

CLOSING A PRIVATE PRACTICE

The Maryland Psychological Association

Document Objective

The objective of this document is to share information necessary for a licensed psychologist to close his or her independent practice, whether because of retirement, relocation, illness, or transitioning to other professional activities, ethically and with forethought. Some of the examples given pertain more directly to retirement; others are relevant to decisions to close a practice for other reasons as well.

Thank you to Dr. Elizabeth Beil and Dr. Beverly Celotta for taking time to share their experiences in recently closing their practices. We also want to acknowledge that some of the ideas below were shared at an MPA workshop on closing a practice, presented by Richard Bloch, Esq., Dr. Christine Courtois, and Dr. Pat Savage. Other references are included in the final section of this document.

(This document does not address issues involved with selling a practice, which was also addressed in a recent MPA workshop, presented by two accountants.)

Background & Ethical Considerations

When closing an independent/private practice, it is important to plan ahead and be aware of the practical and ethical issues regarding such duties as notice to current and former clients, maintenance of records, and attending to such “housekeeping” issues as purchasing “tail” liability coverage and notifying insurance companies. It is important to have a **professional will** in place; the nuts and bolts of developing a professional will are reviewed in a separate Toolkit Document. It is also important to be aware of the ethics regarding **professional record keeping** in general; guidelines regarding the broader issue of record-keeping are also covered in a separate Toolkit Document. In addition, the following narrative touches on some of the emotional aspects of closing a practice, as this represents a major transition for most psychologists who take this professional step.

The following sections include guidelines and consensus information that psychologists may want to consider when closing a practice. In some sections, questions are raised for psychologists to consider; there may be more than one route to take when navigating such decisions as notice to clients or future contact with former clients. For many of the decisions to be made, there are no hard and fast rules to follow; some decisions are a matter of personal preference. The work involved in closing a practice has been compared in scope to that of starting a practice. Psychologists who practice in organizational settings should be aware of the institutional requirements for closing a practice as well.

What you need to know

1. Notice to Current and Former Clients

— When to stop taking new clients?

While not always feasible, many psychologists are able to plan ahead to closing a practice, and may decide to stop taking new patients at some point, for example, a year or two before retirement is planned. One psychologist with whom I am familiar decided to stop taking patients with complex trauma/dissociative disorders for the five years preceding his planned retirement. (Other providers may decide to no longer take other types of clients, e.g., children with attachment issues.) One of the benefits often available to independent practitioners, finances allowing, is cutting back to part-time before planning to retire full-time. For more sudden closures of a practice, such decisions are moot, for example, in the case of sudden illness or accepting a new position. If one is accepting new referrals after a date has been set to retire, this fact should be discussed with new patients and other referral options given. Discussing these decisions, as well as other aspects of closing a practice, with colleagues may be helpful.

— How much notice to give current clients?

While this too, is a matter of personal preference, I found a consensus that psychologists, when possible, liked to give their current clients at least three, but preferably six, months notice leading up to their retirement. In general, at least 60

days, if possible, would be a minimum amount of time to give. Some of this will depend on clinical features of the populations one is serving and the nature of one's transition. Some clients may be in a position to plan ahead to a successful termination; others requiring more ongoing care will need to be transferred to another provider (see below). Notifying referral sources at some point prior to practice closure should also be considered.

— Notice to former clients

According to a statute in Maryland, former clients may be notified of the closure of a private practice in one of two ways, primarily for instruction on how they can access their records. First, a notice may be published in a daily newspaper for two weeks, letting former clients know how they are to access their records. (This guideline appears rather outdated in the current environment.) Alternatively, psychologists may send a letter to all clients who have been seen within a specified period, for example, within the past two years, regarding access to their records. (A subsequent section deals with storage of records.)

— Finding referrals for current patients

It is incumbent upon the psychologist closing a practice to assist current clients with finding referrals and transferring to new providers, if applicable. This process can often be a catalyst for the psychologist to provide feedback about client progress, and for clients to express their feelings about the ending of the therapeutic relationship. (See Emotional Aspects of Closing a Practice, below). The retiring psychologist may want to approach colleagues at the same time that they begin to notify clients to arrange for colleagues to accept their patients. (Over the past year, I have had three colleagues ask me to accept some of their patients as they retired, and I tried to accommodate them when possible.) Some clients may understandably be resistant to this process, which is why taking adequate time to prepare them is crucial. Providing at least three different referral options to current patients is customary, and written releases will need to be obtained. Checking the availability of referral options is recommended, and considering other sources of referrals, such as psychiatrists or pediatricians, may be warranted.

— Future contact with clients

Some clients may ask if it is possible to have occasional future contact with the therapist, for example, to let them know of significant life events. While this is a matter of personal preference, consideration of legal and ethical issues is important. One psychologist with whom I spoke said she told clients they could feel free to let her know how they were doing, but she could not offer them any professional advice; she was advised to take this tack by her malpractice carrier. Checking with one's malpractice carrier seems prudent. (See below regarding voicemail, email, and websites.)

2. Records

— How long must records be retained?

(See another document in this Toolkit on **Record Keeping and Documentation**). State law requires that records be kept for 5 years for adults, and 5 years or 3 years after reaching age 18 for minors, whichever is later. Medicare requires that records be kept for 10 years. HIPAA requires that records be kept for 6 years.

— Paper versus electronic records

Paper records must be stored in a secure manner, and directions for accessing such records must be included in one's **Professional Will**. Periodic shredding is advisable. One psychologist scanned in all her paper records prior to retirement, and is keeping them in electronic but not paper format. For records that are part of an Electronic Health Record (EHR), an understanding of the features regarding maintenance and destruction of records is vital.

— Write transfer/termination summaries for current clients?

Not all clients being transferred to another provider will require a written transfer summary, although some psychologists, for purposes of continuity of care, may prefer to do this. Other practitioners will prefer to transmit information verbally, obviously with written consent. In any case, it is advisable that clinicians prepare a termination summary for current clients' charts. A template for a succinct termination summary is found in the Toolkit document on **Record Keeping**. In lieu of this, another psychologist developed her own termination checklist to be filed in each client's chart. It is a matter of personal preference and communication between the referring and new clinician whether copies of the full chart are shared (again, with appropriate written permission). (Copies of the original chart should stay with the referring clinician.)

3. Business and Housekeeping Matters

— Buy a tail from malpractice carrier

Perhaps one of the most important actions a retiring psychologist can take is the purchasing of a “tail” policy from one’s malpractice carrier. A “tail” policy is one that provides coverage for claims based on events that occurred while the practice was open.

— Maintain license?

The decision to maintain one’s license after closing a practice clearly depends on the types of professional activities (if any) the psychologist plans to engage in, as well, perhaps, on the emotional attachment one has to being licensed. Psychologists with whom I have spoken planned to maintain their licenses for a very short period of time to indefinitely. Licenses may be placed on “inactive” status; according to the Board of Examiners website, psychologists may pay a fee to have their license placed on inactive status for a two (2) year period that can be extended with a new request and fee. In this case, psychologists must meet the current continuing education requirements.

— Have a professional will in place

The importance of this cannot be understated, both for psychologists who remain in practice and those who are transitioning out. (See related Toolkit document on **Professional Wills**.) It places severely undue burdens on surviving colleagues and family members if steps have not been taken to plan for the maintenance of records and closing out of other aspects of practice. (At some point in the future, if the practice has been entirely closed and all records have been destroyed, it may no longer be necessary to have a professional will.)

— Notify third party payers and de-activate NPI

Psychologists who participate on insurance panels may want to notify them in writing that one’s participation will no longer be active. In some cases, written termination of the contract may be necessary; check with the contract for proper notice of termination. When one is no longer practicing, one may also decide to de-activate one’s National Provider Identification number. This may be done by calling the National Provider Identifier Enumerator Call Center at 800-465-3203 or going to <https://nppes.cms.hhs.gov>.

— Maintain voicemail, email, and website?

Many psychologists who are closing a practice may want to allow themselves to be reached by past clients in the future. Some may choose to shut down their office phone/voicemail, but maintain their email indefinitely. Maintaining an outgoing message for 60-90 days on voicemail or email notifying persons of the closure of the practice is one step to be taken. Depending on any future professional activities, practitioners may wish to take down or change their websites. It is important to think through what will work best for oneself and to notify current clients of one’s future ability to be contacted, if applicable. Becoming inactive on professional directories may be considered and may depend, in part, on one’s future professional activities and one’s continued membership in professional organizations and societies.

4. Emotional Aspects of Closing a Practice

The emotional reactions to closing a practice will be as individual as is each psychologist and his or her situation. One psychologist (BC) was surprised to her reactions to retiring, and found that the emotional preparation required was not as difficult as enacting the actual mechanics of closing her practice. She found that many clients, when told of her retirement, began to focus their work in preparation for termination and move toward goals in an accelerated way. Helping clients work on their feelings, which could include grief and loss, can be a big part of the work as practice closure approaches. Loss of the trusted therapist may resurrect certain issues for traumatized clients in particular (CC).

It behooves psychologists, of course, to be aware of their own emotional reactions to multiple goodbyes. To the extent that one’s self-worth is tied to one’s professional role, the change in identity and loss of ready validation of competence that can occur with retirement may be challenging. Talking with colleagues and working out one’s emotions away from the client is advised (CC). Careful maintenance of the treatment frame is essential.

Uncertainty about financial issues may add to the stress of closing one’s practice if one is not continuing in a professional capacity. Cultivating outside interests in preparation for retirement is one idea to consider. Staying connected to the field if one is interested may mitigate against the sense of loss that can occur.

On the other hand, one psychologist who was retiring (BC) was very aware of a sense of being emotionally freed up when no longer responsible for maintaining a private practice. This reduction in “psychological overhead” (BC) was an unexpected and welcome reaction. One decision that several psychologists who were retiring (EB and CC) made was to share with clients a note, card, letter or small but meaningful gift as they said their goodbyes. They found that this enhanced the transition for clients.

Several resources available to psychologists who are closing their practices, for whatever reason, are included below.

Relevant Resources

<http://nationalpsychologist.com/2015/03/closing-a-practice-practical-ethical-clinical-dimensions/>

<http://www.apa.org/monitor/feb03/howtoclose.aspx>

<http://www.apapracticecentral.org/ce/self-care/retirement.aspx>

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