

- If you are viewing this course as a recorded course after the live webinar, you can use the scroll bar at the bottom of the player window to pause and navigate the course.
- This handout is for reference only. Non-essential images have been removed for your convenience. Any links included in the handout are current at the time of the live webinar, but are subject to change and may not be current at a later date.

© 2018 continued® No part of the materials available through the continued.com site may be copied, photocopied, reproduced, translated or reduced to any electronic medium or machine-readable form, in whole or in part, without prior written consent of continued.com, LLC. Any other reproduction in any form without such written permission is prohibited. All materials contained on this site are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published or broadcast without the prior written permission of continued.com, LLC. Users must not access or use for any commercial purposes any part of the site or any services or materials available through the site.

## Technical issues with the Recording?

- Clear browser cache using [these instructions](#)
- Switch to another browser
- Use a hardwired Internet connection
- Restart your computer/device

## Still having issues?

- Call 800-242-5183 (M-F, 8 AM-8 PM ET)
- Email [customerservice@SpeechPathology.com](mailto:customerservice@SpeechPathology.com)



online continuing education for the life of your career

---

## Entrepreneurship for the SLP Professional, Part 1

Krista Covell-Pierson, OTR/L, BCB-PMD

Moderated by:  
Amy Hansen, MA, CCC-SLP, Managing Editor, [SpeechPathology.com](http://SpeechPathology.com)



### Need assistance or technical support?

- Call 800-242-5183
- Email [customerservice@SpeechPathology.com](mailto:customerservice@SpeechPathology.com)
- Use the Q&A pod



continued

## How to earn CEUs

- Must be logged in for full time requirement
- Log in to your account and go to Pending Courses
- Must pass 10-question multiple-choice exam with a score of **80%** or higher
  - Within **7 days** for live webinar; within **30 days** of registration for recorded/text/podcast formats
- Two opportunities to pass the exam

continued

## Entrepreneurship for the SLP Professional, Part 1

Guidance and practical tips for SLP's to increase  
success in starting a private practice or business.

Krista Covell-Pierson, OTR/L, BCB-PMD  
Owner of Covell Care and Rehabilitation

continued



## Learner Outcomes

- Describe at least three different kinds of business structures.
- Define the role of the SLP and the business owner.
- Identify pros and cons of cash-based practices and insurance-based practice.

5

## Overview of Part 1 and 2

### Part 1:

1. Defining the roles between tradesperson and business owner
2. Distinguished various legal structures
3. Reviewed strategies for financial management
4. Weighed pros and cons of cash versus insurance based practices

### Part 2:

1. Myths and truths of business ownership
2. Initiate system development for business operation
3. Complete a SWOT analysis
4. Identify strategies to improve success

6



## The road to becoming an entrepreneur is personal

Attended Colorado State University  
 Started my OT career in psych and skilled nursing.  
 Worked as a rehab manager, Director of Social  
 Services and Marketing in SNF's.  
 Loved working with clients that had dementia.  
 Encouraged by the medical director to consider  
 starting my own business.  
 Worked with a neuropsychologist and began the  
 private practice.  
 Continued to work full-time for several years and  
 built the business on the side providing treatments  
 in clients' homes and community settings.  
 Became a Medicare provider in 2007.  
 Covell Care and Rehabilitation evolved and now  
 offers OT, PT, SLP, geriatric care management,  
 senior fitness training, counseling, massage,  
 contract staffing for home health, driving  
 rehabilitation and treatment for pelvic floor  
 dysfunction. We service 5 different counties in  
 Colorado at this time.  
 Strive to help other therapists become business  
 owners as well.



7



## Questions to ask yourself...

- Are you an entrepreneur?
- Can you manage being the tradesperson (SLP) *and* the owner of a small business?
- Is your new business actually a private practice?  
If not, what is it?
- How will your business make money?

8

continued

## Are you an entrepreneur?

### •8 Signs You're an Entrepreneur (Forbes, 2013)

- Passion
- Doesn't take no for an answer
- Competitive nature
- Enneagram Personality Test = #1  
The Reformer  
(Principled, Purposeful, Self-Controlled,  
and Perfectionistic)  
<https://www.enneagraminstitute.com/>
- Self-starter
- Think outside the box
- Unpredictable
- Strong people skills

**"Remember, being an entrepreneur is neither a part-time or a full-time job. It's a lifestyle."**



9

continued

## Tradesperson/SLP



10

continued

## Tradesperson versus Business Owner

### Tradesperson/SLP

- Works for an organization/employer
- Completes therapy services
- May manage others
- Provides communication to families, clients, colleagues and managers
- May monitor and track financial information per the employer's request
- Completes documentation
- Attending meetings
- Meeting productivity standards
- Purchasing equipment
- Training on equipment
- May provide trainings for other staff members
- Other duties



11

## Transitioning from therapist to therapist AND entrepreneur

"I can do it better!"

This may potentially be the beginning of a therapist growing into a business owner.

However, the therapist must learn *how* to be a business owner.

12



## Small Business Owner

- Is responsible for all aspects of the business-not just therapy
- Manages financials for the business
- Participates in marketing practices
- Organizes the business
- Paying bills
- Collecting money
- Ensuring quality of care
- Develops a website
- Creates brochures
- Tracks goals for the business
- Delegates tasks to staff members (if applicable)
- Adheres to rules and regulations for healthcare and business operations
- Completes billing and invoicing
- Participates in community outreach
- Accepts intake calls
- Provides follow up calls
- Tracks intake processes and referrals
- Continues to work as a tradesperson
- And many, many, many more hats!



13



## Remember as you transition to owning a business:

- Time required to start a business is not typically paid
- You are a student again
- You will always be a student
- Being rigid and uncompromising can work for OR against you. Choose wisely.
- Don't only focus on the money. Focus on quality.

14



continued

## Is your business an SLP based business? Or is it something else?

Is your business in compliance with your state practice act?

Refer to your state practice act and licensure requirements

If the answer is no, you may not be developing a speech therapy based business.

Does your business adhere to the SLP code of ethics?

If the answer is no, you may not be developing an SLP based business.

Code of Ethics: <https://www.asha.org/Code-of-Ethics/>

Consider your payment sources and ensure you understand the clientele you are serving, as well as related rules and regulations.

Language matters when describing your business. Seek legal advice when needed.

Remember to stay within your scope of practice when starting a business. It can be easy to wander off in the weeds for a creative, excited entrepreneur!

16



## Things that MAY be in the grey area...

- Wellness programming
- Telehealth
- Diabetes education classes
- Selling durable medical equipment (DME)
- Companion care
- Support groups
- Pediatric play groups
- Others



17



## Gail video here



18

# Legal structures

- Sole Proprietorship (Individual)
- General Partnership
- Corporation
- Limited Liability Corporation
- Others

Consult with the Small Business Development Center, attorney and/or CPA for additional guidance.

All information listed about the business structures in this presentation is quoted directly from  
<https://www.irs.gov/businesses/small-businesses-self-employed/business-structures>

19

# Legal structures

- Sole Proprietorship (Individual): A sole proprietor is someone who owns an unincorporated business by himself or herself. However, if you are the sole member of a domestic limited liability company (LLC), you are not a sole proprietor if you elect to treat the LLC as a corporation.



20



## Legal structures

**General Partnership:** A partnership is the relationship existing between two or more persons who join to carry on a trade or business. Each person contributes money, property, labor or skill, and expects to share in the profits and losses of the business. A partnership must file an annual information return to report the income, deductions, gains, losses, etc., from its operations, but it does not pay income tax. Instead, it "passes through" any profits or losses to its partners. Each partner includes his or her share of the partnership's income or loss on his or her tax return.



21

## Legal structures

**Corporations:** In forming a corporation, prospective shareholders exchange money, property, or both, for the corporation's capital stock. A corporation generally takes the same deductions as a sole proprietorship to figure its taxable income. A corporation can also take special deductions.

- C Corporations: For federal income tax purposes, a C corporation is recognized as a separate taxpaying entity. A corporation conducts business, realizes net income or loss, pays taxes and distributes profits to shareholders. The profit of a corporation is taxed to the corporation when earned, and then is taxed to the shareholders when distributed as dividends. This creates a double tax. The corporation does not get a tax deduction when it distributes dividends to shareholders. Shareholders cannot deduct any loss of the corporation.
- S corporations are corporations that elect to pass corporate income, losses, deductions, and credits through to their shareholders for federal tax purposes. Shareholders of S corporations report the flow-through of income and losses on their personal tax returns and are assessed tax at their individual income tax rates. This allows S corporations to avoid double taxation on the corporate income. S corporations are responsible for tax on certain built-in gains and passive income at the entity level.

To qualify for S corporation status, the corporation must meet the following requirements:

- Be a domestic corporation
- Have only allowable shareholders
  - May be individuals, certain trusts, and estates and
  - May not be partnerships, corporations or non-resident alien shareholders
- Have no more than 100 shareholders
- Have only one class of stock
- Not be an ineligible corporation (i.e. certain financial institutions, insurance companies, and domestic international sales corporations).

22

## Legal structures

A Limited Liability Company (LLC) is a business structure allowed by state statute. Each state may use different regulations, and you should check with your state if you are interested in starting a Limited Liability Company.

Owners of an LLC are called members. Most states do not restrict ownership, and so members may include individuals, corporations, other LLCs and foreign entities. There is no maximum number of members. Most states also permit "single-member" LLCs, those having only one owner.

A few types of businesses generally cannot be LLCs, such as banks and insurance companies. Check your state's requirements and the federal tax regulations for further information. There are special rules for foreign LLCs.



23

How will your business MAKE money?

- **What are you providing for payment?  
Consider it a trade. What value do you provide and how much is it worth?**
- Who benefits? Who is paying?
  - Think of stakeholders
- Where does service occur?
- When do services occur?
  - **Why is it valuable?**
- **-Practice explaining your answers to these questions**

24

continued

How will your business COLLECT money?

- Therapists may have a hard time asking for payment, collecting funds. Understanding your value helps when requesting payment.

Some private practices are cash-pay only (cash, check, credit card)

Others accept insurance

- Basic knowledge of insurance programming can help the new entrepreneur determine what avenue to take

25

continued

Be prepared for situations to arise with payment:

- Clients difficulty understanding insurance  
"My insurance should pay this 100%. I am not paying this."
- Clients not being satisfied with treatment  
"I don't think I should have to pay for that because my shoulder isn't better."
- Clients may not see your value  
"I could have taken a shower and done all that by myself. It isn't worth that cost."  
"I will pay half of this bill. That's it."
- Client may experience income complications  
"I am going through a divorce and I don't have any money."  
"I can't afford groceries. I can't pay this bill."

26

## Cash only practices

### Pros:

- Easier to track accounts receivable
- More control over amounts charged to your client
- Can be lucrative

### Cons:

- Documentation requirements still apply so that clients can attempt to be reimbursed by their insurance
- Therapists still need to understand insurance guidelines in order to explain them to clients
- Insurance authorizations may still be required (if clients plan to try and obtain reimbursement)
- Referred clients may not want to come to the practice because other practices will bill their insurance for them

27

## Insurance accepting practices

### Pros:

- Referred clients typically want to use their insurance benefits
- Many insurance companies accept electronic invoicing and make electronic payments

### Cons:

- Time-consuming to submit and follow-up on claims
- Providers must stay current on rules and regulations for insurance companies
- Payers can take the money back after they've paid providers
- Can result in more out-of-pocket expenses for billing software, outsourcing billing or bringing a biller into the practice
- Can feel overwhelming to the new business owner

28

## Common insurance types

- Private individual health plans
- Employer sponsored health plans
- Medicare
- Medicaid

Reviewing these types of insurance can help the new business owner decide what his/her clientele will potentially have and guide them to which insurances should possibly be pursued for a contract.

29

## Private individual health plans

Insurance that citizens purchase directly from a health insurance company.

All U.S. citizens can obtain this type of health insurance except Medicare and Medicaid recipients.

6% of Americans have this type of insurance.

<https://www.nerdwallet.com/blog/health/compare-medicare-medicaid-health-insurance/>

30



## Employer-sponsored plans

Insurance purchased through an employer.

Any citizen working for an employer that offers health insurance can typically obtain this insurance coverage. It may be available to their dependents.

49% of Americans have this type of insurance.

<https://www.nerdwallet.com/blog/health/compare-medicare-medicaid-health-insurance/>

31



## Medicare

The federally funded health program covering adults with disabilities, those over age 65, and people with end-stage renal disease, or kidney failure.

13% of Americans have Medicare.

<https://www.nerdwallet.com/blog/health/compare-medicare-medicaid-health-insurance/>

32

continued

## Medicaid

This is a joint health program run by each state along with the federal government that covering children and adults with low incomes or limited means to pay for health care.

19% of Americans have Medicaid.

Medicaid programming is different between each state and therapists need to understand their state's rules and regulations.

<https://www.nerdwallet.com/blog/health/compare-medicare-medicaid-health-insurance/>

33

continued

## Medicare considerations

SLP professionals often wonder about becoming a Medicare provider when wanting to work with older adults. New providers may avoid Medicare because of:

- Overwhelm
- Fear
- Difficulty in understanding
- Time-consuming

34

## Medicare considerations

Overcoming challenges is part of becoming a business owner.

- Overwhelmed: Start somewhere, don't worry about understanding the whole in the beginning
- Afraid: Knowledge will reduce the fear
- Difficult to understand: Take a class, start learning, find a mentor.
- Time-consuming: Invest the time. Remember, it takes what it takes!

35

## Medicare and Fiscal Intermediaries

### Medicare Basics:

Medicare is a federal government-based health insurance plan  
Medicare is available to Americans who are aged 65 and older, people with disabilities and people with end-stage renal disease

The government funds Medicare

Medicare does not directly handle all aspects of the program. It uses private insurance companies, such as Novitas in Colorado, as fiscal intermediaries to administer certain aspects of the program.

The primary responsibilities of a Medicare fiscal intermediary is to review the appropriateness of medical coverage under the insurance and to handle reimbursement for services.

This is called Local Coverage Determination

Practices should review Medicare rules and regulations however the FI's interpretations of the rules and regulations must be reviewed as well.

Whichever set of rules and regulations are more restrictive is the set of rules to be followed by the practice.

36



A map of the United States showing the distribution of 12 study populations. The populations are labeled as follows: JF (Noridian) in Washington, Oregon, and Alaska; JE (Noridian) in California; JG (NGS) in Minnesota; JH (Novitas) in Texas; JJ (Palmetto) in Georgia; JM (Palmetto) in South Carolina; JK (NGS) in New York; JI (WPS) in Wisconsin; JI (CGS) in Illinois; and JI (FCO) in Florida. The map uses different shades of gray to represent different regions or states.

37

- SLP's without a relationship with Medicare: SLP's that are not Medicare providers may not offer services to Medicare clients for covered services. Speech therapy is a covered service. SLP's can provide non-covered services like wellness consults, etc.
- Non-participating provider: SLP's who are non-participating providers are allowed to accept self-payment at the time they provide service as long as they send the claim to Medicare so that Medicare may reimburse the patient directly. SLP's can not opt out of Medicare.
- Participating provider: SLP's who are participating providers accept and bill Medicare for patient visits.

## Glossary of Medicare Terminology:

<https://www.medicareinteractive.org/resources/glossary>

38

## Payment systems

### Private pay

#### Pros:

- Easier to track accounts receivable
- More control over amounts charged to your client
- More flexibility in therapeutic interventions that are offered

#### Cons:

- Documentation requirements still apply so that clients can attempt to be reimbursed by their insurance
- Unable to take cash from Medicare clients
- People looking to use their insurance benefits may look to contracted providers

### Insurance

#### Pros:

- Contracting with insurance providers can generate referrals
- Widens the pool of potential clients

#### Cons:

- Less flexibility in therapeutic provisions
- Software and billing practices must be established
- Practices must adapt to insurance regulations timely

30

## Medicare Resources

Find out who your Fiscal Intermediary is/Medicare Administrative Contract  
Review their Local Coverage Determination (LCD)

Medicare & Medicaid website <https://www.cms.gov/>

Medicare Benefit Manual <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>

Rick Gawenda <https://gawendaseminars.com/>

40

## Review and Prepare

### Part 1:

1. Defining the roles between tradesperson and business owner
2. Distinguished various legal structures
3. Reviewed strategies for financial management
4. Weighed pros and cons of cash versus insurance based practices

### Part 2:

1. Myths and truths of business ownership
2. Initiate system development for business operation
3. Complete a SWOT analysis
4. Identify strategies to improve success

JOIN US FOR PART 2!

41

## Resources

### E-Myth:

Books and coaching program <https://emyth.com/>

Small Business Development Center <https://www.sba.gov>

Facebook groups for private practice

ASHA

State OT Association

Four-Hour Workweek (book) <https://fourhourworkweek.com/>

•Self-Care 101 (book) <https://www.amazon.com/Self-Care-101-Guide-Nourish-Flourish/dp/0996762302>

•Big Magic: Elizabeth Gilbert (book) <https://www.amazon.com/Big-Magic-Creative-Living-Beyond-ebook/dp/B00S52M350>

•[www.irs.gov](http://www.irs.gov)

•Success magazine <http://www.success.com/>

Tune into the show The Profit <http://www.cnbc.com/live-tv/the-profit>

42

## Questions

43

## References

"Business Structures." *Small Business and Self-Employed Tax Center*.

<https://www.irs.gov/businesses/small-businesses-self-employed/business-structures> .

Accessed 31 July 2018.

Glover, Lacey. "Comparing Private Health Insurance, Medicare and Medicaid."

*Nerdwallet*.

<https://www.nerdwallet.com/blog/health/compare-medicare-medicaid-health-insurance/> .

Accessed 31 July 2018.

Hendricks,Drew. "8 Signs You're an Entrepreneur." *Forbes*.

<https://www.forbes.com/sites/drewhendricks/2013/11/29/8-signs-youre-an-entrepreneur/#5aba05b411e7> Accessed 31 July 2018.

"Medicare Enrollment for Physicians, Non-Physician Practitioners and Other Health Care Suppliers." *CMS.gov*

[https://www.cms.gov/Medicare/Provider-Enrollment-and-](https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/downloads/suppliers.pdf)

[Certification/MedicareProviderSupEnroll/downloads/suppliers.pdf](https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/downloads/suppliers.pdf) Accessed 31 July 2018

44