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## Counselors License Defense Case Study with Risk Management Strategies

### Case Study: Failure to maintain professional boundaries; engaging in multiple relationships; failure to adhere to the standard of care; billing fraud

**Total Incurred:** Greater than \$9,600

*(Monetary amounts represent only the legal expenses paid on behalf of the insured psychologist.)*

#### Summary

The client in this case was a woman in her mid-forties who experienced panic attacks and suffered from mild agoraphobia. The insured counselor, a dually-licensed psychologist and marriage and family therapist, treated the client on and off for several years, using traditional psychotherapy and biofeedback, until the client moved away.

Approximately two and a half years following their last face-to-face session, the client's family contacted the counselor because the client was having a panic attack. The counselor talked the client through her crisis over the phone, with the encounter lasting about one hour. The counselor did not bill for this service.

The client continued to keep in contact with the counselor's office by calling and speaking with the counselor's office manager, with whom the counselor also shared a romantic relationship. Several months later, the client invited the counselor and the office manager to join her and her husband on a cruise, to which the counselor and the office manager agreed. The counselor did not reimburse the client for the cost of the trip.

Shortly after returning from the cruise, the client invited the counselor and his son to stay with her and her husband at their home. The counselor agreed, and the counselor and his son stayed at the client's home for three days. During this time, the counselor conducted biofeedback sessions with the client in her home and provided couples counseling to her and her husband. The counselor did not bill for any of these services. At the end of their visit, the client gave the counselor a check for \$600, which the counselor would later say he considered to be a gift and not a payment for services rendered.

About one month after the stay at the client's home, the counselor began employing the client at his office, where she eventually took over the role of his office manager. During this time, the counselor was going through a divorce and told the client that he needed money to help pay his legal expenses. The client wrote

A regulatory board complaint can be filed against a counselor by a patient, colleague, employer, and/or regulatory agency. Complaints are subsequently investigated by the board, leading to results ranging from no action against the counselor to surrender or revocation of the counselor's license or certification to practice. This case study involves an insured, dually-licensed psychologist and marriage and family therapist.



the counselor a \$5,000 check to help pay for his divorce attorney. Although the counselor said that he had ethical concerns about accepting the money, after having a discussion with the client, he ultimately decided to accept the \$5,000 as a gift.

Several months later, the counselor terminated the client's employment at his office and repaid the \$5,000 "gift" the client had given him. Shortly thereafter, the client filed a complaint with the state Board of Psychology, alleging unprofessional conduct.

#### Risk Management Comments

In addition to the counselor's failure to maintain appropriate boundaries with the client, the board also discovered that the counselor had improperly disclosed confidential information about the client in discussions with her husband. The counselor discussed her panic attacks with her husband and detailed what the client had told the counselor about fights that occurred between the client and her husband.

The investigation also revealed that the counselor billed the client's insurance for 11 face-to-face therapy sessions, some of

*continued...*

which were not face-to-face sessions but were conducted over the phone, and some which seem to have never occurred. The counselor did not have records of any of these sessions, making this case even more difficult to defend.

## ▶ Resolution

The counselor was ordered to surrender his licenses to the Board of Psychology, and he was ordered to pay the costs associated with the board's investigation, which totaled over \$5,100.

The total costs to defend the counselor in this case exceeded \$9,600.

## ▶ Risk Management Recommendations

- **Clarify roles and boundaries.** Document mutual expectations in the client care information record, clarifying the scope of the therapeutic relationship.
- **Avoid extending the counseling relationship beyond conventional boundaries with clients, their significant others and their family members.** Counselors must exercise professional judgment in all client interactions outside of a professional setting to avoid ambiguity in what is supposed to be a therapeutic, client-centered relationship. This may involve declining invitations from the client to participate in social/personal/family activities or others outside of the treatment setting. Document all such invitations in the client's clinical record, as well as the response given and subsequent communication. Occasionally, participation in such events may be beneficial to the client, and the American Counseling Association (ACA) Code of Ethics (Section A.6) offers guidance in this area.

- **Understand the challenges associated with accepting gifts from clients.** Considerations include the potential effects on the therapeutic relationship, the monetary value of the gift, the client's motivation for giving the gift, and motivations for wanting to accept or decline the gift.
- **Obtain the client's written and dated authorization for the release of information to named parties, i.e.,** those with whom the counselor may communicate about treatment-related matters or share client information.
- **Perform only those actions included within the state scope of practice act,** adhere to the standard of care, reflect professional ethical guidelines and comply with employer policies/procedures/protocols.

## Guide to Sample Risk Management Plan

Risk Management is an integral part of a healthcare professional's standard business practice. Risk Management activities include identifying and evaluating risks, followed by implementing the most advantageous methods of reducing or eliminating these risks – a good Risk Management Plan will help you perform these steps quickly and easily!

Visit [hpsoc.com/risktemplate](https://hpsoc.com/risktemplate) to access the Risk Management Plan created by HPSO and CNA. We encourage you to use this as a guide to develop your own Risk Management Plan to meet the specific needs of your healthcare practice.



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