



Ontario Psychological Association

**Guidelines for Fees and
Billing Practices
2015**

OPA Board of Directors

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Preamble

The purpose of the Ontario Psychological Association's *Guide to Fees and Billing Practices* is to provide recommendations to members regarding setting and communicating fees, and establishing and managing billing policies and procedures for provided psychological services. From time to time, this document may be provided to other parties for review regarding best practices employed by OPA members.

A "*recommended hourly rate*" is established annually by the OPA, based on sound economic considerations, including the level of training and professional competence of psychologists and psychological associates, and salary comparisons with other professions providing similar services. While this rate can be regarded as the standard fee for psychological assessment and treatment in private practice, members must take into consideration market trends in their location when establishing rates. Please note that fees for some services may fall above or below the OPA recommended hourly rate as will be discussed below.

The recommended hourly rate for 2015 is \$225 per hour.

Guidelines

Professional and Ethical Considerations

To protect both patients and the integrity of the profession, it is essential that policies and procedures for establishing, communicating, managing, and collecting fees be consistent with the profession's ethical principles and values, and with its standards of practice.

Three major documents that outline relevant expectations for Ontario psychologists and psychological associates are the Canadian Psychological Association's *Canadian Code of Ethics for Psychologists* (2000; see Appendix A), the College of Psychologists of Ontario's *Standards of Professional Conduct* (2009 revision; see Appendix B), and *Ontario Regulation 801/93 of the Psychology Act* (Professional Misconduct; see Appendix C). In addition to being familiar with these documents, members are reminded that they should not be considered exhaustive, or replace the need for good judgment and competent decision-making.

Billing

The recommended fee established annually by OPA applies to each hour of a member's time. The *minimum* recommended time period for a billable psychological service related to direct patient contact is ten (10) minutes. When billing for portions of time, the amount should be prorated accordingly.



Some psychological services require work beyond direct patient contact, including activities such as test scoring/interpretation, documentation review, report preparation, and entries into the clinical record, etc. These activities are billable, and should be charged based on the amount of time each requires for completion.

Rather than charging an hourly rate, some members may choose to establish a flat fee for some services, based on the amount of time and any supplementary expenditures required to provide such services. Use of a flat fee should be carefully considered given that the time required for service provision will fluctuate.

Practical Applications

Contracting for Payment of Services

Prior to providing services, members are expected to provide clear information to patients and/or payers regarding fees and billing policies and procedures. When there is a limit to available funding (as set out by third parties, for example) members should inform patients regarding the nature and extent of services that can be provided within the funding limit, and what to expect when the funding has been exhausted.

Increasing Fees

Members may reasonably determine that circumstances justify a fee increase. The presentation of a new fee schedule to new patients presents little difficulty beyond the practical matter of their ability and willingness to pay. However, the presentation of a new fee schedule to patients who have a previously established therapeutic contract based on a lower fee schedule is more complex.

The matter of fee increases must be approached cautiously, even with patients who have been advised of a possible increase in advance. The possibility of emotional dependency is particularly great in long-term therapeutic relationships, and this must not be exploited. Members must be sensitive to the patient's need for service and the likelihood of a fee increase disrupting the therapeutic relationship or course of treatment.

Members should be prepared to discuss fully the reasons for the increase, as well as options available should the patient be unwilling or unable to pay the higher fee.

Sliding Scale

Members are sometimes called upon to provide services to individuals who cannot afford to pay usual rates, or who have access to funding under a cap. In such circumstances members may choose to make services more affordable, such as by accepting a lower fee.

Members can also help patients afford psychological services by being flexible in scheduling appointments and in payment schedules. While some members may choose to allow deferred



or installment payments, this may prove problematic if the patient is unable to pay as agreed. Careful thought must be given to procedures implemented when payment is overdue, to avoid undermining the therapeutic relationship. Members will also have to determine whether services should continue on a deferred or installment schedule when payment is in arrears.

It should be noted that it is considered unethical to prematurely discontinue treatment due to either a patient's inability to pay, or to make room for patients who are able to pay full rates. Given that it is not uncommon for patients to require further services after funding has been exhausted, members are encouraged to have a plan in place for alternate services or supports in advance of the discontinuation of funding. If there is a waiting list for alternate services, members may need to provide ongoing intervention on a *pro bono* basis in the interim.

Pro Bono Services

While members are generally expected to provide *pro bono* services (see Principle IV.12, CPA, 2000), the nature and scope of donated services is left to the discretion of the member.

When patients find themselves no longer able to pay for services, members may choose to continue on a *pro bono* basis. Should the member decide that they are not in a position to provide *pro bono* services, an appropriate referral to alternative supports should be arranged. To that end, members are encouraged to be aware of other available services in their community.

If a member agrees to provide services at a reduced rate or on a *pro bono* basis, they must provide the same quality of service as that provided to patients who pay in full.

Use of Credit and Debit Cards

Accepting credit cards or debit cards (see Ont. Reg. 801/93, s. 30) allows for point-of-service payment, and the patient is given a receipt that can be used for reimbursement from extended health providers or submitted as a medical expense with their income tax return. Credit or debit cards should be offered as a payment option rather than the only method of payment, as some patients may prefer to be invoiced and pay by cheque, and others may not have been extended credit.

Pre-Payment/Retainers

In accordance with CPO Standard 10.4 (revised 2009), members may not ask a patient to pre-pay for psychological services. Funds may, however, be held in trust (i.e., in a bank trust account) and withdrawn as services are rendered. Any excess (including accrued interest) is returned to the patient following the termination or conclusion of services.



Statements of Account

When invoicing is used for fee collection, it is advisable to send invoices on a regular and consistent schedule (i.e., after each session, or monthly).

Invoices should include the following information, as appropriate:

- Date of invoice
- Name, address, and telephone number of the member
- Name and address of the patient or client
- Service description
- Rates for services provided by hour or portion thereof
- Number of hours required for service provision
- Payment due date and terms of payment (including late fees or interest calculation)
- Late penalties or interest, if applicable
- HST, if applicable
- Total amount owing.

HST

Some psychological services will be exempt from HST, while others will not. Canada Revenue Agency (CRA) has released a “clarification document” on what services are considered a “qualifying health care supply”. This document can be found here:

<http://www.cra-arc.gc.ca/E/pub/gi/notice286/notice286-e.pdf>

OPA continues to work with CPA to challenge some of CRA’s determinations, and there may be some changes with respect to HST exemption status of psychological services in the future. Members are encouraged to speak with their accountants with respect to how to manage HST collection.

Late Payments

If invoices are sent on a consistent schedule, patients will be made aware of late fees or interest accruing as result of non-payment. Members may wish to contact patients to determine when payment may be expected.

If policies regarding the use of collection agencies have been discussed with the patient in advance, a notice may be sent to advise that the outstanding invoice will be sent for collection if payment is not received by a specific date (see Standard 10.3, CPO, revised 2009).

Members are reminded that they retain ethical responsibility for collection procedures, including protecting the patient’s confidentiality. A collection agent must be seen as an agent acting on behalf of the member, rather than a third party to whom a delinquent account has been sold (see Ontario, 1991, Regulation 801/93, s. 30).



Cancellations and Missed Appointments

Members may charge for missed appointments, provided that they have reviewed their policy in this regard with patients in advance. Missed appointments may include no-shows or cancellations with insufficient notice. While members determine their own criteria for insufficient notice, 24 hours is a common time limit.

Members are cautioned to be compassionate and flexible depending on the patient's clinical status, presenting complaints, and any extenuating circumstances (e.g., illness, family emergency) as there may be implications for the therapeutic relationship.

Charging for Ancillary Personnel

Psychological services are sometimes provided by non-regulated ancillary personnel under the direction and supervision of a psychologist or psychological associate (e.g., psychometrist, file reviewer). As a member maintains responsibility for all services provided, and reviews the work of ancillary personnel, these services should be billed in the name of the member at their usual hourly fee.

Supervisees

In supervisory arrangements, either with members of the CPO or other healthcare professionals, charges for supervision time should not be billed to patients or third parties.

According to the CPO, it is appropriate to invoice for services in the name of the member at their usual hourly fee. The individual delivering the service under the supervision of the member must, however, be identified on the invoice. We are aware that this practice has been causing difficulty with some third-party payers who are refusing to pay the psychologist/psychological associate rate for supervisees. Members should be prepared to address concerns by advising payers that they maintain professional and clinical responsibility for all services, that they review all information provided by their supervisees, and that they are not billing for their time.

It is fair employment practice to pay supervised personnel a fixed salary or, if they are employed on a part-time basis, a per diem or time-based rate. Such remuneration must not be tied directly to the fees paid by a particular patient.

Third-Party Payments

When a patient's fees are paid by a third party, such as an insurer, the WSIB or a corporation via an employee assistance plan (EAP), there will likely be limits on hourly rate, the amount that can be billed for specific services, or the number of approved hours or sessions. Members must invoice for services within the restrictions imposed by the third-party, and



ensure that the patient is aware of both the limits and any associated impact on the nature or extent of services that can be provided.

In accepting patients paid for by third parties, members may be paid less than the OPA recommended rate. As this practice encourages the provision of services for less than fair market value, members may want to discuss rates with the third party prior to accepting a referral or determine whether they feel accepting the referral is in their best interests or those of the profession.

It should be noted that third parties will likely have specific policies with respect to whether members can bill for missed appointments and, if so, at what rate. Members should be aware of such policies prior to billing for missed appointments, and should never attempt to bill as though missed appointments were attended as scheduled.

Medical-Legal and Forensic Services

The OPA recognizes that some members practice in areas where the determination of a reasonable fee should reflect specialized expertise and the greater assumption of risk, such as service provision in matters of criminal, civil, and family law.

As such, it would be appropriate for members who work in this area to charge a fee that exceeds the OPA recommended rate, when agreed upon beforehand by the various parties. Such fees, however, should never be contingent on the outcome of a case or action.

When determining the reasonableness of a fee in such circumstances, the following should be considered:

- Level of expertise with respect to the issue in legal dispute
- The time and work required with respect to the novelty and complexity of the legal questions involved
- Time limitations imposed by the patient or by the circumstances
- Customary fees charged locally, regionally, or nationally for similar forensic/legal services
- The impact of involvement on engaging in other income-generating activities.

Recordkeeping

Members are responsible for keeping accurate records documenting time and services provided to patients (including appointment dates, report writing, telephone calls, meetings, and disbursements). Members should be willing to provide these details to the patient on request.



Charging for Photocopying

It is recommended that members adhere to Information and Privacy Commissioner (IPC) Order HO-009 regarding reasonable charges for photocopying (2010). According to the Order, the fee charged to an individual shall not exceed \$30 for any or all of the following:

1. Receipt and clarification, if necessary, of a request for a record.
2. Providing an estimate of the fee that will be payable under subsection 54(10) of the Act in connection with the request.
3. Locating and retrieving the record.
4. Review of the contents of the record for not more than 15 minutes by the health information custodian or an agent of the custodian to determine if the record contains personal health information to which access may be refused.
5. Preparation of a response letter to the individual.
6. Preparation of the record for photocopying, printing or electronic transmission.
7. Photocopying the record to a maximum of the first 20 pages or printing the record, if it is stored in electronic form, to a maximum of the first 20 pages, excluding the printing of photographs from photographs stored in electronic form.
8. Packaging of the photocopied or printed copy of the record for shipping or faxing.
9. If the record is stored in electronic form, electronically transmitting a copy of the electronic record instead of printing a copy of the record and shipping or faxing the printed copy.
10. The cost of faxing a copy of the record to a fax number in Ontario or mailing a copy of the record by ordinary mail to an address in Canada.
11. Supervising the individual's examination of the original record for not more than 15 minutes.

The Order allows for fees beyond the \$30 limit, as follows:

- For making and providing photocopies or computer printouts of a record longer than 20 pages at the amount of \$0.25 cents per page
- For making and providing a paper copy from microfilm or microfiche at the amount of \$0.50 cents per page
- For making a disc of a record stored in electronic form for the amount of \$10.00



- For the review of the contents of the record to determine if the record contains information to which access should be refused in the amount of \$45 for each 15 minutes (after the first 15).

The Order considers these fees to be the standard for the release of records, whether such records are released to the individual patient, or to a lawyer, insurance company, or other third party.

Transfer of Records

In the event of relocation, retirement or leaving a practice, members should contact patients (at least current and recent) to confirm whether they wish to have their records transferred to a specific practice, or transferred to a practice chosen by the member, and inform them of any fees for this service. Fees should be contingent on cost-recovery (e.g., the cost of shipping or faxing patient records).

Fee Sharing

Fee splitting is a financial arrangement in which one pays or receives a percentage of fees billed or collected in payment for services, supervision, office space, administrative support of any other goods and services. According to Standard 10.5 of CPO's *Standards of Professional Conduct* (revised 2009), fee splitting is unethical and unprofessional and any arrangement for payment must be based on a fixed rate of remuneration.



APPENDIX A

Canadian Code of Ethics for Psychologists (CPA, 2000)

Principle I: Respect for the Dignity of Persons

Non-discrimination

- I.11 Seek to design research, teaching, practice and business activities in such a way that they contribute to the fair distribution of benefits to individuals and groups, and that they do not unfairly exclude those who are vulnerable or might be disadvantaged.

Fair treatment/due process

- I.12 Work and act in a spirit of fair treatment to others.
- I.14 Compensate others fairly for the use of their time, energy, and knowledge, unless such compensation is refused in advance.
- I.15 Establish fees that are fair in light of the time, energy, and knowledge of the psychologist and any associates or employees, and in light of the market value of the product or service.

Informed consent

- I.16 Seek as full and active participation as possible from others in decisions that affect them, integrating as much as possible their opinions and wishes.
- I.25 Provide new information in a timely manner, whenever such information is available and is significant enough that it reasonably could be seen as relevant to the original or ongoing informed consent.

Principle II: Responsible Caring

General caring

- II.2 Avoid doing harm to patients, research participants, employees, supervisees, students, trainees, colleagues, and others.



Maximize benefit

- II.19 Create and maintain records relating to their activities that are sufficient to support continuity and coordination of their activities with the activities of others

Minimize harm

- II.32 Provide a patient, if appropriate and if desired by the patient, with reasonable assistance to find a way to receive needed services in the event that third party payments are exhausted and the patient cannot afford the fees involved.

Principle III: Integrity in Relationships

Accuracy/honesty

- III.1 Not knowingly participate in, condone, or be associated with dishonesty, fraud, or misrepresentation.

Straightforwardness/openness

- III.14 Be clear and straightforward about all information needed to establish informed consent or any other valid or written agreement (for example: fees, including any limitations posed by third party payers; relevant business policies and practices; mutual concerns; mutual responsibilities; purpose and nature of the relationship, including research participation; alternatives; likely experiences; possible conflicts; possible outcomes; and, expectations for processing, using, and sharing any information generated).

Avoidance of conflict of interest

- III.31 Not exploit any relationship established as a psychologist to further personal, political, or business interests at the expense of the best interests of their patients, research participants, students, employers, or others. This includes, but is not limited to: soliciting patients of one's employing agency for private practice; . . . using the resources of one's employing institution for purposes not agreed to; giving or receiving kickbacks or bonuses for referrals; seeking or accepting loans or investments from patients; . . . (Excerpt only. For all examples, see Code.)



Principle IV: Responsibility to Society

Beneficial activities

- IV.9 Help develop, promote, and participate in accountability processes and procedures related to their work.
- IV.12 Contribute to the general welfare of society (e.g., improving accessibility of services, regardless of ability to pay) and/or to the general welfare of their discipline, by offering a portion of their time to work for which they receive little or no financial return.
- IV.14 Enter only into agreements or contracts that allow them to act in accordance with the ethical principles and standards of this Code.



APPENDIX B

Standards of Professional Conduct (CPO, revised 2009)

10. Fees/Contract for Services

10.1 Fees and Billing Arrangements

A member shall reach an agreement with an individual, group or organization concerning the psychological services to be provided, the fees to be charged and the billing arrangements prior to providing psychological services. Any changes in the services to be provided shall be agreed to by the client before service is delivered or fees are changed. Fees shall be based on the amount of time spent and complexity of the services rendered. Fees shall not be set on the basis of advantage or material benefits accruing to the individual receiving services.

10.2 Interest Charges

A member may charge interest on an overdue account if the client is informed of this practice at the time of billing.

10.3 Collection of Unpaid Fees

If the client does not pay for psychological services as agreed, and if the member intends to use a collection agency or legal options to collect the fees, the member shall first inform the client of this intention and provide an opportunity for payment to be made.

10.4 Retainers

A member shall not ask a client to prepay for psychological services. Funds may be held in trust if agreed by the client and the member. These trust funds shall only be applied to services rendered and any excess returned to the client following the termination or conclusion of services.

10.5 Fee Splitting

(1) A members shall not enter into a contractual arrangement such as a lease for use of premises or equipment or administrative services which provides for fee or income splitting based on a percentage of fees invoiced or collected.

(2) Any arrangement for payment for services shall be based on a fixed rate of remuneration and not on a percentage of fees invoiced or collected.



APPENDIX C

Psychology Act, Ontario Regulation 801/93 (Professional Misconduct)

Business Practices

22. Failing to inform the patient, before or at the commencement of a service of the fees and charges to be levied for the service, and for late cancellations or missed appointments.
23. Submitting an account or charge for services that the member knows is false or misleading.
24. Charging a fee that is excessive in relation to the service performed.
25. Charging a fee for a service that exceeds the fee set out in the schedule of fees currently published for the profession without informing the patient, before or at the commencement of the service, of the additional amount that will be charged.
26. Receiving or conferring a rebate, fee or other benefit by reason of the referral of a patient from or to another person.
27. Charging a fee for an undertaking to provide an on-call service to a patient unless the patient is an organization.
28. Offering or giving a reduction for prompt payment of an account.
29. Failing to provide an itemized account for professional services within a reasonable time, if requested to do so by the patient or the person or agency who is to pay, in whole or in part, for the services.
30. Selling any debt owed to the member for professional services. This does not include the use of credit cards to pay for professional services.