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The MSO Model for Mental Health Practices

Master Service Organizations ("MSO") for mental health practices came into existence about ten years ago and have rapidly expanded throughout Colorado. The first model of the MSO combines various professionals under one roof who maintain separate and distinct practices. They collaborate by agreement, with the consent of the client, and can offer a wide range of services otherwise unavailable to those in a particular profession. For example, an LPC may not be able to recommend dietary supplements when a dietician under the MSO can. Other examples include the Psychiatric Nurse Practitioner, who often joins an MSO, and who has the ability to prescribe medication to treat certain conditions that other members of the MSO identify. It is important to note that the MSO is not a clinic, such as a full service facility available for walk ins and emergencies, but is rather a collaboration of different professionals having different expertise who operate in conjunction with other members of the MSO. MSOs first began in the case of ADD and ADHD students who needed greater assistance than one isolated practitioner might be able to offer. In its true form, the MSO offers a holistic approach to care with a greater range of available services that an office sharing or individual practitioner could ever offer. It is important to obtain client consent that the members can collaborate. The clients, of course, can opt out of this wherein there is no collaboration between the various professional entities. It is critically important that individual members of the MSO be their own separate and distinct practice and are not all employed as a team concept under the MSO. This is done through proper accounting and disclosures, along with contracts that the individual participants, through their professional organizations, subscribe.

In the alternative, a second model of the MSO can be limited and can help carry some operational burdens that an individual PLLC or office sharing arrangement would normally carry alone. An MSO allows multiple mental health professionals to combine expenses and resources that each individual PLLC is able to draw from. First, this model can help pay administrative expenses for the individual PLLCs. For example, an MSO can pay the rent and utilities of the office space the individual PLLC's occupy; and an MSO can pay for printing



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and postage costs. Virtually any office administrative expense, the individual PLLCs can funnel through the MSO to share the costs with the other members. Second, this model can be used as an advertising tool, consulting service, or referral service. The MSO can produce brochures or design a website that highlights each individual PLLC and the areas of specialization. In addition, the MSO can be a consultation service. A member in the PLLC can consult with another member of the PLLC about a client or hypothetical situation. However, the MSO must disclose this in the disclosure statement given to clients in their initial visit. An MSO can also be a referral service. A member of the MSO can refer clients to another member in the MSO.

General Concerns:

In order to form a MSO, the members of the MSO, the individual PLLCs, must determine a budget, the capital contributions of each member, and outline the specific functions of the MSO, which include what the MSO will pay for, how much vacation time each member will get, how revenue will be divided, etc.

Steps for Structuring Your MSO:

The first step is for the MSO to determine how many members it will have and whether new members may be added. We require that the members be the individual practices not the individuals. For Example: Jane Smith Counseling, PLLC v. Jane Smith. This adds an extra layer of protection.

Second, the members need to determine what areas they want the MSO to cover. For example, on one end of the spectrum a MSO may decide only to pay the rent and office expenses and not be used as an advertising or referral tool. On the other end of the spectrum a MSO may be a collaboration of the individual PLLCs and present itself more as a unit. The members decide the extent of the MSO.