



## **Professional Practice Building - Part 1**

### **Session 6: Key Elements of Protection: Practice Structure and Provider Coverage**

#### **Webinar Follow-up Question and Answer Session with Sandra V. Phillips**

##### **Question from Joshua Hulen**

What to consider when having a home-based business?

##### **Answer from Presenter**

There are a few things to consider regarding home-based business. First, you would start with your home owner's association if your area has one, then with the licensing and permit department with the county that you are interested in having a home-based business. There are several regulations such as no sign allowed on premises in neighborhood. Also, there are requirements regarding home-based business that insurance panels will have a criterion you must meet to join network.

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##### **Question from Talwar Nisha**

Can we get Ms. Sandra's email?

##### **Answer from Presenter**

My email is [sphillips@transformation3cs.com](mailto:sphillips@transformation3cs.com).

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##### **Question from Claudia Reiche**

Is it common for counselors to buy income protection disability insurance? Will it take out a big chunk of the profit?

##### **Answer from Presenter**

No, it is not common; however, it should be since our practice is our place of employment and we never know when something may prevent us from working. Typically, these policies are priced reasonably. Most companies I check with will ask health related questions for approval (pre-existence eligibility only relates to medical insurance).

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##### **Question from Andrea Westkamp**

Have you ever experienced a client coming in and asking you what your insurance coverage is?

##### **Answer from Presenter**

No, but with my General Insurance I had to meet the requirements set in my lease by landlord as well as have his name on the policy. I thought it would be a problem, but my Malpractice/General Liability insurance company stated it was common and immediately sent me documentation needed to give to realtor.

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**Question from Rachel Buchheit**

Can you suggest any books, websites, or resources that would be helpful to a counselor looking to create a personal roadmap in opening their first small business?

**Answer from Presenter**

The Small Business Administration is a great resource <https://www.sba.gov/>. I enjoy the website and free webinars of Becky DeGrossa: Counseling Wise even if you miss webinars as long as you register the recorded webinars are sent to your email. She offers a lot of services, but I have never paid for any. I just utilized some of her information on YouTube and webinars as well as good tips from her website, <https://www.counselingwise.com/>.

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**Question from Marlene Travis**

If you are the only counselor, do you recommend LLC as opposed to sole proprietor due to the liability issues?

**Answer from Presenter**

Unlike a sole proprietorship, an LLC is a hybrid of the partnership and corporate forms that allows the liability protection of a corporation with the tax advantages of a partnership. Therefore; you are not personally liable for the debts of the LLC. You would also need to consider the tax benefit of each in your state prior to making your decision. But you want to choose the one with the most protection of personal assets.

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**Question from Marlene Travis**

RE: LLC vs. sole proprietor - The reason I lean toward LLC as a solo counselor is because of the unlimited liability. You just said it's more about your vision / future structure. Is the liability as a sole person not as bad IF you have the insurances you mention?

**Answer from Presenter**

When I mention vision regarding your structure, I was meaning set up practice structure on where you want your business to evolve into. Otherwise if you choose sole proprietor and know you plan on adding associates or possibly a partner, then once you are ready to expand you will need to restructure your practice.

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**Question from Joshua Hulen**

When is it a good idea to change from LLC to S-Corp?

**Answer from Presenter**

That question will be better answered by a CPA, because this will involve income, profits and tax advantages and disadvantages.

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**Question from Shawn Beard**

Can you talk about whether it is important to go with an insurer that offers Vicarious Sexual Trauma and Abuse coverage?

**Answer from Presenter**

I believe if not initially, but at a later date if insurance can be obtained for a specialty area service that is always a plus for the clinician. Just make sure that it's beneficial. Discuss this with your malpractice insurance agent, because they may offer a rider, or you may have the coverage in are hoping to obtain.

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**Question from Talwar Nisha**

What do I need to know if I hire a translator?

**Answer from Presenter**

You want to make sure they are registered with some credentialing agency for translators such as Bridging the Gap. Also, I remembered persons from one of my workshops mentioning they use online translator program/system, so they may be an option as well.

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**Question from Anonymous**

Counselors are used to thinking in terms of human relations. How does one go about developing "business mindfulness?"

**Answer from Presenter**

By setting financial goals. This would entail calculation of overhead expense, then how much profit/salary you as clinician want to make. Keeping this in mind will keep you on track because you will know how much income you need to make each week to meet your goal. If at all possible, take time to take care of financial obligations prior to session. Also, I had to learn the benefit of insurance verification prior to appointment so to give correct copay amounts. Also, this will allow client to reschedule if financial responsibility is too much, because if it comes back, they owe more some do not return and it's hard to collect. So, the best practice is not to have too many clients owing fees. If insurance deductible comes back to high and they will need to pay out of pocket and they are unable I share information regarding EAP (employee assistance programs) that many employers offer to employees. Some pay very low, but you can negotiate as well as choose not to participate in their network. Know your worth!

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**Question from Anonymous**

What kind professionals should a counselor in private practice have business relationships with? In other words, who should we keep on speed dial?



Answer from Presenter

Attorney, CPA, Crisis line and Massage Therapist! Your personal and professional wellness is going to be key in you having a success private practice. Also, have number of major referral resource such as a particular pediatricians office, insurance company, if you are doing your own billing, EAP companies and Referral resources such as substance abuse facility and support groups.

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**Question from Anonymous**

Are there special considerations for counselors who see children, when it comes to liability and practice protections?

Answer from Presenter

No, not when it pertains to insurances; however, if you are seeing the very young ones under age 6 then you will need to be certified as a Play Therapist. The big take away is to may sure you are competent in the areas you offer services.

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**Question from Anonymous**

Do sole proprietors / private practitioners have a greater risk of insurance audit when compared to large group practices or agencies?

Answer from Presenter

No, audits are generally done by random selection unless an insurance company has complaints regarding and issue with payments or records from their members then that may trigger an audit.

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