

2006

Music therapy self-employment resource binder

Jennifer M. Korff

Follow this and additional works at: <https://commons.emich.edu/honors>

Recommended Citation

Korff, Jennifer M., "Music therapy self-employment resource binder" (2006). *Senior Honors Theses & Projects*. 34.

<https://commons.emich.edu/honors/34>

This Open Access Senior Honors Thesis is brought to you for free and open access by the Honors College at DigitalCommons@EMU. It has been accepted for inclusion in Senior Honors Theses & Projects by an authorized administrator of DigitalCommons@EMU. For more information, please contact lib-ir@emich.edu.

Music therapy self-employment resource binder

Degree Type

Open Access Senior Honors Thesis

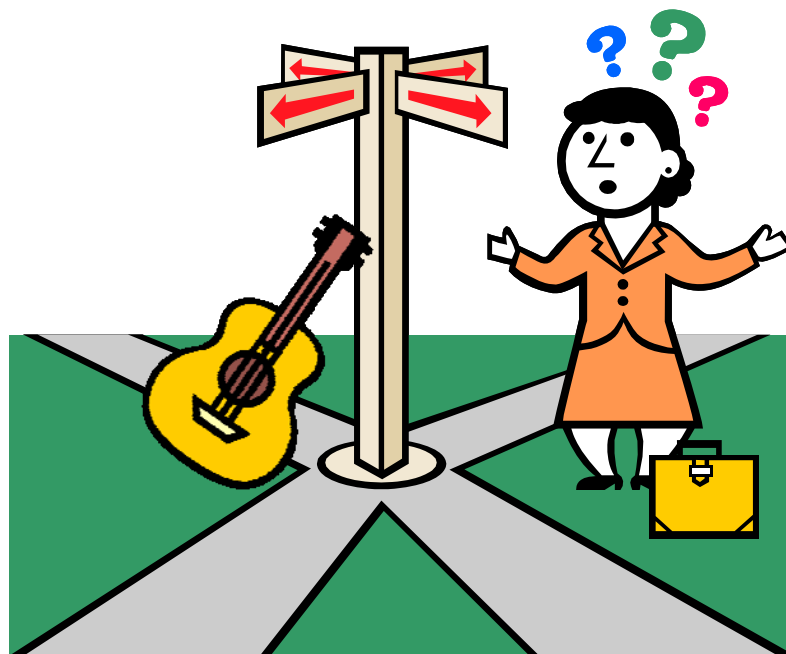
Department

Music and Dance

Keywords

Self-employed, Entrepreneurship, Music therapists Vocational guidance

Music Therapy Self-Employment Resource Binder



Jennifer M. Korff
Senior Thesis
Fall 2006

Table of Contents

Rationale	3
Steps for Developing Self-Employment	5
Finding Clients.....	9
Agencies to Contact for Potential Clients	10
Example Agency List.....	11
Marketing	15
Financial Issues	18
Sources for Reimbursement.....	19
Considerations for Determining Fees	22
Tax Deductions	23
Business Resources	24
Tips about Self-Employment	27
Business, Finance, and Insurance Glossary	31
References.....	34

Rationale

Rationale

The purpose of this manual is to point potential self-employed music therapists to resources that can help them establish self-employment. It is not intended to be a detailed guide. It is instead intended to provide general information about establishing self-employment and provide resources for questions and roadblocks music therapists may encounter.

This resource manual is written in general, universal terms. The goal is for music therapists wishing to establish self-employment anywhere in the country to be able to utilize these resources.

The one exception to the universality of the information is the example list in the “Finding Clientele” section. The purpose of the example list is simply to show how many potential agencies are available in any given city, even one the size of Ypsilanti.

Steps for Developing Self- Employment

Steps for Developing Self-Employment

The following is a general outline of the steps many music therapists take to become self-employed. The order of the steps has some flexibility and some music therapists may find that not all of the steps are necessary in their particular situations.

1. Take personal and professional inventories.

Personal and professional inventories allow music therapists to examine their strengths and deficits, establish personal and professional goals, and determine whether or not self-employment is a suitable option for them. Examples of personal and professional inventories are available in Unit 1 of *You're the Boss! Self-Employment Strategies for Music Therapists* (Knoll, Henry, & Reuer, 2000).

2. Consider employment options and business structures.

Employment options include being a contractual music therapist, consultative music therapist, operating a private practice, having a full-time position at a facility plus seeing individual clients, or a combination of these options.

Business structures include sole proprietorship, general partnership, limited liability company, and corporation.

3. Research the market.

The three components of market research include assessing self, assessing competing services, and assessing potential clients.

References:

Ann Arbor Area Chamber of Commerce. (1999)
Gfeller, K. (2002)
Knoll, C. (2005)

Knoll, C., Henry, D., & Reuer, B. (2000)
Oliver, S. (1989)
Wilhelm, K. (2004)

4. Consult with attorneys, accountants, and other business professionals.

These professionals can give guidance on many business choices, such as business structure, tax information, and documentation that needs to be filed with state and local governments.

5. Identify potential obstacles.

Obstacles can include financially depending on a single clientele; waiting for clients to come to the therapist; taking any client that comes along, even if they do not fit the therapist's expertise or priorities; overlooking important expenses when budgeting; relying solely on oral agreements; inadequate focus on business aspects of self-employed music therapy; and trying to manage without help from outside resources.

6. Establish a business plan.

A business plan is the *what*, *why*, and *how* of the business. It may also include the business's mission statement, purpose, or formal goal. "Music Therapy Services of Arizona: An Alternative Approach to Service Provision" (Oliver, 1989) offers an example of a business plan which was very successful for that particular business.

7. Take necessary legal steps for establishing a business.

These steps may include:

- ◆ Registering the business name
- ◆ Registering for an Employer Identification Number (EIN)
- ◆ Registering for state business taxes
- ◆ Checking zoning requirements if running a private practice out of a home or other studio
- ◆ Registering for any local taxes or licenses

Many local governments also require businesses to meet certain accessibility standards. Even if a music therapist's local government does not have such a requirement for their situation, it is beneficial to ensure accessibility of doorways, sidewalks, etc. if the therapist will be serving any clients with physical disabilities.

References:

Ann Arbor Area Chamber of Commerce. (1999)
Gfeller, K. (2002)
Knoll, C. (2005)

Knoll, C., Henry, D., & Reuer, B. (2000)
Oliver, S. (1989)
Wilhelm, K. (2004)

8. Specify resources required and budget for them.

Resources include equipment and materials needed within actual music therapy sessions. Resources also include other materials needed to run a business, such as office supplies.

When making an initial budget, music therapists need to factor in costs of these resources, projected expenses of other necessities (see below), amount of start-up capital, and projected income.

Potential Expenses:

- ◆ Resources- both session-related and office materials
- ◆ Self-employment and other taxes
- ◆ Liability insurance
- ◆ Personal benefits (ie: health insurance, dental insurance, etc.)
- ◆ Gas and travel expenses if seeing clients at multiple sites
- ◆ Professional dues, conferences, etc.
- ◆ Rent and utilities for private studio
- ◆ Repair and replacement of instruments and accessories
- ◆ Marketing
- ◆ Childcare

9. Market and educate potential clients about services.

Marketing and education can be done formally or informally. Formal methods include giving speeches at various organizations and conducting in-services. Informal methods include conversations with potential clients and their caretakers.

10. Develop policies and contracts.

Policies and contracts can include sections about confidentiality, protocols, observers, absences, and payment. If contracting with a specific agency, that agency may have a pre-made contract they wish to use. Music therapists can add an addendum onto these if they find the contracts do not address all the issues pertinent to their situations.

References:

Ann Arbor Area Chamber of Commerce. (1999)
Gfeller, K. (2002)
Knoll, C. (2005)

Knoll, C., Henry, D., & Reuer, B. (2000)
Oliver, S. (1989)
Wilhelm, K. (2004)

Finding Clients

Agencies to Contact for Potential Clients

Hospitals	After-School Programs
Hospices	Preschools
Rehabilitation Centers	Child Care Centers
Public Schools	Music Retailers
Private Schools	Public/Private Music Academies
Alternative Schools	Caregiver Services
Home School Networks	Peer Support Groups
Group Homes	Counseling Services
Senior Centers	Therapy Clinics
Adult Day Care Programs	Preventative Health Programs
Elder Hostels	University-Based Service Programs
Home Health Agencies	Advocacy Groups
Correctional Facilities	

There are national advocacy groups for people with various disabilities/disorders. Many of these groups have websites that can help you find a chapter near you.

Autism Society of America

http://209.200.89.252/search_site/chapter_map.cfm

National Down Syndrome Society

http://www.ndss.org/index.php?option=com_wrapper&Itemid=244

Traumatic Brain Injury resources

<http://www.traumaticbraininjury.com/content/resources/stateresourcesfortbi.html>

References:

Knoll, C., Henry, D. & Reuer, B. (2000)

Example Agency List: Ypsilanti, Michigan

All facilities listed have an Ypsilanti address.

-List valid as of December 2006-

Adult Day Care

Evelyn Daycare.....734-484-4860

Child Care Centers/Preschools

34 Daycare734-484-3399
 Adventure Center734-434-0505
 Anjel Daycare734-528-9002
 Beno's Daycare.....734-484-3852
 Care Bear Child Care734-483-2440
 Care Unlimited.....734-484-0743
 Chante's Daycare734-544-2041
 Charlie Brown Kidz Zone734-484-6466
 Cherone's Daycare.....734-482-1640
 Children Rainbow Center734-547-0843
 Children's Institute at Eastern Michigan University734-487-0286
 Christ Temple Toddlers734-485-8561
 Dr. Seuss734-484-5610
 Dorothy's Discovery Daycare.....734-483-9683
 Exploration Station734-528-1600
 Gina's Daycare.....734-484-5114
 Ginny's Loving Daycare.....734-487-3287
 God's Little Angels Daycare734-484-3099
 Grandma Lottie's Childcare Services734-483-7601
 Grandma's Daycare734-480-2371
 Humpty Dumpty Day Care734-485-7727
 It's a Small World Daycare.....734-482-7425
 Jaeiah's Child Care734-544-9980
 Johnson's Day Care734-482-7228
 Jo's Daycare.....734-484-6869
 Joyland Learning Center.....734-485-7775
 Juanita's Child Care.....734-572-1619
 Kaleidoscope Child Care Center.....734-487-7911
 K C Child Care Center.....734-485-0886
 Keishas Daycare.....734-434-8020
 Kim's Care734-848-4557
 Lady J's Daycare.....734-484-6429
 Lakeisha and Chris's Playhouse734-482-2280
 Louises Daycare.....734-544-0094

References:

Yellow Book 2006-2007: Ann Arbor. (2006)

Manda's Day Care	734-482-4904
Marie's Childcare Service.....	734-484-9840
Marilyn's Day Care.....	734-484-1685
Mary's House of Daycare	734-482-8313
Medallion School Partnerships	734-482-8465
Mother Goose Day Care	734-483-1744
Mother Jones Child Development Center.....	734-484-4555
Neshia Day Care	734-544-4696
Once A Pond A Child	734-483-1772
Tasha's Cover Family and Friends Daycare.....	734-485-4780
Teddy Bear Day Care and Learning Center.....	734-482-6161
Theresa's Day Care.....	734-484-3009
Tiggers Playhouse.....	734-484-6447
Yolanda's Childcare.....	734-544-3370

Community Health Agency

Washtenaw Community Health Organization	734-544-3000
---	--------------

Correctional Facility/Psychiatric Hospital

Huron Valley Center.....	734-434-5888
--------------------------	--------------

Counseling Services

CBC Services	734-485-8527
Community Support and Treatment Services.....	734-544-3000
Crossroads Counseling Center.....	734-528-9703
Eastern Michigan University Psychology Clinic	734-487-4987
HIV/AIDS Resource Center	734-572-9355
Kephera Counseling Service.....	734-484-0030
Pregnancy Counseling Center.....	734-434-3088

Home Health Agencies

Care One Inc	734-480-0011
Heritage Home Care	734-481-9100
My Home Doctor P C	734-484-6420
Patient Care Homecare	734-484-3799
Personal Touch Home Health Care.....	734-480-0015
Total Care Inc	734-484-5341
Tubbs Rebecca.....	734-483-1093

Hospital

St. Joseph Mercy Hospital	734-712-3456
---------------------------------	--------------

Music Retailers

Dennis's Music	734-217-0547
Fast Eddie's Music.....	734-484-7300

References:

Yellow Book 2006-2007: Ann Arbor. (2006)

Nursing Homes/Assisted Living

738 Harriet Adult Foster Care.....	734-485-0355
Bortz Health Care	734-483-2220
Cross Commons Assisted Living Home.....	734-544-1099
Fairfax Manor	734-483-6662
The Gilbert Residence.....	734-482-9498
Roosevelt Assisted Living	734-544-9850
Superior Woods	734-547-7600
Village at St. Joseph Mercy Hospital.....	734-712-1600

Private Schools

Calvary Christian Academy (Elementary).....	734-482-7070
Calvary Christian Academy (Jr./Sr. High).....	734-482-1990
Genesis Christian Academy	734-483-2704
Huron Valley Catholic High School.....	734-483-0366
New Beginnings Academy	734-481-9001
South Arbor Academy	734-528-2821
Victory Academy	734-485-9100

Public Schools

Adams Math, Science, and Technology Academy	734-714-1650
Brick Elementary School	734-484-7031
Chapelle Community School	734-714-1700
Cheney Academy of Math and Science	734-961-6753
Childs Elementary School.....	734-484-7035
East Middle School.....	734-714-1400
Erickson Elementary School.....	734-714-1600
Estabrook Elementary School.....	734-714-1900
Ford Elementary School	734-961-6403
Forest Avenue School	734-482-9905
Holmes Elementary School.....	734-961-6503
Kaiser Elementary School.....	734-961-6553
Kettering Elementary School.....	734-961-6703
Lincoln Early Childhood Center.....	734-484-7000
Lincoln Middle School	734-484-7000
Lincoln High School.....	734-484-7000
Model Elementary School.....	734-484-7045
Perry Child Development Center.....	734-714-1750
Rawsonville Elementary School.....	734-482-9845
Redner Elementary School	734-484-7061
Thurston Kindergarten.....	734-961-6454
Washtenaw County Head Start	734-484-7119
West Middle School.....	734-714-1700
Willow Run High School.....	734-961-6015
Willow Run Middle School	734-961-6162
Ypsilanti High School.....	734-714-1000

References:

Yellow Book 2006-2007: Ann Arbor. (2006)

Rehabilitation Services

Brook Rehab Solution.....734-487-1642
Rainbow Rehabilitation Center.....734-482-1200
Saint Joseph Mercy Rehabilitation Services.....734-712-3565
Ypsilanti Medical and Drug Rehabilitation Center734-484-9600

Therapy Clinics

Great Lakes Institute of Manual Therapy734-665-1626
Quantum Physical Therapy.....734-483-9200
Total Care.....734-484-9820

University-Based Service Programs

Snow Health Center at Eastern Michigan University734-487-1122

Marketing

Marketing

-Approaches to help music therapists promote their services-

- ◆ Self-employed music therapists point out that the best advertising is superior work. To attract potential clients, music therapists need to offer quality services.
- ◆ Generally, marketing takes about 30% more time and will result in 30% less sales than forecasted.
- ◆ Self-employed music therapists advise that anything music therapists say or do can reflect either positively or negatively on their business. Therefore, everything music therapists do in public should be considered marketing.

Marketing Tools

- ◆ Word-of-mouth
- ◆ Brochures
- ◆ Information packets
- ◆ One-on-one meetings with potential clients

Marketing Tools Traditionally *Not* Beneficial for Music Therapists

- ◆ Advertisements in the *Yellow Pages*
- ◆ Newspaper and magazine advertisements
- ◆ Mass mailings
- ◆ Web sites
- ◆ Billboard advertisements
- ◆ Utilizing the services of a marketing agency

References:

Knoll, C. (2005)

Knoll, C., Henry, D., Reuer, B. (2000)

Wilhelm, K. (2004)

Specific Marketing Strategies

- ◆ Locate and assess potential clients and employers
 - Present funding options that are viable with the employer's financial state
 - Make the benefits of music therapy as concrete as possible
 - Communicate the benefits that are most relevant to the potential clientele

- ◆ Increase visibility in the community
 - Lead workshops and in-services
 - Perform in recitals or other musical events
 - Use the media (via press releases, etc.)

- ◆ Encourage others to observe sessions

- ◆ Practice relationship marketing
 - Strengthen relationship with people in all interactions, not just those directly related to music therapy

- ◆ Attend professional conferences of disciplines outside music therapy
 - Network with other professionals who could give referrals

- ◆ Research all competitors
 - Competitors are not just other music therapists. They are anyone who draws funds from the same sources from which music therapists draw.

- ◆ Target not only people who supply funds, but also people who request services (ie: teachers, parents, direct care staff, etc.)

- ◆ Avoid spending too much money on fancy business cards and other marketing tools
 - Utilize cheaper marketing options like word-of-mouth unless in a market that necessitates more expensive option

References:

Knoll, C. (2005)

Knoll, C., Henry, D., Reuer, B. (2000)

Wilhelm, K. (2004)

Financial Issues

Sources for Reimbursement

Listed below are various sources from which self-employed music therapists currently acquire reimbursement. Many sources also have a website listed for further information about that particular source.

Private Pay

Private pay can include:

- ◆ Money given directly from the client or client's caretaker for services
- ◆ Money provided to the client via SSI or other government aid
- ◆ In-kind services. (ie: A music therapist provides music therapy for a client, and in turn, the client or the client's caretaker provides a service- such as gardening or housekeeping- to the music therapist.)

Medicare

www.cms.hhs.gov/medicareGenInfo/

Music therapy is reimbursable under the benefits for Partial Hospitalization Programs under the heading of Activity Therapy using the code G0176.

To be reimbursable, the music therapy must be

- ◆ prescribed by a doctor
- ◆ deemed reasonable and necessary for the treatment of an individual's illness or injury
- ◆ goal-directed and based on a documented treatment plan

Medicaid

<http://www.cms.hhs.gov/MedicaidGenInfo/>

Private Insurance

State and County Departments of Mental Health

State and County Departments of Developmental Disabilities

Worker's Compensation

Private Automobile Insurance

References:

American Music Therapy Association. (2005)
 American Music Therapy Association. (n.d. a)
 American Music Therapy Association. (n.d. b)
 Knoll, C. (2005)
 Knoll, C. , Henry, D. & Reuer, B. (2000)
 OASD (Health Affairs). (2006)

Oliver, S. (1989)
 USDHHS Centers for Medicare and Medicaid Services. (2005)
 USDHHS Centers for Medicare and Medicaid Services. (2006)

TRICARE

http://www.tricare.osd.mil/provider/provider_cert.cfm

TRICARE is a health care plan that provides coverage for U.S. military personnel and their families.

Individuals with Disabilities Education Act (IDEA)

Music therapy may be able to be funded under Part B- Related Services Funding.

Adoption Subsidies

http://www.nacac.org/subsidyus_definitions.html

Grants and Endowments**Agencies**

- ◆ Agencies that Focus on Specific Disabilities
 - Agencies may be willing fund a music therapy group that focuses on a particular disability or caretakers may be able to request funds through these agencies to cover the cost of the client's individual or group therapy.

The following agencies have links to funding resources on their websites:

Autism Society of America

http://www.autism-society.org/site/PageServer?pagename=about_resources

Traumatic Brain Injury.Com

<http://www.traumaticbraininjury.com/content/resources/stateresourcesfortbi.html>

U.S. Department of Health and Human Services Substance Abuse and Mental Health Administration

<http://www.samhsa.gov/grants/apply.aspx>

References:

American Music Therapy Association. (2005)
 American Music Therapy Association. (n.d. a)
 American Music Therapy Association. (n.d. b)
 Knoll, C. (2005)
 Knoll, C. , Henry, D. & Reuer, B. (2000)
 OASD (Health Affairs). (2006)

Oliver, S. (1989)
 USDHHS Centers for Medicare and Medicaid Services. (2005)
 USDHHS Centers for Medicare and Medicaid Services. (2006)

◆ Community Service Organizations

Many community service organizations may be willing to provide funding for individuals or groups in need of music therapy.

The following are links to websites for several nationwide organizations. Each website has a club locator or directory for music therapists and caretakers to be able to find a chapter or club near them.

Lion's Clubs International
<http://www.lionsclubs.org/>

Kiwanis International
<http://www.kiwanis.org/about/>

Optimist International
<http://www.optimist.org/>

The Benevolent and Protective Order of Elks of the USA
<http://www.elks.org/>

Rotary International
<http://www.rotary.org/>

Knights of Columbus
www.kofc.org/

Fraternal Order of Eagles
<http://www.foe.com/>

Altrusa International
www.altrusa.com

Ruritan National
<http://ruritan.org/index.html>

More information about music therapy reimbursement is available for members of the American Music Therapy Association at:

www.musictherapy.org/membersonly/gr/reimbursement.html

References:

American Music Therapy Association. (2005)
 American Music Therapy Association. (n.d. a)
 American Music Therapy Association. (n.d. b)
 Knoll, C. (2005)
 Knoll, C. , Henry, D. & Reuer, B. (2000)
 OASD (Health Affairs). (2006)

Oliver, S. (1989)
 USDHHS Centers for Medicare and Medicaid Services. (2005)
 USDHHS Centers for Medicare and Medicaid Services. (2006)

Considerations for Determining Fees

Resources to Consult:

- ◆ “Self-Employment Rates” in current edition of *AMTA Member Sourcebook*
- ◆ Other self-employed music therapists in the geographical area
- ◆ Other healthcare professional in the geographical area who have a similar level of education and certification as yours

Specific Factors that Influence Fee Rate

- ◆ Costs for Therapist
 - Insurance
 - Childcare
 - Office expenses
 - Marketing/advertising
 - Self-employment and other taxes
 - Professional dues and conference fees
 - Travel expenses to and from service delivery site
 - Equipment and materials (start-up and replacement)
 - Other costs related to self-employment (ie: accountant and attorney fees)

- ◆ Factors Related to Session
 - Length of session
 - Group vs. individual therapy
 - Initial assessment vs. intervention-based session

- ◆ Other Factors
 - Geographic area
 - Prices of competition
 - *Although offering a price lower than the competitor is a way to attract customers, it is not often required to keep them.
 - Consumer perceptions
 - *Many consumers believe the price of a service reflects its quality.
 - Financial situation of client
 - Average number of hours therapist works per month
 - Therapist-level of experience and extent of advanced training

References:

American Music Therapy Association. (2005)
 American Music Therapy Association. (n.d.-b)
 Gfeller, K. (2002)

Knoll, C. (2005)
 Knoll, C., Henry, D., & Reuer, B. (2000)
 Wilhelm, K. (2004)

Tax Deductions

The following are items and services associated with music therapy self-employment that may be tax deductible. Therapists will need to consult with an accountant for further information about these deductions and if they apply to their particular situations.

- ◆ Cell phone expenses
Only expenses that are related to employment are tax deductible, so therapists may need to supply an itemized bill of exactly which calls are business-related.
- ◆ Home office space
Only the space in one's home that is dedicated solely to employment is deductible. Therapists may need a professional contractor to measure the space and write a letter for verification with the IRS.
- ◆ Home office computer
This is only deductible if the computer is not used for personal use.
- ◆ Rented office space
- ◆ Unpaid music therapy sessions (ie: "demo" therapy sessions for an agency)
- ◆ Half of the self-employment tax paid
- ◆ Self-employed health insurance premiums
- ◆ Education expenses to improve or maintain job skills
- ◆ Professional journals related to one's job
- ◆ Cost of safe deposit box used for investments or business
- ◆ Dues to professional organizations
- ◆ Tools for use at your job (ie: instruments)

References:

Edelhauser. (2006)
Jackson Hewitt Tax Service. (2006)
Knoll, C. (2005)

Business Resources

Business Resources

-Resources for people desiring help or more information about the business side of music therapy self-employment-

Agencies

Chambers of Commerce

<http://www.uschamber.com/chambers/directory/default>

The above link is for the U.S. Chamber of Commerce “Chamber Directory Search Page.” It allows users to search for a chamber of commerce near them. Chambers of commerce offer various business resources for people looking to start a new business.

Small Business Administration

<http://www.sba.gov/>

The SBA is an independent agency of the federal government whose goal is to assist people in starting and growing small businesses.

Service Corps of Retired Executives (SCORE)

<http://www.score.org/>

SCORE is a non-profit organization comprised of retired executives who volunteer their time to give entrepreneurs free small business advice. They offer individual counseling at one of their nationwide offices, as well as low-cost business workshops.

Websites

<http://www.irs.gov/businesses/small/index.html>

“Small Business and Self-Employed One-Stop Resource” available through the Internal Revenue Service; includes information about the financial side and taxes that go along with being self-employed

<http://www.business.gov/>

links to information on a variety of topics related to business, including business law, advertising and marketing, and finance; contains links to information about individual states’ business license and permit requirements

References:

Ann Arbor Area Chamber of Commerce. (1999)
 Ennico, C. (2006)
 Entrepreneur.com, Inc. (2006)
 Free Advice. (2006)
 Knoll, C. (2005)
 Knoll, C., Henry, D., & Reuer, B. (2000)

SCORE. (2006)
 United States Chamber of Commerce. (2006)
 USDT Internal Revenue Service. (n.d.-d)
 United States Small Business Administration. (2006)
 United States Small Business Administration. (n.d.)

<http://entrepreneur.com/>

variety of resources geared toward entrepreneurs, including an online small business encyclopedia

<http://real-estate-law.freeadvice.com/zoning/>

general information about where to obtain zoning ordinances and other zoning information; for specific information about zoning related to self-employment see questions 10 and 25 under “General Zoning Law Questions”

Other Resources

Accountants

Attorneys

For information on what to look for when hiring an attorney for a business, see Cliff Ennico’s article “How to Hire an Attorney” available at:

<http://entrepreneur.com/howto/attorney/index.html>

Business support resources offered through many universities

References:

Ann Arbor Area Chamber of Commerce. (1999)
 Ennico, C. (2006)
 Entrepreneur.com, Inc. (2006)
 Free Advice. (2006)
 Knoll, C. (2005)
 Knoll, C., Henry, D., & Reuer, B. (2000)

SCORE. (2006)
 United States Chamber of Commerce. (2006)
 USDT Internal Revenue Service. (n.d.-d)
 United States Small Business Administration. (2006)
 United States Small Business Administration. (n.d.)

Tips about Self- Employment

Tips about Self-Employment

Business Hints from Music Therapists

General Tips

- Music therapists in private practice may benefit from developing a complimentary team of music therapists.
- Many self-employed therapists suggest taking a business class. Many are available for free through various organizations such as the Small Business Association.
- Some music therapists begin working a few hours a week with many different agencies. As time goes on, many of these agencies want increased services.
- Partnerships can be very advantageous for both parties involved. For example, one music therapist partnered with a foster care center. She gave services to some of their “toughest” clients; in turn, the center let her use space at their facility to hold sessions for her personal clients.
- Policies-- formal or informal-- can be beneficial. Policies for private practice clients may include protocols for handling potential emergencies, such as seizures, diabetic emergencies, etc.
- Some self-employed music therapists pay colleagues to observe sessions, evaluate their performance, and give them feedback.
- It is essential for self-employed music therapists to take care of themselves. Many therapists only see private clients once a week; missing one session can really set back their progress. In addition, self-employed therapists typically do not get paid for sick days.

References:

Behnke, C. A. (1996)
Gfeller, K. (2002)
Knoll, C. (2005)

Knoll, C., Henry, D., & Reuer, B. (2000).
Wilhelm, K. (2004)

Marketing Tips

- Many professionals point out that it is more important to be different from competitors than to be better than them.
- One of the most important aspects of marketing is to demonstrate cost effectiveness.
- Presentation can make a difference. Administrators may think that a fee of \$60 for a group session is too much. When presented as \$6 per person for a 10-person session, they may see the fee as more reasonable.
- One way to get free publicity is to submit a press release to a local newspaper each time you present at a conference or do anything else notable.
- Another way to get free publicity is to give presentations about music therapy to service organizations, such as Lions Clubs.
- Self-employed music therapists may gain clients by listing their business in the directory at their local chamber of commerce, United Way directories, and other directories of special services.

Tips for Getting A Foot in the Door/Establishing Clientele Base

- One of the initial contacts some music therapists make with a facility is to send an introductory information packet. The packet includes items such as a letter introducing themselves, a few research articles relevant to the clientele at the facility, AMTA brochures, and a one-page sheet stating how the facility could benefit from music therapy.
- Some music therapists have volunteered non-music therapy services part-time with an agency before approaching the administration about providing paid music therapy services for that agency. This allows the music therapist to establish a base knowledge of the facility and develop a relationship with the administration.
- Some music therapists offer a free “demo” session (or sessions) to allow clients, caretakers, and administrators to allow them to see what music therapy is and how clients respond to it.
- Another way to get a foot in the door is to provide in-services for parent support groups, advocacy groups, and agencies.

References:

Behnke, C. A. (1996)
 Gfeller, K. (2002)
 Knoll, C. (2005)

Knoll, C., Henry, D., & Reuer, B. (2000).
 Wilhelm, K. (2004)

Financial Tips

- It may be financially beneficial to diversify funding streams and serve clientele that are not restricted by school calendars and grant timelines.
- Group sessions can be financially beneficial. Generally, the cost is less per group member than the cost of an individual session, but the therapist makes more money from group sessions.
- Many music therapists overestimate the amount of equipment needed for start-up, especially if they are used to working for an agency that has a fair amount of equipment resources.
- First-time therapists may need to consider the cost of professional clothing into their start-up costs.
- One can reduce some of the initial start-up cost by asking local radio stations to donate free CDs.
- Another way of reducing start-up costs is to buy supplies at music therapy conferences, where they are often discounted.
- When budgeting, music therapists need to consider replacement costs of essentials such as guitar strings.

References:

Behnke, C. A. (1996)
Gfeller, K. (2002)
Knoll, C. (2005)

Knoll, C., Henry, D., & Reuer, B. (2000).
Wilhelm, K. (2004)

Business, Finance, and Insurance Glossary

Business, Finance, and Insurance

Glossary

-Terms related to establishing or being reimbursed for music therapy self-employment-

Corporation- type of business structure; is a legal entity separate from its owners, and therefore the owners are not personally liable for its debts; subject to more government regulation than other types of business structures

DBA- “Doing business as;” a type of registration required for people to use a business name other than their actual name; requirements for DBA filing vary state-to-state

Differentiation- providing consumers with a unique good or service they cannot get from one’s competitors

EIN- “Employer Identification Number;” a number used by the IRS to identify a business entity; also known as “Federal Tax Identification Number”

Exclusions- specific conditions or circumstances that an insurance company will not provide financial coverage for

Form 1040 (Schedule C)- tax form used to report income and loss from sole proprietorships

General partnership- type of business structure; owned by two or more people; both partners share profits and losses, and both are personally liable for all business debts

HMO- “Health Maintenance Organization;” prepaid insurance that requires members to use services designated by the HMO

Limited Liability Company- type of business structure; has the tax structure of a partnership but is owned by “members” who are similar to corporation stockholders

Medicaid- a state-administered program that pays healthcare costs for individuals who meet low-income eligibility requirements set by both the state and federal government

References:

American Music Therapy Association. (n.d.)
Ann Arbor Area Chamber of Commerce. (1999)
Behnke, C. A. (1996)
File DBA- DBA filing. (n.d.)
Frequently asked questions about NPI. (2000)
Lacy, L. D., & Hadsell, N. A. (2003)
Texas Department of Family and Protective Services. (n.d.)
Understanding health insurance terms. (2005)

USDHHS Centers for Medicare and Medicaid Programs. (2005)
USDHHS Centers for Medicare and Medicaid Programs. (2006)
USDT Internal Revenue Service. (n.d.-a)
USDT Internal Revenue Service. (n.d.-b)
USDT Internal Revenue Service. (n.d.-c)
United States Social Security Administration. (2006)
Wilhelm, K. (2004)

Medicare- a health insurance program administered by the federal government that provides coverage for people under the age of 65 that have certain disabilities or diseases and people over the age of 65

NPI- “National Provider Identifier;” a unique identification number for health care providers that is used by health plans for reimbursement purposes; music therapists are eligible to apply under the taxonomy code 225A00000X

PCS- “Purchased Client Services;” a division of some states’ Family and Protective Services that purchases goods and services for clients under the care of agencies such as Child Protective Services, Adult Protective Services, and Prevention and Early Intervention

PPO- “Preferred Provider Organization;” prepaid insurance that allows you to use service outside the network but charges more when you use those services

Provider- any person or institution that provides medical care

Relationship marketing- a philosophy of marketing that involves service providers making a conscious effort to strengthen their relationship with consumers or potential consumers during every interaction with them, thus increasing the strength of the business

Self-employment tax- a social security and Medicare tax for individuals who are self-employed

Sole proprietorship- simplest type of business structure; owned by a single person; all business expenses and incomes are the sole responsibility of that one individual; owner’s personal assets are subject to claims from business creditors

SSI- “Supplemental Security Income;” a monthly payment from the federal government that assists people under age 18 with various disabilities and people over age 65; some states have SSI payments which supplement that of the federal government

Third-party payer- any institution that pays for health care services other than the user; examples include private insurance companies, HMOs, PPOs, and the federal government

References:

American Music Therapy Association. (n.d.)
Ann Arbor Area Chamber of Commerce. (1999)
Behnke, C. A. (1996)
File DBA- DBA filing. (n.d.)
Frequently asked questions about NPI. (2000)
Lacy, L. D., & Hadsell, N. A. (2003)
Texas Department of Family and Protective Services. (n.d.)
Understanding health insurance terms. (2005)

USDHHS Centers for Medicare and Medicaid Programs. (2005)
USDHHS Centers for Medicare and Medicaid Programs. (2006)
USDT Internal Revenue Service. (n.d.-a)
USDT Internal Revenue Service. (n.d.-b)
USDT Internal Revenue Service. (n.d.-c)
United States Social Security Administration. (2006)
Wilhelm, K. (2004)

References

References

- American Music Therapy Association. (2005). A descriptive statistical profile of the 2005 AMTA membership. In *AMTA member sourcebook*. Silver Spring, MD: Author.
- American Music Therapy Association. (n.d.-a). *Music therapy makes a difference: Resources & trends in music therapy reimbursement* [Brochure]. Silver Spring, MD: Author.
- American Music Therapy Association. (n.d.-b). *Resources for reimbursement*. Retrieved December 10, 2006, from <http://www.musictherapy.org/membersonly/gr/reimbursement.html>
- Ann Arbor Area Chamber of Commerce. (1999). *Entrepreneur's handbook: An overview for business start-up and expansion in the Ann Arbor/Washtenaw County areas*. Ann Arbor, MI: Author.
- Behnke, C. A. (1996). My viewpoint: A music therapist and sole proprietorship. *Music Therapy Perspectives, 14*(1), 63-65.
- Edelhauser, K. (2006, November 27). Top tax ride-offs that could get you in trouble with the IRS. In *Tax Center*. Retrieved December 10, 2006, from <http://entrepreneur.com/money/taxcenter/article171204.html>
- Ennico, C. (2006). How to hire an attorney. In *Start-up basics*. Retrieved December 10, 2006, from <http://entrepreneur.com/howto/attorney/index.html>
- Entrepreneur.com, Inc. (2006). *Entrepreneur home*. Retrieved December 10, 2006, from <http://entrepreneur.com/>

- File DBA- DBA filing*. (n.d.). Retrieved December 10, 2006, from
<http://www.businessnameusa.com/dba.htm>
- Free Advice. (2006). Zoning articles and FAQs. In *Real estate law*. Retrieved December 10, 2006, from <http://real-estate-law.freeadvice.com/zoning/>
- Frequently asked questions about the National Provider Identifier (NPI)*. (2000, November 22). Retrieved December 10, 2006, from
<http://aspe.hhs.gov/admnsimp/faqnpi.htm>
- Gfeller, K. (2002). Music therapy: Field of opportunities [Electronic version].
Quarternotes, 30(2), 18-41. Retrieved December 6, 2006, from
<http://www.amta-midwestern.org/qnotes/qnotes0702.pdf>
- Jackson Hewitt Tax Service. (2006). Top 50 overlooked tax deductions. In *Tax resource center*. Retrieved December 10, 2006, from
http://www.jacksonhewitt.com/resources_library_top50.asp
- Knoll, C. (Speaker). (2005). *You're the boss!* [Compact disc]. Stephenville, TX: Music Works Publications.
- Knoll, C., Henry, D., & Reuer, B. (2000). *You're the boss! Self-employment strategies for music therapists: A professional study guide*. Stephenville, TX: Music Works Publications.
- Lacy, L. D., & Hadsell, N. A. (2003). Music therapy practice in the Southwest Region of the American Music Therapy Association: Making a living in a dynamic, complex field. *Music Therapy Perspectives*, 21(2), 110-114.

- Office of the Assistant Secretary of Defense (Health Affairs). (2006, October 20). *Become a TRICARE certified (authorized) provider*. Retrieved December 10, 2006, from http://www.tricare.mil/provider/provider_cert.cfm
- Oliver, S. (1989). Music Therapy Services of Arizona: An alternative approach to service provision. *Journal of Music Therapy*, 26(2), 95-99.
- SCORE. (2006). *About SCORE*. Retrieved December 10, 2006, from http://www.score.org/explore_score.html
- Texas Department of Family and Protective Services. (n.d.). *Purchased client services*. Retrieved December 10, 2006, from http://www.dfps.state.tx.us/PCS/about_PCS/
- Understanding health insurance terms*. (2005). Retrieved December 10, 2006, from http://www.foreignborn.com/self-help/health_insurance/5-ins_terms.htm
- United States Chamber Of Commerce. (2006). *Chamber directory search page*. Retrieved December 10, 2006, from <http://www.uschamber.com/chambers/directory/default>
- United States Department of Health and Human Services Centers for Medicare and Medicaid Services. (2005, December 14). Overview. In *Medicare program- General information*. Retrieved December 10, 2006, from <http://www.cms.hhs.gov/MedicareGenInfo/>
- United States Department of Health and Human Services Centers for Medicare and Medicaid Services. (2006, April 25). Overview. In *Medicaid program- General information*. Retrieved December 10, 2006, from <http://www.cms.hhs.gov/MedicaidGenInfo/>

- United States Department of the Treasury Internal Revenue Service. (n.d.-a) 2006
instructions for Schedule C [Data file]. Available from Internal Revenue Service
Web site, <http://www.irs.gov/formspubs/lists/0,,id=97817,00.html>
- United States Department of the Treasury Internal Revenue Service. (n.d.-b). Employer
ID numbers (EINs). In *Small business and self-employed one stop resource*.
Retrieved December 10, 2006, from
<http://www.irs.gov/businesses/small/article/0,,id=98350,00.html>
- United States Department of the Treasury Internal Revenue Service. (n.d.-c) Self-
employment tax. In *Small business and self-employed one stop resource*.
Retrieved December 10, 2006, from
<http://www.irs.gov/businesses/small/article/0,,id=98846,00.html>
- United States Department of the Treasury Internal Revenue Service. (n.d.-d) *Small
business and self-employed one stop resource*. Retrieved December 10, 2006,
from <http://www.irs.gov/businesses/small/index.html>
- United States Small Business Administration. (2006, October 6). *The official business
link to the U.S. government*. Retrieved December 10, 2006, from
<http://www.business.gov>
- United States Small Business Administration. (n.d.). *About SBA*. Retrieved December 10,
2006, from <http://www.sba.gov/aboutsba/index.html>
- United States Social Security Administration. (2006, January). *Benefits for children with
disabilities*. Retrieved December 10, 2006, from
<http://www.ssa.gov/pubs/10026.html#older-children>

Wilhelm, K. (2004). Music therapy and private practice: Recommendations on financial viability and marketing. *Music Therapy Perspectives*, 22(2), 68-83.

Yellow Book 2006-2007: Ann Arbor. (2006). Prussia, PA: Yellow Book.