

ETHICAL PAYMENT PRACTICES FOR THERAPISTS

Earning a living, receiving fair payments, maintaining good relationships with your clients, and adhering to sound ethical practices is probably important to you. Begin by familiarizing yourself with your state laws regarding professional fees, as well as with the ethics code of your specific profession. The suggestions in this document are intended for general purposes only and are not intended as legal advice.

Let Clients Know What to Expect

- Be sure you clearly communicate your fees and payment practices with each client. Offer a full verbal explanation of what your fees are, and then have the client sign a written agreement regarding fees, payment expectations, billing procedures, and collection processes.
- Discuss the expected cost of therapy as part of your initial conversation with the client about the anticipated course of treatment.
- Disclose at the initial session whether and when you use collection agencies or any other means to collect unpaid fees. These practices should be outlined in writing on the client consent form. Inform the client in advance if you intend to use collection measures, and offer an opportunity to pay first. If you charge any fees for unpaid balances, these should also be disclosed at the beginning of treatment.
- Obtain accurate information about the client's insurance coverage if you are billing the insurance company directly. Clients should be informed of their out-of-pocket costs. It is your responsibility to find out whether the treatment you are providing meets the insurance company's coverage criteria, and to inform the client of any limitations on the number of sessions covered.
- If a third party (such as a relative or an employer) is paying for therapy, the client has the right to know what type of information will be given to the payer.

Keep Fees Fair and Consistent

- Set your fees to reflect common practices in your area and what you believe your clientele can afford. Your specific credentials and your level of experience may also factor into what you charge. Your state licensing board and the state division of your professional association may be able to give you information about the customary fees charged by other professionals in your area.
- You may wish to offer reduced fees, a sliding scale, or financial hardship policy in response to client requests for a fee break. Remember that most insurance companies will not allow you to waive co-pays or deductibles. Your policy may include options such as flexible scheduling or creating a payment plan that extends beyond the end of therapy.

- While most ethics codes allow for reduced fees when clients have difficulty paying, there may be risks to this practice if you also take insurance reimbursements. In fact, routinely charging clients less than Medicare or Medicaid reimbursement levels (or some private insurance reimbursement levels) may create the perception of fraud in your fee structure. Proceed with caution if you offer reduced fees. It may be considered fraudulent if you have a different fee structure for clients with and without insurance coverage.
- It is generally considered ethical to charge for a no-show appointment or an appointment missed without 24 hours' notice, as long as clients are informed of this practice in advance and the therapist uses appropriate discretion depending on the client's circumstances. Clients should be informed up front that insurance companies will not pay for missed-appointment fees.

Have a Plan to Assist Those Who Cannot Pay Your Fees

- Most professional ethics codes allow or encourage therapists to offer some services on a pro bono (free) basis.
- Some professional ethics codes also allow barter as long as this does not create a conflict of interest and the client is not exploited or harmed clinically, but this is tricky territory. If you choose to barter, tread carefully and document the value of the item or services received, because it is taxable income. You may also wish to consult with colleagues or your professional association before considering this option.
- Maintain a referral list of reduced-fee or free therapy programs in your area. Take the time to learn what services they provide, what their eligibility requirements are, and how clients can access their services. This will allow you to provide appropriate referrals to individuals who are unable to afford your fees.

Maintain Good Business Practices

- Billing practices should accurately reflect what services were provided and to whom.
- Consider providing the option to pay by credit card. This can make it easier for clients to meet their financial obligations and can be useful for clients to track expenses. If you obtain authorization for recurring charges, be sure clients know what to expect.
- You may terminate treatment for nonpayment, provided the client has been informed of this consequence of failure to pay, the client is not currently in imminent danger of harm to self or others, and you have addressed the issues involved in nonpayment with the client.

Examine Your Own Attitudes about Money

- Many otherwise-skillful therapists are uncomfortable with the financial side of their practice. They are uncomfortable asking for payment, setting fees that reflect the worth of their services, responding to requests for lower fees, and following through when clients fail to pay. This discomfort can interfere with clear communication to clients about what is expected.
- Consider obtaining consultation with peers or supervision from a mentor about financial issues, if this is a concern for you. You may want to hire an assistant or bookkeeper to act as an office manager and handle the financial aspects of your practice.

References

Chamberlin, J. (2009). How to offer a financial break: Six ways psychologists can help patients who can no longer afford therapy. *Monitor on Psychology*, 40(1), 40.

Harris, E.A. (2009). Risk management issues of fee adjustments and sliding fee scales. *The Trust*. Retrieved from <https://parma.trustinsurance.com/Portals/0/documents/SlidingFees.pdf>

Ethics Codes:

American Association for Marriage and Family Therapy (2012)

https://www.aamft.org/Legal_Ethics/Code_of_Ethics.aspx?WebsiteKey=8e8c9bd6-0b71-4cd1-a5ab-013b5f855b01

American Counseling Association (2014)

<http://www.counseling.org/Resources/aca-code-of-ethics.pdf>

American Mental Health Counselors Association (2015)

<https://www.amhca.org/publications/ethics>

American Psychiatric Association (2013)

<https://www.psychiatry.org/psychiatrists/practice/ethics>

American Psychological Association (2016)

<https://www.apa.org/ethics/code>

National Association of Social Workers (2017)

<https://www.socialworkers.org/about/ethics/code-of-ethics>

Notes:
