrative functioning so you can concentrate on revenue-generating activities. Other approaches include automating and outsourcing your administrative activities.

Do You Need Administrative Support?

In deciding whether you need assistance with the administrative demands of your practice, consider the following questions:

- Would you like to increase your caseload but find that you don’t have time in your weekly schedule?
- Do you receive more referrals than you can handle?
- Do you spend more than a few hours per week on tasks that could be delegated to someone less qualified?
- Are administrative tasks not getting done or consistently getting done late?
- Are you behind on billing and collections?
- Do your payers require a lot of routine, tedious paperwork (e.g., billing and reimbursement forms and documentation)?
- Is your office consistently busy (at all times, on certain days, or at particular times of the day)?
- Do certain administrative activities feel like a burden?

The more “yes” responses you give to the questions above, the more likely it is that your practice could benefit from more effective office management. If you determine that you need to revamp your administrative practices, your options include:

Automation

Continue to perform administrative functions yourself, but increase your efficiency by automating your practice. Options include using practice management software, switching to electronic client records instead of paper files or submitting claims electronically.

- **Pros:** You retain control of administrative activities. You do not have to hire, manage or pay an employee. You can enhance your organization, efficiency and ability to track clinical and financial data. You may reduce office clutter. Electronic claims may be paid faster.
- **Cons:** Automation usually requires an initial financial investment in computer software or equipment; therefore, savings from increased efficiency may be realized over the long term rather than right away. This option also may: require a steep learning curve, especially if you are not already technology-savvy; inadvertently create more administrative work for you; and may feel like confidentiality could be more easily compromised with electronic record keeping (in actuality, if necessary precautions are taken, information stored electronically can be quite secure). Filing claims electronically will probably trigger your obligation to comply with the Health Insurance Portability and Accountability Act (HIPAA) if you are not already compliant.
Outsourcing

Outsource some of your administrative activities by using outside companies to perform tasks such as billing, collection, transcription and answering services.

- **Pros:** You benefit from the expertise and range of services available to a larger company. You lighten your administrative workload without having to hire, train and manage an employee. This option can be good for occasional or sporadic activities.

- **Cons:** You lose direct control over how administrative functions are performed. You need to oversee and monitor the work of the vendor, who may not understand the intricacies of your practice. This option can cost more than handling functions internally.

Hiring Part-Time Help

Hire a part-time employee to provide administrative support one or two days per week, a few days per month or during busy office hours.

- **Pros:** You maintain oversight of administrative functions. It costs less than hiring full-time staff and may not require you to offer expensive employee benefits. Hiring part-time support can offer flexible scheduling options such as evening or weekend hours. It also helps keep your office running smoothly during busy times.

- **Cons:** Administrative support is only available at certain times. Part-time workers may be less committed to the job, and you may have more employee turnover. It can be difficult to find qualified candidates who want part-time employment. As an employer, you will have increased management duties and responsibilities to state and federal agencies, such as withholding and paying taxes, maintaining required insurance and keeping personnel records (see final paragraph below).

Hiring Full-Time Help

Hire full-time administrative staff to help keep your practice running smoothly.

- **Pros:** This option provides consistent administrative support for your practice. It relieves you of day-to-day clerical duties, but allows you to maintain oversight of administrative functions. Having a regular contact point can demonstrate professionalism and enhance your public and client relations. And it can help streamline scheduling and billing.

- **Cons:** This strategy increases your costs for wages and benefits. As an employer, you will have increased management duties and responsibilities to state and federal agencies, such as withholding and paying taxes, maintaining required insurance and keeping personnel records (see final paragraph below).

Making the Right Decision

It is important to manage administrative responsibilities in a way that works best for you. Consider your administrative needs, your financial constraints and your plans for the future of your practice.

Remember that the options listed above are not mutually exclusive. The best approach for you may include hiring staff to handle some tasks, outsourcing other functions and using information technology to enhance the overall efficiency of your practice.

It is important to note that, although hiring office staff can be a cost-effective approach to running a successful practice, taking on the role of employer comes with additional responsibilities. You will need to educate yourself about a variety of topics including employment laws, hiring practices, basic management skills, and employee training and development. Visit APAPractice.org for additional information.
New demands, greater practice opportunities

Early career psychologists find both

Joshua Cohen, PhD, of Rockville, Maryland, is a private practitioner who works with adolescents and adults. Allison From, PsyD, serves as director of the counseling center and is an assistant professor at Spalding University in Kentucky. She also maintains a small private practice.

Doctors From and Cohen have each been in practice fewer than seven years and lead busy professional lives. Although their practice situations differ, they have similar perspectives on the opportunities and challenges facing early-career psychologists.

Both practitioners see opportunities for new psychologists to work in a variety of settings and to play increasingly diverse roles. Dr. Cohen offers several examples. “In today’s marketplace, psychologists can expand their practices by providing business consultation services, working with their medical counterparts in various facilities and engaging in policy development.”

Meanwhile, From observes, psychologists are making greater inroads into hospitals (see article on page 15) and corporations. She sees psychologists as valuable for helping organizations focus not only on patients or consumers, but also on staff. “Having psychologists as part of the team strengthens the core of the organization.”

Dr. From sees growing marketplace competition as placing new demands on psychologists. She believes that new practitioners in general may need to be more creative than their predecessors had to be when they started out.

Like many of her early-career colleagues, Dr. From finds that diversification—having more than one professional role and/or working in more than one practice setting—is often imperative for building a successful practice. Some psychologists have been successful, she observes, by carving out a “niche” practice that meets a specific market need. “You need to have skills that help you stand out among your peers,” says From. “Specializing [in a particular practice area] can do this for you.”

Niche practice development isn’t always clinical in nature, as Dr. Cohen has found. He attributes part of his success in practice to applying his knowledge of business to private practices. Growing up in a family that ran a business gave him an early start in thinking like a business person. As he honed his business sense and cultivated his knowledge and experience of running a psychology practice, Cohen began giving presentations on the business of practice (see article on page 4). That led to opportunities for authoring articles for professional journals, increased interaction with the business community and even more opportunities for public speaking.

Fostering business relationships and friendships with professionals in other arenas—such as accountants, medical professionals and attorneys—has helped Cohen learn from their expertise. And the connections have boosted his client base. For example, he has received referrals from physicians whose patients experienced trauma-related symptoms following serious automobile accidents. Dr. Cohen says one of the valuable lessons he has learned by making these contacts is the importance of having a strategy for marketing his services—even though the efforts often do not provide immediate returns. For example, new patients have reported picking up his business card at a presentation he made several months earlier. Cohen views these presentations as marketing opportunities. Since he does not participate in managed care health plans, Cohen believes that growing a successful practice will always require him to market his practice aggressively.

In addition to being patient about seeing results, Cohen says, “the key is to evaluate your marketing strategy over time by continuously tracking outcomes.” He uses a software program to help him manage the task. And when he sends a thank-you note to someone who referred to him, Cohen always puts his business card in the note to help facilitate future referrals.

Dr. From points to another path for new practitioners to build connections. “I think one of the best ways to get your name out there is to join your state organization and begin working with other professionals. See what they are doing and gain ideas from that [interaction].” Dr. From says her experience with chairing committees among other roles with the Kentucky Psychological Association (KPA) has served her well in both her small private practice and in organizational work settings. “It has continued to build my confidence as a leader by giving me
responsibilities and by connecting me with other professionals around the state and throughout the country.”

Similarly, Dr. Cohen has found it invaluable to forge a strong affiliation with the Maryland Psychological Association. The organization has provided tremendous opportunity for Cohen to develop networking and mentoring relationships that in turn have helped him develop his practice. “Joining my state association and becoming more involved has had a spider-web effect on increasing opportunities and connections to potential referral sources.”

Dr. From said that her involvement with KPA also helped her with one of the challenges she continues to face: juggling multiple demands in her personal and professional life. In addition to helping her learn when to push herself harder, From says, “Through KPA leadership, I have learned when to say no.” Beyond university responsibilities and part-time practice, she is a mother in a growing family. Dr. From places a premium on ‘balance’ and has found techniques that help her maintain it. “I really work at knowing when my plate is too full,” she says.

She also has found it helpful to employ another tactic for maintaining work-life balance: developing a social support network. Research has shown a correlation between social support and lower levels of work-family conflict, and From has put the research into practice. She is part of an active peer consultation group that comprises colleagues who are also good friends. “I know I can call them any time about anything, work or personal,” says From.

Despite the challenges they face, both psychologists are pleased with their career path and encouraged about future prospects for the profession.

“Opportunities for psychologists to engage in work [other than] traditional therapy and assessment have never been greater,” says Cohen. Dr. From adds, “A career in psychology gives us so much richness and depth.”

PUTTING TECHNOLOGY TO GOOD USE

With the growth of information technology, tools for marketing a practice have never been more accessible or affordable. Dr. Cohen uses several tactics in his practice to take advantage of technology, including:

**A professional Web site**

Recognizing that a professional Web site is an essential marketing tool, Dr. Cohen used a professional designer to create an online presence, www.JoshuaMCohenPhD.com, for his practice. To help streamline his practice operations, Cohen asks new clients to fill out forms that are easily accessible on his Web site before their first visit. (Web sites designed for psychologists are available from the APA Practice Organization to members who pay the Practice Assessment. Visit [APAPractice.org](http://APAPractice.org) for additional information.)

**Online directory listings**

Dr. Cohen participates in the Psychologist Locator provided by the APA Practice Organization as well as the Maryland Psychological Association Psychologist Referral Service. Online listings have helped bring clients to his practice. Similarly, Dr. From participates in the Psychologist Locater and the Kentucky Psychological Association’s “Find a Psychologist” service.

**Cell phone**

To facilitate direct phone contact, Dr. Cohen uses his cell phone as his primary telephone. That way, when a prospective new patient calls, Cohen doesn’t need to be in his office to pick up the call. His cell phone number appears on his business cards as well as on every page of his Web site.
Tracking Your Client Sources

This brief article offers guidance for tracking your client sources and is followed by a tool (see page 13) designed to help you track referrals.

Keeping track of how clients reach your practice provides vital data that can guide marketing efforts and help you build a successful practice. A lot depends on your primary source(s) of clients:

• If most of your referrals come from recommendations made by current or former clients, you may want to find ways to facilitate those connections—such as continued contact with clients through print or electronic newsletters, and making your promotional materials easily accessible by placing them in your waiting room.

• If your referral stream comes primarily from colleagues or other professionals, make sure you keep in regular contact with those sources.

• If you have placed advertisements in local media, handed out practice brochures, or taken out a listing in the yellow pages or other directory, be sure to keep track of which ones get results.

Similarly, identify any potential referral streams you are not tapping into—such as contacts made through public speaking engagements, community involvement or professional associations. Consider bolstering your efforts in those areas.

Some Tips on Tracking

A few more tips to help you track and manage your referrals effectively:

• During your initial contact with new clients, collect data about how they found out about you. This can be as simple as adding one question to your intake form or just asking.

• Organize and summarize the data. You can track this manually, or use practice management software, a database or a spreadsheet to automate the process. This summary will be a valuable tool when you are working on your business plan, evaluating and refining your marketing efforts, or creating an advertising plan to help you reach new clients who could benefit from your services.

• Review your overall referral patterns. If more than 20 percent of your referrals come from one category, make sure you are actively working to build and maintain this source. You might also consider diversifying your referral streams to protect yourself from any major changes that could adversely affect your revenue.
Referral Tracking Form

Instructions: In the shaded boxes under “Data Entry” below, enter the number of client referrals you have received from the sources listed. In the “Data Summary” section, compute the percentages according to the instructions for each category and enter the result in the appropriate box.

### Data Entry

<table>
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<tr>
<th>REFERRAL SOURCE</th>
<th># OF CLIENTS</th>
<th>REFERRAL SOURCE</th>
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<tr>
<td><strong>Individuals</strong></td>
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<td><strong>Contacts Made Through Other Activities</strong></td>
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<tr>
<td>1. Self-Referral</td>
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<td>37. Teaching</td>
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<td>2. Current Clients</td>
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<td>38. Community Involvement</td>
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<td>3. Former Clients</td>
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<td>39. Speeches/Presentations</td>
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<td>4. Other Psychologists</td>
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<td>40. Articles/Writings</td>
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<tr>
<td>5. Primary Care Physicians</td>
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<td>41. Group Memberships</td>
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<td>6. Internists</td>
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<td>42. Volunteer Activities</td>
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<td>7. Pediatricians</td>
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<td>43. Professional Associations</td>
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<td>8. Oncologists</td>
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<td>9. OB/GYNs</td>
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<td>10. Other Physicians</td>
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<td>11. Social Workers</td>
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<td>12. Nurses</td>
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<td>13. Clergy</td>
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<td>14. Pharmacists</td>
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<td>15. Teachers</td>
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<td>16. Principals/School Counselors</td>
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<td>17. Attorneys</td>
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<td>18. Judges</td>
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<td>19. Other (List Here):</td>
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<td><strong>Businesses</strong></td>
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<td>20. Employers</td>
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<td>21. EAPs</td>
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<td>22. Business Associations/Groups</td>
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<td>23. Other (List Here):</td>
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<td><strong>Health Care/Social Service Organizations</strong></td>
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<td>24. Emergency Rooms</td>
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<td>25. Non-Physician Staff</td>
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<td>26. Outpatient Facilities</td>
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<td>27. Community-Based Mental Health Agencies</td>
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<td>28. Social Service Agencies</td>
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<td>29. Formal Referral Services</td>
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<td>30. Other (List Here):</td>
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<td><strong>Managed Care Organizations</strong></td>
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<td>31. HMO:</td>
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<td>32. HMO:</td>
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<td>36. Other (List Here):</td>
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### Data Entry

How your clients find out about you:

\[
\% \text{ SOURCE} = \left( \frac{\text{Item 1 divided by item 56}}{100} \right)
\]

- Self-Referral = (item 1 divided by item 56) x 100
- Clients = (Sum of items 2 and 3 divided by item 56) x 100
- Other Psychologists = (item 4 divided by item 56) x 100
- Physicians = (Sum of items 5 through 10 divided by item 56) x 100
- Other Professionals = (Sum of items 11 through 19 divided by item 56) x 100
- Businesses = (Sum of items 20 through 23 divided by item 56) x 100
- Health Care Organizations = (Sum of items 24 through 30 divided by item 56) x 100
- Managed Care Organizations = (Sum of items 31 through 36 divided by item 56) x 100
- Other Activities = (Sum of items 37 through 43 divided by item 56) x 100
- Advertising = (Sum of items 44 through 51 divided by item 56) x 100
- Other = (Sum of items 52 through 55 divided by item 56) x 100

Total = Sum of Items 1 through 55
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- Calculates subtest scores including Contrast/Compare scores
- Generates customizable reports—Clinician, Parent/Teacher, and Longitudinal

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Leading Change

Psychologist expands hospital roles for practitioners

When the Hospital of Central Connecticut brought Steve Moore, PhD, on board in 2002, he was the only psychologist at the facility. Dr. Moore was charged with rebuilding the flagging outpatient services department while managing the behavioral health programs.

Nearly six years later, there are almost seven full-time equivalent positions filled by psychologists in the outpatient department, representing about one-quarter of the treatment staff. As part of expanding psychology’s presence, Moore also added psychology internship and postdoctoral positions.

The hospital outpatient department now offers a wide array of outpatient-level services in substance abuse, geropsychology and mental health, along with specialty services for victims of sexual assault and domestic violence, and a variety of health psychology services. The broad range of services compares to primarily intensive outpatient services in areas such as substance abuse and general mental health that existed when Dr. Moore arrived.

Psychologists are integral players in every facet of service delivery. They manage support groups for diabetes, conduct motivational interviewing and work with individuals on medication compliance. Psychologists also support the work of the infectious diseases outpatient clinic—for example, helping medical and other staff deal with difficult situations such as informing patients that they are HIV-positive and assisting with the emotional upheaval the diagnosis can create.

According to Dr. Moore, the largest new growth area for the hospital outpatient department involves pain management. Psychologists provide a combination of non-pharmacological pain management techniques—such as mindfulness, relaxation procedures and coping skills—sometimes coupled with family contact to assist in environmental interventions.

(continued on page 16)
To bolster this growing program and generate more referrals, the hospital is exploring a plan to place some of the outpatient department staff in nearby medical office buildings. “[The relocation] would help psychologists clarify that these services are not for ‘mental patients,’ but instead for the kinds of patients seen in medical practices,” says Moore. The change would allow the medical doctors literally to walk the patient next door or down the hall to the psychologist, rather than just referring the patient elsewhere for another appointment. According to Moore, “This kind of ‘warm hand-off’ has been shown as effective in increasing patient compliance and attendance.”

Moore says the necessary first steps involved establishing professional credibility within the behavioral health arena and having psychologists clearly seen as members of the hospital community. “Probably the most important part of establishing credibility involved demonstrating how we could intervene and be successful,” says Moore. “I’ve heard that the best way for psychologists to fit into a hospital environment is to show that we are good at doing what we do.”

The next step involved seeking opportunities for small interventions. A single evening program for caregivers of terminally ill patients expanded to a small role with oncology services. One day at the lunch table, the director of the wellness program mentioned that a couple of participants in the weight management program asked questions that sounded psychological in nature. The physician-director wanted a psychologist to visit the program and address these questions. One visit turned into repeat visits, and a hospital psychologist soon became co-facilitator of the program. “As psychologists became more established in these programs, other physicians began to ask why we weren’t available to them,” Moore recalls. “Patients often present with psychological issues, and the medical professionals don’t always know how to handle them.” Moore says psychologists have been very helpful by serving as consultants in addressing the emotional aspects of physical illness.

What advice does Moore offer to psychologists who are interested in pursuing leadership roles in health care facilities? “Start by being good at what we psychologists do traditionally. Then be opportunistic in seeking chances to expand.” A dose of realism also helps. “Find opportunities within organizations that are realistic about the speed of expansion,” Moore cautions. “It takes time to get services developed, and some of the payment sources are inconsistent.”

Moore emphasizes that psychologists’ background and experience are highly applicable to health care systems. “We are trained to understand systems and organizations because they are made up of people.” He sees the value that psychologists bring to his hospital as replicable in a range of settings. “Psychologists have broad experience with a variety of settings and populations, and that comprehensive experience is a real plus,” says Moore.
Many health professionals who have practiced for 30-plus years are focused on retirement. They cling to long-standing professional activities and avoid shifting gears.

And then there are psychologists like Sanford Portnoy, PhD, a private practitioner in Waban, Massachusetts. He infused new life into his practice of several decades by developing a fulfilling niche in divorce coaching.

Throughout his career, Portnoy has engaged in psychotherapy with adults and children. He has seen a variety of clients with a wide range of clinical disorders. As Portnoy started doing more work with couples, he became increasingly interested in issues related to marriage. Dr. Portnoy began to orient his professional pursuits more toward divorce work.

With a sizeable portion of his practice now devoted to helping couples divorce in a healthier fashion, he’s busier than ever. Meanwhile, he hasn’t abandoned his traditional roots in practice; Portnoy still does psychotherapy with clients. The successful shift toward non-clinical divorce coaching and consultation took a lot of hard work that included engaging in extensive research, cultivating mentors in the field, and taking steps to make himself visible to prospective clients and referral sources.

Dr. Portnoy immersed himself in studying steps in the divorce process and the effects of those steps on the individuals involved. He also explored the lawyer-client relationship and what transpires between lawyers and their divorcing clients. Interestingly, Portnoy found that, “Lawyers confront similar issues as psychologists do in working with clients going through a divorce.”

To further build his competence in this area, Portnoy took workshops and other courses and attended meetings of organizations with a focus on divorce. He used his interview skills to gain a wealth of information from attorneys about legal procedures. “I surrounded myself with lawyers, judges and others who served as mentors to me.”

In building his niche practice, Portnoy did not feel he had to become an expert in legal processes or have formal forensics training. Instead, he says, he really needed to understand the psychology of divorce and what people experience when going through a divorce.

Several years ago, Portnoy began sending a newsletter to psychologist colleagues reflecting the knowledge he was gaining. He provided information about divorce trends, stages of divorce and new research findings. Having gradually built up a database of lawyers, he now shares his newsletter with several hundred attorneys, most of them involved in family law.

Some of his divorce coaching work reflects the “collaborative law” movement, with its focus on shifting from litigation to collaboration between parties.

(continued on page 20)
Rosalind S. Dorlen, PsyD, ABPP, a private practitioner in Summit, New Jersey, has experienced many changes in her 30 years as a practitioner. She began her practice long before the managed care industry gained a foothold in New Jersey. During the early 1990s, she became enrolled on several managed care company panels. But by the middle of the decade, she had systematically resigned from every one. Dr. Dorlen has worked outside the private third party reimbursement system ever since.

Yet one element of her practice has remained constant: her focus on the community. Dr. Dorlen says her dedication to community psychology has kept her practice fresh and vibrant for many years.

Her commitment has been vital for practice building. Community outreach is an integral part of Dorlen’s strategic marketing efforts, and it has paid off. Getting outside her office has returned dividends to her practice many times over.

Networking and making community connections represent core professional values for Dorlen. “Early in my career, I realized the benefits of making connections by being involved in professional and community organizations,” she says. Dr. Dorlen is a past president of the New Jersey Psychological Association (NJPA) and chair of NJPA’s public education campaign, and she served for two terms as a member of the APA Committee for the Advancement of Professional Practice.

As one of 50 stakeholders, Dr. Dorlen was actively involved in a community needs assessment conducted more than 10 years ago under the auspices of a major New Jersey hospital system. She participated in designing a survey of several hundred thousand homes that included questions about health status and insurance plan involvement, among many other topics.

Dr. Dorlen credits the community visibility she gained by participating in this process for creating many practice opportunities. For example, she subsequently became the first psychologist member of the hospital staff, gave community lectures on a range of topics related to psychological health issues, and played a key role in creating important community projects with diverse health care professionals and community participants.
Among the important projects were “Mending the Broken Heart,” a multidisciplinary program geared toward helping people understand the role of stress in cardiovascular disease, and the “Mammography Project,” which used the transtheoretical model to help motivate underserved women to practice regular breast self-examination and receive yearly mammograms.

In 2005, Dr. Dorlen was appointed by then-Governor Richard Cody of New Jersey to serve on the Task Force on Postpartum Depression. Dr. Dorlen became chair of the Postpartum Depression Public Education Committee and developed patient-education materials, hot-line numbers, referral resources and brochures to emphasize that postpartum depression is a treatable psychological disorder. Dr. Dorlen says that New Jersey became the first state to mandate screening and referral for postpartum depression, a result of her task force’s work.

The postpartum depression project was one of a dozen pro bono intervention projects that Dr. Dorlen has helped to develop in collaboration with local hospitals, schools and organizations. All of these community efforts have directly and indirectly benefitted Dr. Dorlen’s psychotherapy practice by increasing her visibility as someone who can help people.

“Community involvement helps our community and our practices,” says Dorlen. “It raises both the visibility of psychology as a profession and the visibility of the psychologists who do community work.”

Dr. Dorlen has found that pushing herself to do something new—getting involved with new initiatives and interacting with new colleagues—has helped keep her practice fresh. She sees this process of innovation as critical to the health of a psychology practice. “Any psychological practice that doesn’t reinvent itself runs the risk of becoming this generation’s phrenologists.”

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Two lawyers and their clients are involved in a four-way process of consultation and negotiation. Dr. Portnoy becomes the fifth party to the process, serving as coach for the rest of the team. There’s no clinical assessment and diagnosis involved, and his work is not connected to third-party reimbursement. Clients generally pay at the end of each meeting.

In his own office practice, Portnoy works with individuals and couples to help them protect themselves and their children from the damage that can result from divorce and to help children remain fully functional. He works with parents on child development issues in the context of divorce. Portnoy also helps divorcing clients explore what role they want other family members to play in the lives of their children and what they would like to see happen when future partners appear.

Portnoy has found other applications for his expertise. He teaches lawyers how to spot signs of potential clinical disorders and how to successfully encourage clients to seek help from mental health professionals. Some clients, for example, may be too depressed to fill out the paperwork involved in divorce. “It’s important for lawyers to know what they can do to help individuals form a working alliance with them,” says Portnoy. As another example of skills development, Portnoy helps attorneys understand how providing structure such as a closed seating arrangement and guiding verbalizations can help make angry and demanding clients more focused and calm.

His growing recognition as an experienced divorce coach and consultant has created many opportunities for Portnoy to provide continuing education for mental health professionals as well lawyers. He has conducted workshops for health care providers on how to build a thriving divorce practice. His workshops at American Bar Association meetings, as well as state and local bar association functions, have helped attorneys effectively represent their clients by honing participants’ skills in managing client emotions. Portnoy has published books and several dozen articles based on his expertise.

“My work as a divorce coach is exciting and gratifying,” says Portnoy, who has found that coaching enhances his enjoyment of psychotherapy and assessment. Divorce coaching diversifies his practice while giving him a break from the clinical work he still enjoys doing.

Looking ahead, he sees a growing market for divorce coaching and consultation. “It’s fundamentally about maintaining relationships,” Portnoy observes. He expects that alternative models to litigation should help fuel demand for these services. “Psychologists can help people maintain their health by making divorce less litigious and confrontational.”