

Guidelines regarding financial dealings and fair trading

Introduction

These Guidelines deal with financial arrangements for psychological services. Clients should be clearly informed about the conditions under which they purchase psychological services.

These Guidelines also cover the issue of financial arrangements between professionals regarding employment, the problem of payment for referrals, and establishing fair employment practices with or for less experienced psychologists.

Fees

Refer to the *Code of Ethics* (1999), Section B 'Relationships with Clients':

B14: Members must make advance financial arrangements that safeguard the best interests of and are clearly understood by clients. They must avoid financial arrangements which may, currently or subsequently, influence deleteriously the psychological services provided.

Members shall ensure that services to clients shall be of equally high standard regardless of whether the client or a third party remunerates them for these services.

B19: Members must terminate a consulting relationship when it is reasonably clear that the client is not benefiting from it. They must offer to help the client locate alternative sources of assistance. When a client indicates to a member that he or she would like a second opinion the member must offer every practical assistance to obtain a competent second opinion.

The APS *Charter for Clients of Psychologists* states:

- You will receive a clear statement about fees

Setting up clearly understood financial arrangements for clients include providing (in an understandable form for the client, usually written):

- a detailed cancellation policy for clients who either postpone, cancel or fail to attend appointments;
- information that explains if and when miscellaneous costs (e.g. phone calls, photocopying) would be chargeable;
- information on when charges for travel apply;
- a cost estimate for situations where a psychological report is requested; and
- an indication on when and how payment is to be made.

If clients do not pay their account, information should be made available that explains the processes that are followed.

Change in a client's financial circumstances

Refer to the APS *Charter for Clients of Psychologists*:

- Your consent for any service will be sought by the psychologist prior to the service commencing and as it progresses.
- You will receive an estimate of the number of sessions required to achieve the outcome.

Members should be mindful of the possibility of clients' financial circumstances changing during the time they receive psychological services. If a client indicates such a situation the member should consult with the client about available options. These may include adjusting the frequency of services to match the client's ability to pay, or informing the client about lower cost options available through the public sector, for example Community Health Centres or University Psychology Clinics.

It is inadvisable and may be unethical to allow clients to accumulate large bills for psychological services when such clients are unlikely to be able to pay them in a reasonable period of time.

Members are reminded that in situations where one of their clients has unpaid accounts, their ethical obligations to the client remain unchanged.

Alternative methods of payment

Refer to the *Guidelines for managing professional boundaries and multiple relationships*:

Barter: Psychologists should ordinarily refrain from accepting goods or other non-monetary remuneration from clients in return for psychological services because such arrangements create inherent potential for conflict and exploitation within the professional relationship. Engaging in bartering arrangements may initially appear to be a beneficial solution for clients experiencing difficulties in paying for services, however problems frequently develop. At first the trade may seem fair, however later the psychologist or client may feel the exchange is unfair and the professional relationship may suffer or even break down. Nevertheless, it is recognised that cultural differences exist on this issue.

Members are referred to the APS Ethics Committee statement on bartering (1996).

Recovery of outstanding accounts

If clients have outstanding accounts it is important, initially, to explore options for payment. These **may** include:

- payment by instalments over a finite period of time; or
- arranging a small additional fee for ongoing clients to pay as a surcharge on each new session to cover the outstanding balance.

Refer to the *Guidelines on confidentiality (including when working with minors)*:

Confidential information may be disclosed if the psychologist's interests require disclosure, for example in pursuit of a bad debt or in defence of a legal action taken by a client.

Referral

Refer to the *Code of Ethics* Section B 'Relationships with Clients':

B17: Members must neither receive nor give respectively any remuneration for referring clients to or accepting referrals from other professionals for professional services.

The APS recognises that members, as a normal part of their practice, engage in a variety of financial dealings that involve tender and receipt of payment to other psychologists, professionals, businesses or organisations. Such dealings may include, but are not restricted to: rental of office accommodation; costs associated with shared use of facilities and administrative support; fees for membership of professional collectives that have been formed for marketing purposes; referral database membership dues; partnership contributions to operating costs of a business, and fees for service.

The following points expand on the interpretation of Clause B17:

- Members should not make or receive bounty payments for referrals. A bounty is defined here as a sum paid solely to encourage trade, in this case in the form of a per capita payment on a referral. Such payments are ethically unacceptable because they could be perceived as posing a threat to members' commitment to individual clients' best interests. They increase the potential for a conflict of interest between members' financial dealings and their professional responsibilities.
- When making or receiving referrals, and when entering into financial arrangements with other professionals or organisations, members must first and foremost consider individual clients' best interests.
- When making referrals, members must take reasonable steps to ensure that the service provider who is the recipient of the referral is competent to provide the service for which the referral is made. Similarly, members receiving referrals must be competent to deliver the service for which the individual client has been referred.
- Members making and receiving referrals have a shared responsibility to ensure that individual clients are aware of the referral arrangements, including any financial agreements, that exist between the referrer and the service provider who is the recipient of the referral.
- Individual clients must be free to decline a referral to or by a member. In these circumstances, if it is a member making the referral, then that member must respect the client's decision to decline the referral, and must take reasonable steps to assist the client by arranging an alternative referral that is acceptable to the client.

- Any ongoing responsibilities that the professional who makes the referral may have for the individual client should be negotiated between the referrer, the referral recipient and the client when the referral is made.
- When a member pays, receives payment from, or divides fees with another professional, other than in an employer-employee relationship, the payment to each is based on the services provided (clinical, consultative, administrative, or other) and is not based on the referral itself.

Contracts

Before entering into employment contracts, members are advised to read them carefully and to check for potential breaches of the *Code of Ethics*. If a contract does not contain a commitment to professional and ethical standards, members are advised to request the insertion of such a statement in the contract in the best interests of all parties to the contract.

Employment of members by members

Members who employ other members as employees and as sub-contractors are advised to:

- recognise and adhere to legislation relevant to recruitment, selection and employment of staff, and any Employment Awards, and to access relevant salary tables and terms of conditions of employment of psychologists. The advice of the Society's Workplace Issues Adviser may be sought on these matters;
- refrain from offering unpaid or under-paid employment, with or without the inducement of professional supervision. (This does not refer to supervised unpaid work experience for the purpose of completion of a professional placement within an APS-accredited course);
- refrain from involvement in employment relationships which are designed to avoid relevant taxation, leave entitlements, superannuation or other such legal obligations;
- refrain from employment practices that are deceptive, misleading, unethical or otherwise take advantage of the unequal power relationship between employer and employee, or of the employee's capacity to find alternative employment. In sub-contracting arrangements, it is the employing member who retains the ultimate responsibility for payment of the sub-contractor, even if the sub-contractor's clients do not pay their accounts. In situations where a shared risk is established, for example for a large tender, it is reasonable under such circumstances that the level of risk incurred (that is, not being paid) could be shared by those bidding;
- provide or arrange the provision of professional supervision appropriate to the level of experience of members in their employ and the specific needs of the workplace context, at no cost to the employee;
- provide or arrange office accommodation and related facilities and fittings of an appropriate standard, and record storage facilities to ensure security of confidential psychological materials. The Society's Workplace Issues Adviser may be consulted about detailed specifications; and
- generally provide or promote a safe and healthy work environment, free from harassment and other practices which may adversely affect the employee's welfare and health.

Sub-contractors

Refer to the *Code of Ethics*, Section B 'Relationships with Clients':

B20: When there is evidence of a problem or a condition with which the member is not competent to deal, the member must make this clear to the client and must refer the client to an appropriate source of expertise.

When members are employed as sub-contractors, they have a responsibility to the employing member to accept work with which they are competent to deal. If a client's presentation reveals other problems that are outside the competence of the sub-contracted member, then the employing member should be informed immediately, and an appropriate referral made.

B13: When a member agrees to provide services to a client at the request of a third party, the member assumes the responsibility of clarifying the nature of the relationships with all parties concerned.

It is the responsibility of members who accept employment or sub-contracted work from other members to ensure that they, the other member(s), and the client(s) clearly understand the terms and conditions of the services being provided.

Sub-contracting: worked example

Where members employ other members in a sub-contracting capacity, the costing arrangements should be independent of the source of referral. If a member, Ms A of Ms A & Associates, has a client call her for an appointment, and then refers that client to Mr B, who is one of her associates, then there may be some administrative charges made to Mr B by Ms A to be part of the business Ms A & Associates. This arrangement would need to be agreed between Ms A and Mr B before any referrals took place. Any payment would need to be based on the services actually provided, not the services expected. In this case it would need to be made clear to the client that they would be seeing Mr B in his role as one of the associates of Ms A & Associates. Mr B may also work as an independent practitioner. In this situation Mr B should have two business cards, one as a member of Ms A & Associates, and the other simply as Mr B, Psychologist.

If Ms A refers a client to Mr C who has no pre-established demonstrable affiliation with Ms A & Associates, then Ms A may **not** make any charge to Mr C for the referral.

References

- Australian Psychological Society (1999). *Code of Ethics*. Melbourne.
- Australian Psychological Society (1996). Barter: Ethics Committee asks where to draw the line? *The Bulletin of the Australian Psychological Society*, 18 (6), 7.

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