

Heard

Private Practice Startup Checklist for Therapists

Starting your own therapy practice can feel like a giant task. The best antidote for overwhelm? Breaking it up into manageable pieces. Use this checklist to prepare your practice for launch.

For a deeper dive, check out our guide on [how to start a therapy practice](#).

Build a budget

Your budget may cover different periods (months, quarters, and/or years). Once the period has passed, update your budget with actual revenue and expenses, and use the information to inform future budgets. Read more on [how to build a budget for your therapy practice](#).

Create a business name

If you plan to operate under a name other than your own legal name, you'll need a Doing Business As (DBA) name. DBAs are handled at the county or state level. Check your Secretary of State's website for more information.

Choose a business entity

Your business entity determines how you file and pay taxes, your level of personal financial liability, and other factors affecting how your business is run. Your state will recognize your practice as a certain business entity, and the IRS will recognize it as a certain entity, too—but they may not be the same. If you do not form a business entity, you will be considered a sole proprietor by default in the eyes of the IRS. Read more on [how to choose a business entity for your therapy practice](#).

Assign a registered agent (if necessary)

Certain business entity types, such as corporations or limited partnerships, must assign a registered agent. All mail from your state relating to your business will be sent to your registered agent. You may choose to be your own registered agent, so long as you reside in the state where you do business. For more info, visit your Secretary of State's website.

Get an EIN

You need an employer identification number (EIN) in order to open a business checking account. It doesn't matter whether you have employees or not. Many services will offer to get you an EIN for a fee, but it's easy to do it yourself. [Apply online for an EIN via the IRS website](#).

Get an NPI

For your services to be covered by insurance, you need a national provider identifier (NPI), which is a ten-digit code. [Learn more about NPIs and apply for one online](#).

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Open a bank account

Having a business checking account makes it easier to keep your personal and professional finances separated. Learn more about [how to choose a checking account for your therapy practice](#).

Get insurance

Depending on where you practice, you may be legally required to have certain types of business insurance. Check with your Secretary of State for more info.

Choose HIPAA-compliant software and services

HIPAA-compliant software and services protect your clients' information and prevent you from violating HIPAA guidelines. The following common software and services must be HIPAA-compliant:

- **Email.** Google offers HIPAA-compliant professional email services.
- **Electronic health record (EHR)** software is typically HIPAA-compliant, but make sure before signing up
- **Payment processor.** Learn more about [HIPAA-compliant payment methods](#).

Set up your bookkeeping system

Your bookkeeping system tracks how you earn and spend money. Learn more from our articles on [what does a bookkeeper actually do?](#) and [how to choose accounting software for your therapy practice](#).

Set your fees

Your fees have a major impact on your income and cash flow, and there are a lot of factors to take into account. Check out our article [how to set your fees in private practice](#).

Begin marketing

You don't need all your marketing assets set up at once, but these are the ones new therapy practices most commonly invest in:

- A professional website
- Listings in therapy directories
- Local advertising in newspapers or magazines
- Business cards

See our article on [how to set a marketing budget for your therapy practice](#) for more ideas.

Plan how you'll file taxes

Especially when you're new to running your own business, personally filing taxes can eat up time and put you at risk of making errors. See [how Heard can help](#).