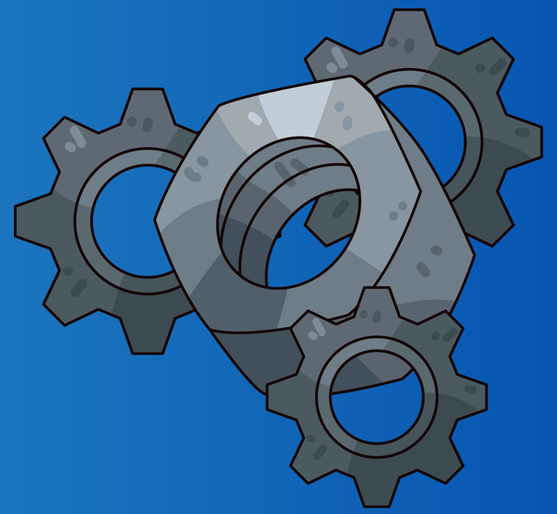
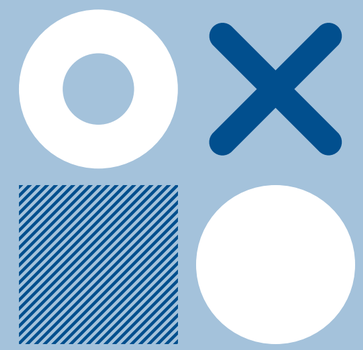
Private Practice Network
The nuts & bolts of private practice

By Domenique Embrey OTD, MS OTR/L &
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From Practitioner to Practice Owner: A OT Guide to Building a Sustainable, Values-Aligned Private Practice

- Designed for OT students, new graduates, clinicians, and mentors exploring private practice ownership
- Developed from a mixed-methods doctoral capstone project examining pediatric OT private practice sustainability in California
- Focuses on practical strategies for sustainable, values-driven practice development rather than traditional business instruction



Research Snapshot

633 coded excerpts and 1,965 code applications analyzed

31 survey responses from pediatric OT practice owners

Findings informed development of a practical private practice guide

8 in-depth interviews with private practice owners

Emphasis on sustainability, values alignment, and business readiness

Key Findings- Values alignment emerged as a foundational contributor to sustainability

Values

100% reported alignment between business operations and personal/professional values

Sustainability

93.5% reported direct referrals as a primary source of clients

Diversify payment sources

87.1% incorporated private-pay services into their practice model

Values Driven Decision Making- was key to successful owners

Efficient operational system & Effective financial management

Strong Clinical Expertise

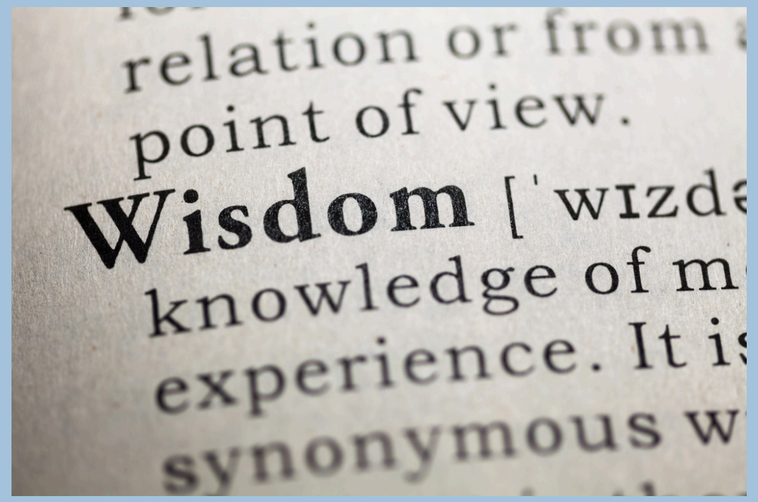
Referral and professional networks

Business and Entrepreneurial Knowledge

Leadership and mentorship support



Practice Owners' Advice to future owners



- Clinical expertise alone is insufficient for business ownership
- Learn essential business and financial skills
- Find mentors and professional support networks
- Build systems before they become urgent
- Expect ongoing learning and adaptation
- Start before everything feels perfect

Common Motivations for Private Practice

- Greater clinical autonomy
- Flexibility and work-life integration
- Reduced burnout
- Creating innovative service models
- Addressing unmet community needs
- Improved family-centered care



Values Influence every day decision making

- Caseload size
- Payment model selection
- Service delivery approaches
- Hiring decisions
- Growth strategies
- Definitions of success



Common Pediatric OT Practice Models

1. Solo private-pay practice
2. Hybrid private-pay/insurance model
3. Clinic-based practice
4. Mobile therapy practice
5. In-home services
6. School contracts
7. Community-based services
8. Small group practices

The "best" model is the one that aligns with practitioner values, lifestyle goals, and community needs

Important Legal Considerations.

Important Legal Consideration

- **Occupational therapy is a licensed profession regulated by the California Board of Occupational Therapy [california...public.law]**
- **California generally does not allow licensed professionals to provide occupational therapy services through a traditional LLC structure. [nolo.com], [sdcorporatelaw.com]**
- **Most OT owners who incorporate establish a Professional Corporation (PC)**

Why This Matters

- Business structure affects taxation
- Influences payroll strategy
- Determines governance requirements
- Impacts retirement planning
- Affects long-term succession planning



Professional Corporation vs S-Corp Election- Understanding the Difference

Professional Corporation (PC)

- Legal business entity required for many California-licensed professionals. [nolo.com], [california...public.law]

S-Corporation

- Tax election, not a business entity. [sdcorporatelaw.com], [sdcorporatelaw.com]

Typical California OT Structure

- Form a Professional Occupational Therapy Corporation
- Elect S-Corp tax treatment through the IRS
- Potential payroll tax advantages through reasonable salary plus distributions strategy [sdcorporatelaw.com], [sdcorporatelaw.com]



Key Takeaways



- Professional Corporation + S-Corp Election is commonly recommended for California OT practice owners
- Traditional LLCs are generally not permissible for delivery of occupational therapy services in California [sdcorporatelaw.com], [nolo.com]

Build Your Advisory Team



- CPA familiar with healthcare practices
- Healthcare attorney
- Business insurance broker
- Financial planner
- Practice management consultant (optional)



Benefits
of owners having a team

- Regulatory compliance
- Tax optimization
- Risk reduction
- Strategic planning
- Practice growth support

Professional Liability (Malpractice)

- Covers allegations related to clinical services
- Protects against claims involving:
  - evaluation
  - intervention
  - documentation
  - supervision activities
- [hpso.com], [proliability.com]





General Liability

Covers incidents occurring on business premises
Protects against slip-and-fall or property damage claims

Even If You Have Employer Coverage

Individual professional liability coverage may provide broader protection focused on the practitioner rather than the organization.



Other Insurance To Considerations

Practice Owner Coverage

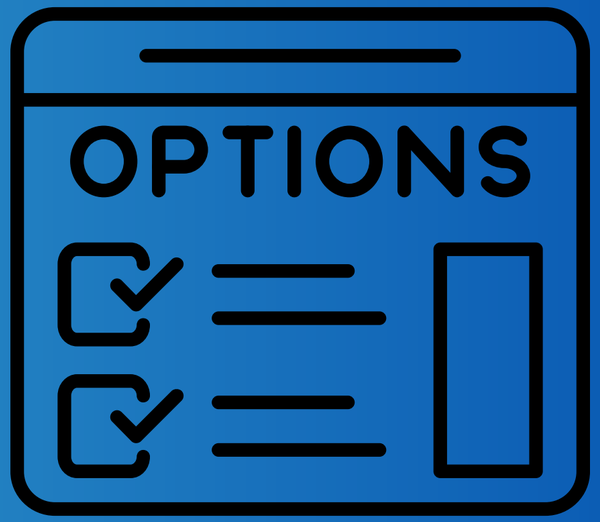
- Business Owner's Policy (BOP)
- Commercial Property Insurance
- Cyber Liability Insurance
- Umbrella Liability Coverage
- Commercial Auto Insurance (for mobile practices)

When Hiring Employees

- Workers' Compensation Insurance
- Employment Practices Liability Insurance (EPLI)

Growing Practices

- Data breach protection
- Technology-related risk coverage
- Business interruption coverage



Pediatric OT Risk Management Considerations

- Common Areas of Exposure
- Home visits
- Community-based therapy
- Telehealth services
- School consultations
- Parent coaching
- Student supervision
- Employee supervision



Recommended Policy Features

1. **Telehealth coverage**
2. **HIPAA breach support**
3. **License defense coverage**
4. **Subpoena assistance**
5. **Legal defense cost coverage**

[hpso.com], [proliability.com]



Financial Sustainability Essentials

Understand your numbers

- Track fixed expenses
- Track variable expenses
- Monitor profitability
- Review cash flow regularly



Plan for Reality

- Track fixed expenses
- Track variable expenses
- Monitor profitability
- Review cash flow regularly

Create Reserves

- Emergency fund
- Tax reserve account
- Equipment replacement fund

Systems Matter - Core Systems to Develop

1. **Client intake**
2. **Scheduling**
3. **Documentation**
4. **Billing/payment collection**
5. **Referral tracking**
6. **Communication**
7. **Outcome measurement**





Why do systems matter?

1. **Greater efficiency**
2. **Reduced burnout**
3. **Improved consistency**
4. **Better client experience**
5. **Increased scalability**

Sustainability Through Relationships



- Foster caregiver collaboration
- Use strengths-based communication
- Prioritize parent coaching
- Design services around family routines
- Build trust through transparency

Can lead to

- Better engagement
- Enhanced satisfaction
- Stronger word-of-mouth referrals
- Improved client retention

Most Common Referral Sources

- Pediatricians
- Schools
- Regional Centers
- Speech-language pathologists
- Physical therapists
- Psychologists
- Parent networks
- Community organizations



Referral Success Depends on...



Quality care

Strong communication

Reliability

Relationship building

Community presence

Launching a Private Practice Checklist



✓ Clarify mission, vision, and values

✓ Select business structure

✓ Form Professional Corporation

✓ Discuss S-Corp election with CPA

✓ Obtain EIN

✓ Purchase malpractice insurance

✓ Purchase general liability insurance

✓ Establish HIPAA-compliant systems

✓ Develop documentation templates

✓ Create intake processes

✓ Establish referral partnerships

✓ Build financial reserves

Key Takeaways

- Sustainability begins with values alignment
- Business skills are as important as clinical skills
- California OTs should carefully evaluate business structure options before launching
- Appropriate insurance is essential risk management
- Strong systems support efficiency and growth
- Mentorship reduces isolation and improves decision-making
- Sustainable growth is intentional and individualized
- Success balances quality care, financial viability, and practitioner well-being

Discussion Questions

- What values would guide your private practice decisions?
- What barriers currently prevent more OTs from entering private practice?
- What business knowledge should be included in OT education programs?
- How can mentorship support emerging practice owners?
- What does a sustainable OT practice look like to you?

