



Pathway to Private Practice

— A Resource Guide for the Texas Occupational Therapy Entrepreneur
Sydney Simpson, OTS

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PURPOSE OF THE GUIDE

SERVE TEXAS
OCCUPATIONAL
THERAPISTS

ADVOCACY FOR
ENTREPRENEURSHIP

OFFER RESOURCES

CONTRIBUTE TO THE OT
BODY OF KNOWLEDGE

This resource guide is intended to serve Occupational Therapy Practitioners (OTPs) in Texas who are in the startup phase of establishing their Occupational Therapy (OT) practice. Many OTPs who desire to shift from the public sector to private practice find that there is a distinct learning curve that goes beyond the expertise of a skilled OT clinician. This peer-reviewed guide offers valuable resources for Texas-based OTPs transitioning to **private practice** while also promoting advocacy for OTPs in entrepreneurship. These resources have been cultivated as

a result of extensive research, including surveying and interviewing private practitioners in Texas, as well as through observation and mentorship. Embedded in this guide are various links to 150+ resources intended to serve the Texas OT entrepreneur in the start-up process.

Disclaimer

Hyperlinks were active at the time of this resource guide's completion. Additionally, some resources have been included multiple times throughout the sections as these resources apply to more than one aspect of business startups.

Glossary

Business Associate Agreement (BAA): A legal agreement between a healthcare provider and a third party that ensures HIPAA compliance with patient information that is to be handled by the third party.

Business-to-business (B2B): A service delivery model in which a business arrangement or transaction is conducted for a company to sell its services to another company.

Business-to-consumer (B2C): A service delivery model in which a business arrangement or transaction is conducted for a company to sell its services to an individual consumer.

Electronic Funds Transfers (EFT): A direct deposit with insurers to receive automated reimbursement electronically, eliminating the need for paper or physical documents such as checks.

Employer Identification Number (EIN): A 9-digit Federal Tax Identification Number that is assigned by the IRS to identify a business entity.

National Provider Identification (NPI): A 10-digit healthcare provider identification number.

Private practice: For the purposes of this resource guide, a private practice is referred to as an independently owned and operated OT business in which specialized patient care is offered to clients.

Service delivery model: A framework outlining how clients are provided services. Determines practitioner roles, service settings, and treatment methods offered to clients.

SWOT Analysis: A form of needs assessment to highlight the internal and external factors that contribute to the Strengths, Weaknesses, Opportunities, and Threats of your practice.

Tax Identification Number (TIN): An identification number assigned by the IRS to identify an individual taxpayer.

Pathway to Private Practice

Self-Assessment

Before diving into the world of entrepreneurship, it is important to step back and analyze yourself for your attributes that could positively or negatively influence your skills as an entrepreneur in the field of OT. Self-awareness of your weaknesses may better equip you for future challenges, and identifying your strengths may encourage you in your capabilities. There are several online tools that can assist in revealing your personal and entrepreneurial traits of self. Utilizing these tools might foster awareness of which administrative tasks may be most challenging for you and in which areas you may excel.

The [KOLBE A Index](#) measures your natural strengths and specifically evaluates your instinctual actions when you aim to achieve something. This assessment is not free but may offer highly insightful information about oneself as you begin the journey to entrepreneurship.

KOLBE Corp offers a free [MyPersonality Quiz](#) based on the Myers-Briggs Type Indicator 16 Personality Theory. This may serve as an opportunity to self-explore and uncover your personality type, as well as how your personality type may influence other areas in your life, in this case, your journey as an entrepreneur.

Additionally, the [CliftonStrengths StrengthFinder 2.0](#) offers extensive insight into your strengths and how to make the most of them. This assessment is available for purchase and may assist you in focusing on your personalized strengths that may offer advantages to you in the entrepreneurial startup process.

The [Multi Assessment Profile \(MAP\) Assessment](#) by Talent Insights generates a personalized report based on your personality type, internal motivators, and observable behaviors. Additionally, this assessment generates recommendations for increasing the effectiveness of your skills, management of stress, and other areas of potential depending on your report results. Follow the link to learn more.

Lastly, this free [Entrepreneurship Personality Test](#) pinpoints entrepreneurship in relation to your personality traits. These tests may provide insight about yourself and assist in recognizing potential needs, strengths, or weaknesses that should be considered as you progress in launching your business.

Idea and Service Delivery Model

At this point, you have likely already identified your “why,” or reason that has sparked your desire to pursue entrepreneurship in your career as an OT. Whether this idea has originated from a desire to provide care for an underserved population or perhaps to gain more autonomy in your work-life balance, you must now decide the **service delivery model** your practice will adopt.

The service delivery model you choose will determine the course of your business planning. Your service delivery model may be one or more of the following but is not limited to:

- **Business-to-Business (B2B)**
- **Business-to-Consumer (B2C)**
- Clinic-Based/Outpatient
- Mobile Outpatient
- Home-Health/Home-Based Therapy
- Telehealth/Teletherapy
- Community-Based Therapy

In this phase of a business startup, a mind-mapping tool such as [MindMeister](#) may be beneficial. Mind mapping is the process of identifying a central topic, branching off the topic with main ideas or concepts, and adding supporting details to further develop an idea. This is a great way to organize all thoughts in one central location to give direction for your business as you move forward. You can use your mind map as a precursor to creating your business plan, conducting a needs assessment, creating a mission and vision statement, and generating further ideas to launch your startup. A mind map, whether jotted down on paper or created through an online tool such as MindMeister, might help you organize your initial thoughts and reflect on them as your business progresses.

Additionally, [mission and vision statements](#) are pertinent to any grant applications you may choose to pursue, as well as business planning and marketing to your clientele. [Bplans](#) is a website that contains helpful startup resources and information such as developing an effective business plan, SWOT analysis, cash flow projections, and other helpful tools. Their website provides helpful information on why your business should have a mission and vision statement, what they are, how they are different from each other, and how to write them effectively.

Needs Assessment

Regardless of the population or geographical location you aim to serve, a needs assessment completed in the form of a **SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis** will help identify the needs of both your practice and the community you will serve. This is not only beneficial for your own knowledge but is also key for grant applications, creating your business plan, and more. You can download a free SWOT analysis template by Bplans at <https://www.bplans.com/downloads/swot-analysis-template/>. Bplans also has additional SWOT analysis examples for your reference on their website.



Registering Your Business

Naming the Business

As you decide on a name for your business, it is important to check that your business name is not already taken by another organization. Finding which entity to contact to discover if your business name has already been taken depends on the business structure you choose and the paperwork you have to complete for it. You can contact your local America's Small Business Development Center for guidance on this process once you have chosen a business structure. Visit [Home - America's SBDC \(americassbdc.org\)](https://www.sbdctexas.org/) to find the SBDC in your area and contact them directly. You can also access a list of SBDCs in Texas at <https://www.sbdctexas.org/>.

Choosing a Legal Structure

Your business's legal structure determines your operational framework and tax obligations. The U.S. Small Business Administration (SBA) offers information about [choosing a business structure](#), with detailed information on the different types of business structures and comparisons of all. The [Texas Secretary of State website](#) offers Texas-specific information regarding selecting a legal business structure.

Texas Business Structure Types (Irby, 2024):

- Sole Proprietor
- General Partnership
- Limited Liability Company (LLC)
- Professional Limited Liability Company (PLLC)
- Professional Association (PA)
- Professional Corporation
- Corporation
- S Corp

Licenses, Permits, and Regulations

The [2024-2025 Texas Business Licenses & Permits Guide](#) is provided by the Business Permit Office within the Texas Economic Development and Tourism Office in the Office of the Governor. The relevant licenses, permits, and regulations required of a Texas-based OT private practice are listed on page 102, under the section titled "Physical Therapy - Rehabilitation Services."

According to [The Office of the Texas Governor](#), a general business license is not required in the state of Texas. To be certain you are upholding the laws that apply to your area and practice, inquire with your local county and/or city government.

Refer to the [OT Licensure and License Renewal](#) website and the [2023 OT Practice Act](#) in this phase of starting your business to ensure you are abiding by OT practice and licensure guidelines. For additional information on Texas OT licensure, OT Act and Rules, and other resources, visit <https://ptot.texas.gov/occupationaltherapy/>.

Applying for a Tax Identification

In order to get paid and report taxes, you will need to apply for either a **Tax Identification Number (TIN)** or an **Employer Identification Number (EIN)**. Whether you apply for a TIN or an EIN will depend on the business structure you have chosen. If your business structure policies allow, it may be wise that you apply for an EIN in place of a TIN, as the TIN is your Social Security Number (SSN). Therefore, applying for an EIN, rather than using a TIN, would omit the need for your SSN to show on claims in the case of billing insurance (Curtis & Goodrich, 2019).

The [Texas Registered Agent website](#) offers information to help decipher if your Texas business qualifies to apply for an EIN. Applying for an EIN is free, and the application process can be completed through the Internal Revenue Service (IRS) website at <https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers>.

Applying for a National Provider Identification (NPI)

A **National Provider Identification (NPI)** is a 10-digit healthcare provider identification number. You can apply for an NPI for free through the National Plan and Provider Enumeration System (NPES). Many practitioners already have an NPI number, however, you as an individual and your practice should both have a separate NPI number in order to bill insurers with clarity and ease (Curtis & Goodrich, 2019).

The American Occupational Therapy Association (AOTA) published AOTA's Private Practice Resource Guide, which contains a PDF titled, "Introduction to Billing for Private Occupational Therapy Practice." This resource guide can be accessed with an AOTA membership and contains additional information about potential tax forms that may need to be filed for your business structure type, as well as obtaining a tax identification and an NPI.

Insurance Policies to Consider (Irby, 2024)

- Professional Liability/Malpractice
- General Liability
- Health, Life, Disability
- [Workers Compensation](#)
- Employee Practices Liability
- Disability Coverage
- Employee Fidelity Bond
- Umbrella Policy
- Disaster Preparedness
- Business Interruption Insurance
- [Flood Insurance](#)

Additional insurance policies to consider can be found on the [Texas Department of Insurance website](#).

Creating a Logo

You may opt for a logo to represent your business. A logo plays an important role in the branding of your practice, grabbing your clientele's attention and making a professional impression. There are several avenues you could pursue to make a business logo, which include but are not limited to:

- [Vistaprint](#)
- [Etsy Logo Design](#)
- [Fiverr Logo Design](#)
- [Canva](#) - Do it yourself for free!
- [ChatGPT](#) will generate a free logo with no restrictions on its use.

Developing a Business Plan

A business plan is a formal document that outlines the goals, target market, financial projections, strategies, and operations of the business. It serves as a blueprint for launching and conducting a business, as well as guides in making decisions and receiving funding or grants. There is no "one size fits all" business plan, and the business plan should be updated over the course of time to convey the most relevant information about your business. There are many templates available to the public to help you formulate your unique plan.

Market Research

Completing a market analysis of both your target demographic and competing businesses in your area will allow you to determine the distinct need for your services in your location. This information can also contribute to choosing your fee schedule when forming your business plan, as you will inquire about what potential customers pay for alternative services.

[America's Small Business Development Centers \(SBDC\)](#) is a national network divided into territories. Once you contact and become a client of the SBDC, you will have access to a plethora of resources in the area and databases to find demographics, industry information, consumer expenditures, etc. Additionally, Tarrant SBDC has a free database for the public called SizeUp to assist you in the market research process. SizeUp can be found at this link: [Tools and Resources Curated for Business Owners | Tarrant SBDC](#).

The SBA website at <https://www.sba.gov/business-guide/plan-your-business/market-research-competitive-analysis> can assist in performing market research and offers free statistics and references for small businesses in this phase of business planning.

The [Texas Workforce Commission Labor Market Tools](#) provides information regarding your target region's business growth data, unemployment rates, pay, mean income, and other relevant data. Doing the research to identify who your competitors are in your area will be useful in identifying any gaps in your region that will set your practice apart from the rest.

Lastly, many local libraries have business resources that can assist entrepreneurs with conducting market research from home. Visit the [Directory of Public Libraries in Texas](#) to find public libraries in your area.

Writing Your Business Plan

The SBA has provided examples and templates with various formats to assist you as you [write your business plan](#). This website also includes a description of the typical components of a business plan that you might consider as you formulate your unique plan.

The Texas Woman's University (TWU) Center for Women Entrepreneurs (CWE) YouTube channel houses 100+ videos and recorded online seminars targeted to women entrepreneurs seeking to advance their businesses. One helpful video on the CWE channel, [2023 Small Business Training Course: Library Resources/ Business Planning & Financing](#), offers guidance and information for establishing a business plan.

Additionally, the Service Corp of Retired Executives (SCORE) is a national network of volunteer business mentors that aim to assist small business owners launch their startups. They offer these free services, as well as free live and pre-recorded online webinars, to assist entrepreneurs. This recorded webinar by SCORE, [How to Write a One-Page Business Plan: A Step-by-Step Guide](#), offers advice on creating a business plan. The SCORE page also hosts many other recorded webinars targeted to entrepreneurs.

According to the [Bplans website](#), there are multiple types of business plans. This link describes in detail the different types of business plans and the scenarios in which certain types of business plans are necessary. Additionally, this link offers more resources on how to create a business plan, such as free templates and sample business plans for different industry types. You can use the search feature to find a business plan example most similar to your business model.

[LivePlan](#) is another business plan software that requires a membership to receive industry-specific templates, step-by-step business plan approaches, online learning tools, and financial cash flow projections using built-in formulas.

Additional Resource

Check out this [Get Started Business Plan](#) by Christy Wright, bestselling author, certified business coach, and public speaker.

Finding a Space

Your service delivery model will heavily dictate the needs of your business space. For businesses that require a physical, brick-and-mortar facility, you have the option to sublease from other facilities (i.e., community centers or gyms, medical offices, chiropractor offices), explore commercial real estate listings, or even start from your own home if your circumstances allow. It may be beneficial to network with other professionals or inquire with your local chamber of commerce to inquire about opportunities for finding a physical space to conduct your business. To locate your local chamber of commerce, visit the [Texas Chamber of Commerce Listings](#) website.

When seeking a physical space to conduct your OT private practice, refer to the licensing and permit document previously provided in the [2024-2025 Texas Business Licenses & Permits Guide](#) to ensure your facility abides by state laws.

It may be to your advantage to check if your area has a local Economic Development Corporation. An Economic Development Corporation's objective is to facilitate the development of economic growth within their community or municipality. Economic growth is often measured by increased property values, job creation, and bringing commerce to that community. Therefore, these corporations often seek to incentivize local entrepreneurs by helping provide or pay for infrastructure for physical workspaces. For new business startups, Economic Development Corporations measure your impact on growth within the community to identify how much infrastructure assistance they can potentially offer you. Visit the [Texas Economic Development Corporations List](#) to locate your local corporation. This website also provides local demographic information.

For mobile practices or practices not requiring a physical location, it may be beneficial to search for co-working spaces in your area to hold meetings, do administrative work, or conduct other tasks related to your business as necessary. Many coworking spaces have small offices you can work from for affordable prices. Visit [CoworkingCafe](#) to locate coworking spaces in your area.

Obtaining Equipment and Assessments

[AOTA's Private Practice Resource Guide](#), which contains a PDF titled "Introduction to Billing for Private Occupational Therapy Practice," contains information on credentialing with Durable Medical Equipment, Orthotics and Prosthetics (DMEPOS), and the forms that may need to be completed.

The [Shirley Ryan AbilityLab Rehabilitation Measures Database](#) is a comprehensive online resource that provides access to varying assessment tools. It offers information about the cost of assessments, as well as the reliability, validity, and appropriateness of different assessment tools across various conditions.

The [AOTA Quality Toolkit](#) is another resource for finding assessment tools, both for free and for purchase.

Explore additional websites for cost-effective or free therapy tools, which include but are not limited to:

- [Teachers Pay Teachers - Occupational Therapy](#)
- [Your Therapy Source](#)
- [Pinterest](#)
- [OTPlan](#)

Marketing

Developing the best marketing strategies for your practice will depend on your service delivery model and results from your market and competition analyses. Understanding your market informs you on how to best reach your target population with marketing efforts, and understanding the competition helps you describe to potential clients what gives your practice a competitive edge, or what advantages you can offer compared to the rest.

The SBA assists entrepreneurs with [making a marketing plan](#). Regardless of how you choose to market your business, you can implement effective marketing strategies without breaking the bank. There are many ways you can market your practice depending on the target population you are trying to reach, whether through face-to-face interactions, virtually (websites, blogs, social media, etc.), or on paper. You have the freedom to get creative here!

Incorporating a business-to-business (B2B) service delivery model into your practice, if applicable, may double as a great way to market your services and acquire new clients. Examples of B2B work include contracting with local schools, community wellness groups, nonprofit organizations, or other health-care-providing organizations to offer your services. By doing so, you not only receive work through these organizations, but you also boost your visibility to populations that match your target demographic. Incorporating B2B into your existing service delivery model is a networking opportunity that may serve as useful marketing for your business.



Similarly, you can market your services by engaging with the community on a volunteer basis, via community outreach initiatives, or pro bono marketing. You may host events, offer free screenings, or provide community education via guest speaking opportunities to raise awareness of the value of your services directly to your ideal demographic. Contact your local nonprofits, inquire with your local chamber of commerce, or contact any other organizations you feel may draw in your target population.

[Ready, Set, Treat!: The Official Pocket Guide to Starting Your Solo Private Practice](#) offers helpful information and ideas for marketing in unique, productive, and cost-effective ways. Additionally, [The Private Practice Startup](#) offers a private practice marketing e-course to assist you in creating your brand and growing your business through various marketing strategies.

Business Cards

Business cards are a great tool for networking, spreading your contact information, and demonstrating your credibility as a business. There are many resources you can use to generate business cards for your marketing purposes, either by designing and having them produced locally or by using an online tool such as the examples listed below:

- [VistaPrint - Business Cards](#)
- [Canva - Business Cards](#)
- [Moo](#)
- [ChatGPT](#) can design a business card for free to be easily recreated on a free online tool such as Canva or Vistaprint's free business card builder.

Building a Website

There are several websites that can assist you in building a website to boost your small business. These include, but are not limited to:

- [Weebly](#)
- [Wix](#)
- [Squarespace](#)
- [Canva](#)



Financial Planning, Budgeting, and Payment

Creating a Budget

When budgeting for your business, it is important to consider your fee schedule, or what you charge, to treat the average patient. Additionally, consider your capital expenditures or startup assets (i.e., therapy and office equipment, vehicles, durable medical equipment (DME)) and startup costs or expenses (i.e., legal fees, purchasing a logo, brochures, any rent or payroll that starts before business launch). You will also need to determine which costs of your business will be fixed costs and which will be variable costs. Fixed costs are expenses that do not vary each month with the volume of caseload such as rent and utilities, fixed salaries, insurance, etc. Variable costs are expenses that do vary each month with your caseload volume, such as therapy and office supplies, travel expenses, etc. (Esterson, 2004). Identifying these costs allows you to accurately manage your income and expenses, recognize your breakeven point to eventually make a profit, and to make educated, strategic decisions on your monthly spending as you grow your business.

Budgeting is an intricate process specific to your business and service delivery model. However, there are many resources available for this phase of your business. [LivePlan](#) simplifies the financial planning process by generating cash flow projections for your business.

Additional Resource

Visit this link for [Free Small Business Budget Templates](#) that can assist you in the financial planning stage.

Accounting Software

Additionally, there are several user-friendly accounting and bookkeeping software that can assist you in generating cash flow projections, financial reports, tax compliance, etc., with more cost efficiency. Software programs include but are not limited to:

- [Wave Accounting](#)
- [Heard Accounting](#)
- [Xero Accounting](#)
- [FreshBooks Accounting](#)
- [Bench Accounting](#)
- [QuickBooks](#)

Choosing a Fee Schedule

Reference your market research to review the socioeconomic status (SES) of your target market, as well as what competing businesses are charging for their services. It is also wise to informally contact other practices in your area that compare to your service delivery model to inquire about what they charge their clients. According to [Ready, Set, Treat!: The Official Pocket Guide to Starting Your Solo Private Practice](#) (2019), it is important to consider the rate at which clients are seeing you to receive services when establishing a fee schedule (i.e., twice a week, once a week, monthly, less frequently, etc.).

Electronic Payment Processing Systems

There are several portable card reader systems that offer a **Business Associate Agreement (BAA)** between a healthcare provider and a third-party provider (such as a payment provider) (Warnes, 2024). A BAA outlines compliance with HIPAA regulations during transactions. Some payment processing systems that offer BAAs for HIPAA compliance include but are not limited to:

- [Square](#)
- [PayPal](#)
- [Stripe](#)
- [Ivy Pay](#) - Therapist Specific
- [Clover](#)

Practice Management Systems (PMS)

Additionally, most PMS software allows HIPAA-compliant electronic payment transactions. If you choose to invest in PMS software, it would still be wise to review and verify their HIPAA compliance policies. The PMS system you choose will be specific to the needs of your business and service delivery model. However, some common PMS software are included below:

- [SimplePractice](#)
- [Jane](#)
- [HelloNote](#) - OTP-owned
- [TheraNest](#)
- [Therapy Appointment](#)
- [Fusion Web Clinic](#) - Specific to pediatric therapists
- [WebPT](#)
- [Kareo](#)
- [TheraPlatform](#)

Safeguarding Patient Information

It is pertinent to consider your mechanisms for safeguarding Protected Health Information (PHI), both physical and electronic, to maintain HIPAA compliance in your practice. The U.S. Department of Health and Human Services (HHS) provides a [summary of the HIPAA Security Rule](#). This summary discusses the general Security Rules, including the administrative, physical, and technical safeguards, as well as other requirements, to ensure your practice abides by HIPAA regulations. Additional HIPAA policy guidelines and safeguarding information are included below:

- [The HIPAA Privacy Rule and in a Networked Environment](#)
- [Electronic Health Information Exchange - HHS](#)
- [Policy & Guidelines for Physical Security - Yale University](#)



HIPAA-Compliant Telecommunications

It is necessary to establish HIPAA-compliant telecommunication as you navigate your business startup. Such telecommunications include a business phone number, email, and fax service. If you have chosen to pursue PMS software, you may check if it offers HIPAA-compliant email, phone, and fax services included in its features. Many PMS software typically incorporate these features, as well as additional secure telecommunication services, such as patient portals, encrypted messaging, multi-factor authentication, and opt-out features. Otherwise, there are several resources to assist you in starting up these telecommunications separate from PMS software. When setting up each of these telecommunications for your business, it is the responsibility of the entrepreneur to sign a BAA with each provider and customize each service platform to follow the appropriate HIPAA guidelines, such as encryption settings, authentication, and other access controls.

Phone Systems

When searching for a phone system that meets the needs of your business, you should ensure you find a system that offers HIPAA compliance and Voice over Internet Protocol (VoIP) rather than a traditional phone service. VoIP is typically cheaper and offers more flexibility with how calls can be made and received.

Examples of popular small business VoIP providers are included below:

- [RingCentral](#)
- [8x8](#)
- [Nextiva](#)

Email Services

Similar to phone systems, you should choose an email provider that offers HIPAA-compliant features, as mentioned previously, and is willing to sign a BAA.

Examples of popular HIPAA-compliant email providers are included below:

- [Google Workspace](#)
- [Microsoft 365](#)
- [Paubox](#)

Fax Services

Many businesses use electronic fax services, as traditional faxes are less commonly used today. Examples of HIPAA-compliant fax providers are included below:

- [eFax Corporate](#)
- [MyFax](#)
- [SRFax](#)

If you opt to use a traditional fax machine, be sure it is located in a secure area and that you have the proper safeguards in place for storing and destroying printed faxes.

HIPAA & Electronic Payment Processors

When collecting payment, it may be to your advantage to accept cash, check, and card payments. Accepting all three forms of payment also allows your clientele more autonomy and convenience. You might consider investing in an electronic payment processing system, or if you have invested in PMS software, you can often also conduct electronic payments from there. It is important to consider how you will maintain HIPAA compliance when you collect payment. This article, [HIPAA-Compliant Payment Methods for Therapists](#), provides practical information and resources to guide you in adhering to HIPAA compliance with payment, as well as how to decipher the best HIPAA-compliant practices. The article references both a free downloadable HIPAA-compliance checklist for therapists and [Yale's Clinician's Guide to HIPAA Privacy and Security 8-2019](#), which may provide some additional guidance (Warnes, 2024).

Additionally, [The Private Practice Startup](#), a program for therapists offering community, podcasts, e-courses, coaching, and more, offers a [free HIPAA compliance form](#) for therapists in private practice.

Auto-Documentation Resources

Artificial intelligence (AI) scribe tools may be useful for organizing and completing documentation in an efficient, HIPAA-compliant manner. Examples of these auto-documentation tools include but are not limited to:

- [Athelas](#) - Free
- [Hippo Scribe](#) - Free

Opening a Bank Account

You will open a bank account for your business under your business name and EIN. Many OT private practitioners have emphasized the importance of keeping your personal and business bank accounts separate from the beginning, especially to avoid confusion when filing taxes. The following webpages from the IRS offer advice regarding how to save for and pay estimated taxes:

- [Self-employed Individuals Tax Center](#)
- [Pay as you go, so you won't owe: A guide to withholding estimated taxes and ways to avoid the estimated tax penalty](#)
- [Estimated taxes](#)

Additional Resource

[Tax Deduction Cheatsheet for Therapists](#) provided by Heard (2024), the accounting platform for therapist entrepreneurs.

Mileage Tracking

Depending on your service delivery model, particularly mobile outpatient or home health practices, your services may qualify to claim mileage as a business expense on your tax return. A 2024 article titled "[What Therapists Need to Know About Deducting Business Mileage](#)" highlights which cases an OT practice qualifies to claim mileage deduction, how to calculate mileage expense, and how to claim the mileage deduction.

Utilizing an automatic mileage tracker app may be beneficial in the event that your business qualifies for claiming mileage as a business expense. Examples of automatic mileage tracker apps include but are not limited to:

- [MileIQ](#)
- [TripLog](#)

Types of Business Financing

To succeed as a small business, you must often invest in order to profit. Many startup small business owners initially use their own money or borrow from friends, family, or others to invest in their business. Small business financing can also include crowdfunding, angel investors, grants, pitch competitions, or invoice financing (Irby, 2024). See the "Additional Resources" section for more information on grant opportunities. You might also consider receiving business financing from a bank loan, SBA loan, business line of credit, online lender, etc. However, keep in mind that bankers often do not want to fund a small business until that business has been operating for two years. More general information on obtaining funding for your business can be found at <https://www.sba.gov/business-guide/plan-your-business/fund-your-business>. Additionally, you can find specific information on obtaining an SBA loan at <https://www.sba.gov/funding-programs/loans>.

When applying for financing, whether from a bank, credit union, or non-traditional online lenders, it is recommended that you check with the [Better Business Bureau](#) to check customer reviews and verification of online lender companies.

Additional Resource

[Checklist: What to do Before Applying for a Business Loan](#) by Frost Bank.

Setting Up Electronic Funds Transfers (EFTs)

Electronic Fund Transfers (EFTs) are direct deposits with insurance companies, such as Medicare, Medicaid, or other commercial insurance companies you have been credentialed with, to receive payment electronically. Most insurers offer EFT Authorization Agreement forms to be filled out with your practice's information. Search the insurance companies credentialed with your practice to find their specific EFT forms.

Billing and Credentialing

The [AOTA Private Practice Resource Guide](#), inclusive of the PDF titled "Introduction to Billing for Private Occupational Therapy Practice" that has previously been referenced, serves as a starting point for billing in OT. It contains resources and reference materials to navigate billing as a startup OT small business. This resource provides links and explanations regarding enrolling with Medicare, specifically Medicare Part B. It also describes the benefits of Medicare participation, Medicare participation statuses, commercial insurance contracting, and Medicaid contracting. Additionally, it provides resources for documentation,

Occupational Therapy Assistant (OTA) supervision, and other general practical information that can assist in the transition to private practice. This resource guide can be accessed with an AOTA membership.

- [Medicare Benefit Policy Manual from the Centers for Medicare and Medicaid Services](#)
- [Medicare Claims Processing Manual from the Centers for Medicare and Medicaid Services](#)
- [OT Medicare Part B Evaluation Checklist & Quality Measures - AOTA](#)

[Ready, Set, Treat!: The Official Pocket Guide to Starting Your Solo Private Practice](#) can be found on Amazon. This pocket guide, published in 2019, offers helpful, specific information regarding filling out claim forms, Explanation of Benefits or Payment (EOB or EOP) forms, superbills, registering with insurance, registering with the Council for Affordable Quality Healthcare (CAQH), and more. The “Ready, Set Treat” program was co-founded by a licensed Mental Health Counselor and a licensed OTP who each conduct their own private practices. Additionally, they offer courses and consultations for their members. Many Texas private practitioners credit much of their private practice knowledge to this book as it offers up-to-date, all-encompassing information that is OT-specific and inclusive of differing business model types. Additional information can be found on their website at <https://www.readysettreat.com/>.

It is important to have the updated Current Procedural Terminology (CPT) and ICD-10 codes when billing insurance. AOTA has provided the [2024 CPT Codes for Occupational Therapy](#). Additionally, the Centers for Medicare and Medicaid Services provides an article inclusive of the CPT and IDC-10 codes, as well as information on other coding and billing topics. The article is included below:

- [Billing and Coding: Outpatient Occupational Therapy](#)

Submitting Claims Through Clearinghouses

[Ready, Set, Treat!: The Official Pocket Guide to Starting Your Solo Private Practice](#) (2019) discusses registering with clearinghouses that could potentially create ease and save time, so you can submit claims through one hub rather than through multiple individual insurance portals. Finding the clearinghouse that is right for your business will depend on the size of your practice and the insurance payers you are contracted with. Additionally, if you have invested in PMS software, it may be beneficial to check if your PMS software is already contracted with any major clearinghouses to process your claims. Examples of popular clearinghouses are included below:

- [Office Ally](#)
- [Change Healthcare](#)
- [Availity](#)

Balancing Admin, Client Care, and Self-Care

In the startup phase especially, finding a healthy balance between providing client care, behind-the-scenes administrative tasks, and your mental health can be challenging. An advantage of going into private practice is that you have autonomy over your work schedule; therefore, it’s important to make sure you have systems in place to truly benefit from that autonomy.

[Ready, Set, Treat!: The Official Pocket Guide to Starting Your Solo Private Practice](#) (2019) shares their formula for finding what they call the “sweet spot” when it comes to finding the professional versus life balance. The book highlights recommended percentages of actual in-person time with clients, documentation time, administrative work time, and personal self-care time. This pocket guide’s insight on mastering the balance between these responsibilities may offer guidance for you to avoid burnout and set firm boundaries in your work schedule for both your physical and mental health.

Outsourcing Virtual Assistants

Outsourcing administrative tasks to alleviate some of your responsibilities may be an option worth pursuing. Examples of virtual assistant platforms include but are not limited to:

- [Virtual Rockstar - Virtual Assistants](#)
- [Upwork - Virtual Assistants](#)
- [MyOutDesk - Virtual Assistants](#)

Texas-based OT private practitioners have emphasized the value of engaging in communities of other private practice therapists to reduce professional isolation and promote collaboration among the entrepreneurial therapy community. There are endless avenues to pursue to find entrepreneurial communities. The communities listed below are few of the many opportunities there are for professional collaboration. Reference the “Additional Resources” section for more information and links to the following resources:

- Various Facebook groups for OTs in private practice (see Additional Resources for specific suggestions)
- Texas Woman’s University Center for Women Entrepreneurs (CWE)
- Next Level Occupational Therapy
- Peds-a-Palooza
- Texas Occupational Therapy Association (TOTA)
- 1 Million Cups

Continue Growing Your Practice!

Additional Resources

Resources included in the addendum of this guide have been referred to the author as recommendations from Texas OT entrepreneurs via interview, survey, or observation.

Communities and Online Resources

[Freedom of Practice](#): An OT-specific coaching platform to assist OT entrepreneurs looking to operate a private pay (cash-based) clinic. Their website also offers free resources with educational videos specific to OT private practice.

[Global Entrepreneurship Network \(GEN\)](#): GEN operates all over the world to assist entrepreneurs in launching and growing a business. This network also hosts an annual Global Entrepreneurship Week every second week of November.

[Next Level Occupational Therapy](#): A coaching platform aiming to help OT, Physical Therapy (PT), and Speech Therapy (ST) entrepreneurs grow their businesses and provide resources to foster success.

[Peds-a-Palooza](#): Specific to pediatric therapy entrepreneurs, Peds-a-Palooza offers a community for OT, PT, and SLP pediatric private practice owners. You can join their free webinar series, have access to their past webinar library, and attend their live in-person conferences.

[Ready, Set, Treat | Home Page](#): In addition to their pocket guide, Ready, Set, Treat!, LLC offers various consult packages, individual lecture recordings, checklists, paperwork templates, and more for purchase. They are an AOTA-approved provider of OT small-business information.

[SCORE](#): Offers free business mentorship and education to small business startups across the nation. Their website houses free pre-recorded webinars and past webinar transcripts, as well as opportunities to attend live webinars for a more interactive experience.

[Small Business Development Centers \(SBDC\)](#): Provides counseling and training to small business startups and assists in facilitating existing business growth through a variety of tools and tactics. You can find an SBDC in your area via the website link provided.

[Small Business Resource Portal](#): A brief questionnaire by the Texas Economic Development and Tourism Office that provides customized resource information for your business.

[Texas Occupational Therapy Association \(TOTA\) Website](#): To access TOTA's resources, you must have a TOTA membership. Several resources are provided under "Private Practice and Management" and past TOTA conferences can be referenced through this website, as well.

[Texas Woman's University Center for Women Entrepreneurs \(CWE\)](#): Open to all Texas women, assisting to provide tools for women entrepreneurs in Texas. They offer tools such as free small business advising, funding, networking, training, and additional resources.

- The Texas Woman's University (TWU) CWE hosts [WomenRISE](#), a monthly small business training and networking series, both in person on TWU's campus and virtually for those who cannot attend live. The link provides information regarding the times and dates of these monthly events.
- Additionally, The TWU CWE has a [YouTube Channel](#) that houses 100+ videos of recorded past WomenRISE seminars, small business training seminars, and additional videos pertinent to Texas women-owned business startups. These videos are free to the public.

[The Private Practice Startup](#): A program for therapists offering community, podcasts, e-courses, coaching, and more.

[1 Million Cups](#): This is an opportunity for community, advising, education, and inspiration for your small business. 1 Million Cups is a nationwide organization that meets every Wednesday morning to allow opportunities for local entrepreneurs to connect, pitch ideas, receive feedback, and promote their small businesses.

Marketing Resources

[Industry Events](#): A resource to connect small business owners with events, conferences, and webinars to learn about new marketing trends, network with others, and gain insights from experts.

[Join the U.S. Chamber](#): By joining the U.S. Chamber of Commerce, a small business owner will be provided with marketing resources, tools, and networking opportunities to boost their visibility and create effective marketing procedures.

[The American Marketing Association](#): A resource for small business owners seeking to improve their marketing efforts. This association offers tools and educational materials to help small businesses navigate marketing and reach their ideal client.

Grant Opportunities and Resources

[Grant Proposal Writing Skills | SCORE](#): This webinar by SCORE offers information on how to write a grant proposal and provides further resources for finding grant opportunities.

[StartHER Grant | Texas Woman's University Center for Women Entrepreneurs](#): Potential grant opportunity by the TWU CWE. Follow the link for more information.

[Top Small Business Grants in Texas | NerdWallet](#): A list of state, local, and national grant opportunities available to assist in funding Texas small businesses.

[Verizon Small Business Digital Ready](#): Potential grant opportunity by Verizon. Follow the link for more information.

Scholarly Articles

[Wanted: Entrepreneurs in Occupational Therapy](#)

[CE Article: Opening a Private Practice in Occupational Therapy | AOTA](#)

[How to Start a Private Practice: Occupational Therapy Edition | SimplePractice](#)

[Learning Management by Self-Employed Occupational Therapists in Private Practice | Australian Occupational Therapy Journal](#)

[Small Business Ownership for Occupational Therapists: Key Factors for Success | International Journal of Entrepreneurship and Small Business](#)

Podcasts

[Benham Brothers Expert Ownership Podcast](#): The Benham Brothers offer faith-based entrepreneurial advice with a focus on a healthy work-life balance. Their podcast is available on Spotify, Apple Podcasts, or Google Podcasts.

[OTPreneur Podcast](#): A monthly podcast for OTPs in entrepreneurship. Available on Spotify.

[Private Practice Startup Podcast](#): The owners of The Private Practice Startup offer a podcast discussing entrepreneurship and fostering the growth of a successful private practice. Their podcast is available on iTunes and Spotify. They also offer a [Quick Reference Podcast Guide](#) for the convenience of their listeners to quickly find topics relevant to them.

[The Brave OT Podcast](#) with Carolyn Neek: This podcast is intended to empower OTPs as they navigate and level up their practices, discussing business and the mission of the OT profession. This podcast can be accessed via Spotify, Google Podcasts, Apple Podcasts, and more.

[The Cash-Based Practice Podcast](#): A podcast for cash-based practices with input from various successful cash-based practice owners. Available on iTunes.

Insightful Books

[Ready, Set, Treat!: The Official Pocket Guide to Starting Your Solo Private Practice](#) by Susie Curtis and Kristen Goodrich: This book was authored by both a licensed and registered OT and a licensed Mental Health Counselor to assist those in the healthcare business startup process to launch their own successful businesses with financial freedom. Their book can be found on Amazon, either paperback or on Kindle, or on their website at <https://www.readysettreat.com/>.

[Soar!: Build Your Vision from the Ground Up](#) by T.D. Jakes on Amazon: This novel is a faith-based guide for entrepreneurs in the planning phase of a new business.

[The Private Practice Survival Guide: A Journey to Unlock Your Freedom to Success](#) by Brandon Seigel: This book guides private practice entrepreneurs as they strive for success in today's business environment.

[2025 Medicare and You Handbook Downloadable PDF](#): This official guide to Medicare is provided by Medicare.gov. This guide has been provided as a reference about Medicare benefits, costs, rights, and protections, health and drug plans, and answers to common questions. This resource could be useful for patients who are covered by Medicare.

Facebook Groups

The following groups are all Facebook communities for OT entrepreneurs:

- Home Safety & Modification Hybrid Therapy Business
- Medicare Billing for (Mostly) Cash Based PT, OT, SLP Providers Group
- Next LEVEL Occupational Therapy
- North Texas PT, OT, & ST Network
- Occupational Therapy Entrepreneurs
- OTs Get Paid
- The Private Practice Startup
- TX Private Practice OTs
- UNCAGED CLINICIAN
- 1 Million Cups: Note - The 1 Million Cups Facebook group you join will be specific to your city

Tools for Organization and Time Management

[Audible](#): Reads books aloud and allows users to adjust reading speed for time management purposes.

[Cocoon Weaver](#): App to record and store voice notes and ideas via an organized platform. Thoughts can be revisited and organized visually, and idea progression can be tracked.

[OneTab - Chrome Web Store](#): Assists to limit distractions and stay on task. Tabs are saved in a list, but only one tab is visible to the user to limit visual clutter and the sense of overwhelm from having too many tabs open.

[Otter.ai](#): Auto joins Zoom, Google Meet, and Microsoft Teams to automatically take meeting notes and provide automated summaries of meetings.

[Video Speed Controller](#): Speeds up videos on any Google Chrome platform. Useful for time management when watching e-courses or supplemental education videos.

Author and Acknowledgements

About the Author

Sydney Simpson is an OTD candidate from Abilene Christian University. She earned a Bachelor of Science in Psychology from Texas A&M University. Driven by a passion for Occupational Therapy and a desire to learn about entrepreneurship, Sydney embarked on this project to create a comprehensive resource guide for Texas-based occupational therapy entrepreneurs. This endeavor not only supports her own learning about the administrative and business aspects of OT—a crucial area often underemphasized in clinical training—but also addresses a noticeable gap in the Occupational Therapy body of knowledge for private practice. Through this guide, Sydney aims to empower fellow practitioners with the knowledge needed to navigate the world of OT entrepreneurship.

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