

Ethics and the Business of Private Practice



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There are some who would argue that the private practice of social work is an inherently unethical endeavor. How can a social worker, presumably committed to attending to “the needs and empowerment of people who are vulnerable, oppressed, and living in poverty”, earn a living providing services to clients who must, by definition, have sufficient means to pay for those services?

But I’m proud to say that we can. And we do.

In my opinion, earning a good living as a social worker is not inherently in conflict with the ethical principles of the profession. Of course, there are potential pitfalls one must be alert to. The NASW Code of Ethics reminds us that:

“Social workers should not take unfair advantage of any professional relationship or exploit others to further their personal, religious, political, or business interests.”

Private practitioners who have adequate marketing skills are better situated to avoid exploiting their clients. At first glance, this may seem like an odd idea, but bear with me. A private practitioner who is feeling desperate to build her practice may feel tempted to overlook the client’s needs and interests and to make inappropriate and self-serving decisions – for example, accepting a client whose problems exceed the clinician’s expertise or who requires a higher level of care than can be provided in a private practice setting, or pressing a client to continue to participate in unnecessary or ineffective services. On the other hand, a private practitioner whose marketing skills afford her a stable income may feel less tempted to forsake her client’s needs in order to attend to her own.

“When setting fees, social workers should ensure that the fees are fair, reasonable, and commensurate with the services performed. Consideration should be given to clients’ ability to pay.”

NASW Code of Ethics

Many people assume that only a wealthy clientele could afford to pay private practice fees. However, practice

“The primary mission of the social work profession is to enhance human well-being and help meet the basic human needs of all people, with particular attention to the needs and empowerment of people who are vulnerable, oppressed, and living in poverty.”

Preamble, NASW Code of Ethics

building consultants and savvy private practitioners have found that middle class clients can afford to pay a moderate fee for counseling – a fee that often matches or exceeds the average fee of \$60 to \$75 per session paid by Medicare and many managed care companies. When we think about the many things that middle class people choose to pay for – vacations, lottery tickets, liquor, cosmetic surgery, gym memberships and smartphones, for example – we see that while clients may prefer to pay less for counseling, they can, in fact, afford to pay more. (If you’re curious about why clients should pay more, read Dana Ackley’s book “Breaking Free of Managed Care.”)

When treating a largely middle class clientele, a private practitioner who practices outside of the managed care system and who sets her fees in accordance with the client’s ability to pay can earn a good living. While occasionally a client who is not using his managed care plan may require a low fee, most clients can afford to pay as much or more than managed care rates, and on average, the independent practitioner (i.e., one who is not participating in managed care plans) will earn more than the managed care participating provider. If that caseload includes some more affluent clients, then that private practitioner may be able to afford to offer some low fee or pro bono services as well, while still maintaining an adequate income and a reasonable caseload. However, it’s important to carefully think through taking on clients with few financial resources: consider that the client’s ability to secure necessary ancillary services may be limited by their financial circumstance. So, for example, consider how such a client would obtain necessary psychiatric or other medical evaluations, if needed. In some situations these cases can be adequately and creatively managed in a private practice setting – but not always.

Practice building consultant Dana Ackley takes it further:

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“Not only do we need to earn money, our clients need to pay us. An underlying theme of most work with adults is helping them to behave in an increasingly adultlike way, an ongoing task for all of us. Although it often causes resentment, society expects adults to take care of themselves. Resentment of this expectation can be used as grist for the therapeutic mill. ... If we are uncomfortable with our own feelings about getting paid, we are unlikely to make use of such therapeutic opportunities.”

Ackley continues:

“Our troubled feelings about money stem from our conflict between self-interest and wanting to help others. We would like to think of ourselves as selfless, and this part of our ego ideal makes it hard for us to recognize and accept our self-interests. ...As helpers, we are vulnerable to boosting our own self-esteem by ‘helping’ inappropriately. When we give in to this temptation, damage to our clients may result. Our helping inappropriately diminishes their sense of competence. It also robs them of a sense of equality in the therapy relationship.”

When our own needs are adequately addressed, we are then more likely to have the time, energy and interest to devote to the social issues we hold dear. I know of many civic-minded private practitioners who regularly volunteer their time for various causes, including health care reform, political organizing, anti-racist organizing, disaster relief, and counseling veterans. In my experience, most of the private practitioners who volunteer their time have a degree of financial security. It’s far more difficult for those whose incomes depend largely or solely on managed care fees to carve out time and energy for volunteer work, although I know that many of them would want to. But the long work hours required to make ends meet on a managed care-established income precludes, for most, the opportunity to volunteer (or, often, to attend conferences to maintain and improve their clinical skills). While at first blush an hourly rate of \$60 or more sounds like a lot of money, a businessperson readily recognizes that once basic expenses are taken into consideration (e.g., taxes which immediately diminish one’s income by as much as one third, medical insurance premiums that cost over \$5,000 a year for a single individual, office rent, supervision and educational expenses, unpaid vacation and sick days, retirement savings, etc.), the private practitioners income no longer sounds so lavish. In my experience, private practitioners in full time private practice who attempt to earn a living with primarily a managed care population

often find it challenging to attend to many of the basics, like keeping up with their recordkeeping and saving for retirement, and have little time, money or energy left for volunteering, much as they might want to.

As private practitioners, we should aim to hold ourselves to a higher standard. Practicing in isolation, it’s easier for private practitioners to – intentionally or unintentionally – “get away with” unethical or marginal practices, and to deceive ourselves into believing that these practices aren’t so bad. Most of us have known of private practitioners who submit inappropriate and even fraudulent insurance claims, who fail to declare cash when filing their taxes, and who fail to keep adequate clinical records – practices that erode the integrity of the client-therapist relationship and undermine the quality of our work, even when the client is presumably unaware of the infraction. It’s easy for overworked and underpaid private practitioners to rationalize that no one is hurt by these practices. Working in isolation, it’s easier for private practitioners to elude detection by others (although not by one’s omnipresent superego!). While I’m not excusing such behaviors, I would contextualize them: a private practitioner who is earning a reasonably comfortable living working a moderate schedule is less likely to feel tempted to behave badly. It’s our own responsibility to accept and embrace the business of private practice.

“To regain control of our practices and maintain our ethics, we must acquire the tools of business and use them honorably.”

Dana Ackley Ph.D.

References

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