

Collecting for Missed Sessions: Making More Without Working More

by Barbara Griswold, LMFT

In my consultations with therapists nationwide, I help them strategize on how to keep more of their hard-earned money — without working harder.

While there are many factors we can't control, I am struck by how often these therapists are leaving thousands of dollars on the table each year due to one thing they can control: their cancellation policy.

It's true, insurance generally won't cover missed/late-cancelled sessions, and shouldn't be billed for them. EAPs also don't usually allow you to charge for a no-show, or it may count as one session (but check your contract: some EAPs do pay for no-shows, depending on the employer account).

However, if you are a network provider with the client's insurance, most insurance plans allow you to charge the client directly for the missed or late-cancelled session. Of course, there are some conditions: Usually, network providers are only allowed to charge your insurance contracted rate. In addition, the client must have signed your cancellation policy in advance, which spells out how much advance notice is needed to avoid the charge, and the amount of the charge. Out-of-network therapists can charge clients up to their full fee for missed sessions.

What I find sad is that most therapists tell me that while they have cancellation policy, but they don't consistently-- or ever-- enforce it.

So why aren't we charging clients regularly for missed sessions? We are compassionate — we know clients are busy, and things come up. We want to be seen as kind and flexible. We feel guilty charging for a session when no service was provided. And while we spend our days encouraging clients to express feelings, the truth is most of us really don't want them to be mad at us. We may even be afraid the client will terminate, which could result in a larger income loss. But maybe the deeper reason has to do with our own relationship with money, and our discomfort seeing ourselves as small business owners.



But would you question an airline that charged you if you missed a flight? A hotel that charged for a late-cancelled reservation? In both cases, a service was not provided. So, why don't we think of a missed therapy session in the same way? In all cases, the business was prepared to provide the service, but the client's late cancellation means the business doesn't have time to fill the reserved space, and loses money.

And this can add up to thousands of dollars in lost income. Do the math: Imagine you started collecting on two missed sessions each week, then multiply that income by 52 weeks/year (minus a few weeks for vacation). That's how much more you'd be making annually if you collected for those missed sessions. It could be more than \$10,000 - \$15,000.

I challenge you today to stop paying for the chaos in your clients' lives. Each week, you will have a certain amount of income lost due to things you can't control -- unfilled hours, vacations, sudden emergencies and illnesses (yours or clients'). You don't need to add to that. Also, a firm (*continued*)

(continued) cancellation policy serves a therapeutic function: It role models clear boundaries, and challenges clients to make therapy (and themselves) a priority.

6 Tips to Earn More Without Getting More Clients:

1. **Have a clear cancellation policy and communicate it to clients**, spell it out in your treatment agreement and go over it verbally with them in the first session. Identify exactly what the missed session fee will be, and if you are in-network, that they must pay more than a copayment.
2. **Enforce your no-show policy — consistently.** Otherwise, as with inconsistent discipline in parenting, we encourage boundary-testing by clients. Therapists with clear boundaries tend to have clients who attend more regularly. Consider: what message do you send when you have a policy but then don't enforce it? Remember the brilliant phrase: "we teach people how to treat us."
3. **Know your exceptions.** It's OK to make exceptions to your policy. I don't charge when the client had no control, and way of knowing they would have to miss the appointment (ex. medical emergency or waking up sick). I do charge for most work conflicts because I don't want to make it easy for a client to put work before self-care. Some therapists allow one missed session for no charge, and charge for any missed after that.
4. **Charge the full amount you would have collected for the session**, not a reduced "missed session fee." Otherwise, why are you taking a loss due to their missed session?
5. **Don't allow a late-cancelled session to be rescheduled later in the week for free.** The client is essentially taking two of your slots and paying for one. Even more significantly, it sets up an expectation that you'll allow this in the future.
6. **Get a Credit Card Authorization** at the intake session so you can charge for missed sessions as they occur. Not only does this help ensure you are paid, even if the client never comes back, but often clients don't seem to feel as bad about the charge when it is on their credit card. (I have a sample Credit Card Authorization in my Sample Forms Packet, [available here](#)).

Some Helpful Scripts:

- **When a client late-cancels, gently remind them of the fee:** Say "I'm so sorry — I know you're busy, and I hate to charge you in full (not just your copay) for a session when you won't get the benefit. So, if there is any way you can make it I hope you can work it out." It is amazing to me how often they work it out so they can show up.
- **If they are unable to come due to a work conflict:** "I'm sorry, as you know I reserve that time for you, so I will have to charge you in full — not just your copayment -- for the session. But once you've paid I can give you an invoice for the missed session and you might be able to get your company to reimburse you." I've actually had employers reimburse clients for missed sessions. Make sure any invoice you give a client clearly indicates it was a missed session.

About the Author: Barbara Griswold, LMFT is a private practice coach, and the author of *Navigating the Insurance Maze: The Therapist's Complete Guide to Working with Insurance – And Whether You Should*, now in its 8th edition (www.theinsurancemaze.com). In addition to her 30-year private practice in San Jose, California, she provides consultations and trainings to therapists nationwide with question about insurance, progress notes, and the business side of their practices. She has been interviewed on NPR's "Morning Edition," and her articles have appeared in *Psychotherapy Networker* and *The Therapist* magazines. Barbara publishes an e-newsletter called "What Every Therapist Should Know About Insurance." She invites therapists to [contact her](#) to get help navigating the insurance (and private practice) maze.