

# Private practice: The basics for psychiatry trainees

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Many psychiatry trainees consider private practice as a career option or form of supplemental income. In my experience, however, residency training may provide limited introduction to the general steps involved in starting a practice. In this article, I briefly summarize what I learned while exploring the private practice option as a psychiatry resident.

## A good specialty for private practice

Trainees in the earlier stages of their education should be aware that the first step toward private practice may actually occur during medical school, when they are considering which specialty to pursue. If a student is particularly interested in solo private practice, they may want to select a specialty with the potential for less overhead in an independent setting. Psychiatry typically has lower overhead costs than some other specialties. This gap widens even further with the increased popularity and acceptance of telepsychiatry.

## Budgeting and finance

Once you decide to pursue private practice, you will want to consider whether you prefer solo practice or group practice, and part-time or full-time. If working for yourself, you will need to understand business planning and budgeting, including how to project revenue and expenses. When first starting in solo practice—especially if you are not taking over a previously established

practice—it is useful to have secondary sources of income. This can be a part-time clinical position, working with on-demand health care companies, contracting, consulting, etc. Many new physicians begin with a full-time position and decide to initiate their private practice on a part-time basis. This approach provides a level of financial security that you otherwise would not have. However, a full-time position requires full-time energy, hours, and attention, and it can be challenging to balance full-time and part-time work. Whichever approach you decide to take, it can be most helpful to simply keep an open mind and always consider looking further into any new opportunity that interests you.

## Insurance and licensing

You don't have to wait to establish your own practice to purchase malpractice insurance. Shop around for the best rates and the coverage that most comprehensively fits your needs. If your training program allows "moonlighting," you might need your own insurance to work at sites other than your training hospital. Many residents begin to apply for independent state licensure at the same time they begin pursuing



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moonlighting opportunities. It may be helpful not to wait until the last minute to do this, because the process has quite a few steps and can take a while. If your state requires letters of reference, think about which of your supervisors you can ask for one. If you plan to work in a state other than that of your training location, it may be helpful to simultaneously apply for your medical license in that state, because you will already be going through the process. Certain states offer reciprocity regarding medical licenses. The Interstate Medical Licensure Compact offers an expedited pathway to licensure for qualified physicians who want to practice in multiple states.<sup>1</sup>

### Marketing your practice

Potential sources for building a panel of patients include referral networks, insurance panels, professional organizations, social media, networking, directories, and word of mouth. If you plan to accept health insurance, the directories provided by insurance panels will allow potential patients to find you when searching for practitioners who accept their plan. Professional organizations offer similar directories, and some private companies also provide directories, either for free or for a fee.

### Use technology to your advantage

The exciting thing about starting a private practice today is that the technology available to support a small practice has drastically improved. Many software applications can help with scheduling and billing, which minimizes the need for office staff and enables you to be more productive. These programs typically are available via an

online subscription that gives you access to an electronic medical record and other features for a monthly fee. Many of these programs provide add-ons such as a website for your practice and integrated telehealth services. While these programs typically perform many of the same functions, each has a different setup and varying workflows. An online search can facilitate a side-by-side comparison of the software programs that most closely meet your needs.

### Seek out mentors and consultants

Finally, try to find a private practice mentor, and reach out to as many people as possible who have worked in any type of private practice setting. A mentor can alert you to factors you might not otherwise have considered. It also may be helpful to establish some form of supervision; such opportunities can be found through professional societies and other groups for private practice clinicians. In these groups, you also can ask other clinicians to recommend private practice and practice management consultants.

Stepping into the unknown can be an intimidating experience; however, you will not know what you are capable of until you try. Fortunately, psychiatry offers the flexibility to create a hybrid career that allows you to follow your passion and maintain your level of comfort. The American Psychiatric Association offers members additional information in the practice management resources section of its website.<sup>2</sup>

#### References

1. Interstate Medical Licensure Compact. Information for physicians. 2020. Accessed March 8, 2021. <https://www.imlcc.org/information-for-physicians>
2. American Psychiatric Association. Online practice handbook. 2021. Accessed March 21, 2021. <https://www.psychiatry.org/psychiatrists/practice/practice-management/starting-a-practice/online-practice-handbook>

### Clinical Point

**Try to find a private practice mentor who can alert you to factors you might not otherwise have considered**