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Strategic Staffing Models for Solo Telehealth Psychology Practices: An Applied Case Analysis

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Abstract: Rising demand in solo telehealth psychology practices requires balancing growth with limited time, supervision, and financial resources. This anonymized case study examined a U.S.-based solo practice evaluating three staffing models: a practicum student, a postdoctoral fellow, or a licensed psychologist. The objective was to expand client capacity while preserving care quality and financial viability. Using practice records, guidelines, labor data, and supervision requirements, the analysis compared supervision burden, revenue potential, and sustainability across models. Findings showed practicum students had the lowest direct cost but required intensive supervision, limiting overall capacity. Postdoctoral fellows emerged as a sustainable staffing configuration, offering financial feasibility and moderate independence. Licensed psychologists provided autonomy and billing flexibility but carried the highest financial risk. The case suggests staffing choices must weigh financial tradeoffs alongside the owner's supervision capacity. For resource-constrained solo practitioners, the study offers a framework for testing staffing models before implementation. Aligning staffing strategy with clinical and financial realities enables solo telehealth practices to pursue sustainable growth while supporting workforce development.

Keywords: Telehealth, solo practice, psychology workforce, practicum training, postdoctoral fellows, licensed psychologists, supervision capacity, staffing models, cost-benefit analysis, sustainable growth

Introduction

The demand for behavioral health services in the United States has grown significantly, with nearly one in five adults experiencing a mental health condition annually (Substance Abuse and Mental Health Services Administration [SAMHSA], n.d.). The COVID-19 pandemic further intensified this need, accelerating the adoption of telehealth platforms across psychology and counseling practices (Whaibeh et al., 2020; Ezeamii et al., 2024). This rapid integration of telemedicine into mainstream care expanded access but also created new challenges for small and solo providers, who must adapt their business models and clinical methods to sustain effective services in a virtual environment.

Despite these benefits, solo telehealth psychology practices face unique structural constraints. Unlike group practices or hospital systems, Murphy (2024) explains that, in solo practice, all decisions ultimately rest on the practitioner, highlighting the unique pressures of balancing clinical and business responsibilities. The American Psychological Association (APA) (2015) stated supervision requirements further complicate staffing decisions; graduate trainees and postdoctoral fellows, while affordable, require significant oversight that can reduce net clinical capacity. According to APA guidelines, supervision in health service psychology requires significant time and professional oversight, which, when combined with reimbursement challenges and payer variability, directly influences practice sustainability (APA, 2013; APA, 2015). These constraints limit growth potential even in the face of rising demand, creating a need for evidence-based strategies tailored to small-practice environments.

The purpose of this paper is to present findings from a real but anonymized case of a U.S.-based solo telehealth psychology practice. The case examined three staffing models adding a graduate practicum student, hiring a postdoctoral fellow, or bringing in a licensed psychologist as potential strategies for expanding service capacity while maintaining quality of care and financial stability. The contribution of this work lies in offering a practical decision-making framework that aligns staffing choices with both supervision capacity and

financial viability. By using cost-benefit analysis, break-even modeling, and workforce pipeline perspectives, the case provides insights that are directly applicable to other solo or small practices. More broadly, the findings add to the literature on telehealth workforce development, demonstrating how small practices can test staffing models systematically before implementation to support sustainable growth.

Literature Review and Conceptual Framework

Human Capital Theory

Human Capital Theory provides a foundation for evaluating investments in clinical staff. As Becker (1994) explained, schooling, on-the-job training, and other human capital investments improve skills, productivity, and earnings. Within telehealth psychology, the investment takes the form of supervisory time, while the return is increased client service capacity. Practicum students, who require close oversight, offer low wages but significant indirect costs in supervisory displacement. Postdoctoral fellows are closer to independence, representing a higher upfront cost but greater future returns in potential retention and productivity. Kleiner & Krueger (2013) stated that licensed professionals earn roughly 18% more, while certification alone contributes only marginally to pay differences. Viewing staffing through this lens repositions personnel decisions as investments in productivity rather than static expenses. Yet financial and productivity perspectives alone are insufficient; decisions about trainees and licensed staff are also shaped by professional obligations. This makes APA guidelines on supervision and telehealth a necessary complement to Human Capital Theory, ensuring that workforce investments are balanced with ethical and clinical responsibilities.

APA Guidelines on Supervision and Telehealth Standards

The APA Guidelines for Clinical Supervision in Health Service Psychology highlight supervision as "a distinct professional competence that ensures quality of care and the development of future psychologists" (APA, 2015, p. 34). The guidelines highlight that psychologists practicing via telehealth must demonstrate "competence in the use of telecommunication technologies, protect confidentiality and security of data, and maintain appropriate oversight of professional responsibilities" (APA, 2013). These professional obligations translate directly into opportunity costs for supervisors in solo practices, where every hour spent supervising replaces a billable client session. Falender & Shafranske (2021) have noted that these demands can create tension between clinical quality and business sustainability. Consequently, APA standards not only safeguard ethical practice but also impose measurable structural constraints on workforce models in telehealth. These structural constraints directly affect financial sustainability, making healthcare economics an essential lens for evaluating whether staffing models can realistically balance costs and returns.

Healthcare Economics Perspectives

Healthcare economics literature provides tools for evaluating cost structures in clinical practice. Drummond et al. (2023) explain that cost-benefit analysis weighs expected advantages against resources to determine net return, enabling practices to judge whether hiring yields a surplus. According to Gapenski and Pink (2015), break-even analysis is a core tool in healthcare finance that allows practices to project when the revenue generated by additional staff will offset their associated costs. Snoswell et al. (2020) suggest telehealth implementations rarely reduce overall health system expenditures despite productivity gains and improved accessibility. Economic analyses indicate cost savings occur primarily when telehealth substitutes for travel-funded services or avoids costly specialist interventions. However, these potential savings are frequently negated by operational overheads including system administration, monitoring requirements, and infrastructure maintenance. These economic frameworks make clear that each staffing option carries distinct timelines and probabilities for reaching profitability. At the same time, broader

workforce pipeline dynamics shape the availability of trainees and licensed clinicians, linking the economics of practice management to national concerns about psychology training and distribution.

Workforce Pipelines in Psychology and Healthcare

Workforce pipeline research emphasizes the staged development of psychologists from trainee to licensed professional. The Health Resources and Services Administration (HRSA, 2024) has projected significant shortages in the behavioral health workforce, creating pressure on the pipeline of graduate training programs. Studies by Thomas et al. (2009) showed that rural and underserved areas are most acutely affected, often relying on telehealth to bridge gaps. In this context, solo and small practices are frequently drawn into the training process, both to help meet community demand and to sustain service delivery when the licensed workforce is insufficient (Grus et al., 2017; APA, 2015). Research by Li et al. (2024) indicate that robust workplace support, including mentorship and professional resources, plays a critical role in advancing postdoctoral career growth by reinforcing psychological resilience and professional identity development. Bernard and Goodyear (2019) cautioned that when supervision is inefficient, it may generate greater costs than benefits by consuming excessive time and resources without producing commensurate improvements in trainee development or client outcomes. Thus, the workforce shortage creates both an opportunity and a pressure point for solo practices: they become training sites out of necessity, but the fit between supervisory demands and financial viability determines whether this role is sustainable.

Synthesis

Together, these perspectives provide a conceptual framework for evaluating staffing in telehealth practices. Human Capital Theory explains supervision as investment; APA guidelines set ethical boundaries; healthcare economics offers cost-benefit and break-even modeling; and workforce pipeline research situates decisions within structural realities of the field. This synthesis justifies the case-based analysis of Wellness Mental Health Services (pseudonym) presented in the methodology and results sections that follow.

Case Background and Method

Practice Context

The case study focuses on Wellness Mental Health Services, a solo telehealth practice specializing in outpatient mental health care. The practice is entirely virtual, with no physical office space, administrative payroll, and minimal utilities. Core operating costs include malpractice insurance, electronic health record (EHR) system fees, marketing, and continuing education/licensure expenses. The sole practitioner, a licensed psychologist, sees an average of 12 clients per week at $125 per session. Administrative tasks require approximately three hours per week, displacing potential billable hours. Wootton (2012) suggests that telehealth models often benefit from reduced fixed costs, but their sustainability depends heavily on the clinical capacity of providers to deliver consistent services. A central challenge is scaling services without overextending the clinician. Since the psychologist declined to increase their personal caseload, the only viable path to growth is expanding workforce capacity through trainees or additional clinicians. To explore this challenge, three staffing models are considered.

Staffing Models Considered

1. Practicum Students: Graduate trainees enrolled in clinical psychology programs typically require close supervision. Prior research by Falender & Shafranske (2021) have noted that supervision demands an average of three hours per week for every 10–12 clients, with supervisors required to review notes, co-sign records, and ensure competency. While

students are often unpaid, in this case, they are compensated at $25 per session to encourage accountability.

2. Postdoctoral Fellows: Postdoctoral trainees function with greater autonomy, requiring less oversight beyond note sign-off and case consultation. They typically operate on a fixed salary model. Wellness Mental Health Services has decided to pay $45,000. Callahan et al. (2018) argue that postdoctoral training is essential to strengthening the psychology workforce pipeline, particularly in meeting growing service demands. Li et al. (2024) indicate that strong workplace support including mentorship, career resources, and a supportive environment significantly promotes postdoctoral career development by reinforcing professional identity and psychological resilience.
3. Licensed Psychologists (PsyD/PhD): Fully licensed clinicians can operate independently under a revenue-sharing model. At Wellness Mental Health Services, the proposed structure is a 60/40 split, where the practice retains 40% of session revenue. Benchmarks suggest staff cost (incl. licensed clinicians) often ranges 50%–60% of revenue, compressing margins in small practices (Solomon Advising, 2025).

Data Sources

The analysis draws on multiple sources:

- Practice records, including session frequency, reimbursement rates, and operating costs.
- Benchmark data from professional associations and prior workforce studies (APA, 2015; HRSA, 2024).
- Clinical supervision and telehealth guidelines (APA, 2013; APA, 2015).
- Healthcare economics literature on break-even analysis, opportunity cost, and staffing models (Drummond et al., 2023; Gapenski & Pink, 2015).
- Workforce pipeline studies documenting national shortages in behavioral health providers (Thomas et al., 2009; Callahan et al., 2018).

Together, these sources ensure triangulation of financial, professional, and workforce considerations.

Analytical Methods

Two complementary methods guide the analysis. Breakeven analysis identifies the point at which revenues from additional staffing offset associated costs, while opportunity cost analysis captures the value of displaced clinical hours when supervision is required. These methods are particularly well-suited to solo practices, as they highlight the financial and supervisory tradeoffs that are often most acute for single-clinician settings with no administrative or supervisory buffer.

- Breakeven Analysis: Following the framework of Gapenski and Pink (2015), break-even projections were developed for each staffing model by comparing the additional costs (supervision, salaries, or revenue-sharing) to expected revenue from client sessions. This allows identification of when, if at all, each staffing model becomes profitable given average caseload growth.
- Opportunity Cost Analysis: Opportunity cost, defined as "the value of the next best alternative forgone" (Drummond et al., 2023), was applied to supervisory hours. For example, one hour of supervision displaces one billable therapy hour valued at $125. This method clarifies the implicit cost of engaging practicum students relative to more independent staff. Turner et al. (2023) note that in healthcare economics, opportunity cost includes the value of what is forgone, not just direct outlays.

By combining break-even and opportunity cost analysis, the study captures both the financial viability and the tradeoffs of supervision burden versus clinical independence. This dual lens reflects both the microeconomics of practice management and the professional obligations outlined in APA guidelines.

Findings

The analysis of three staffing models at Wellness Mental Health Services practicum students, postdoctoral fellows, and licensed psychologists reveals distinct tradeoffs in terms of cost, supervision, and long-term sustainability. Applying break-even and opportunity cost analysis clarifies how each model affects practice capacity and profitability, while also reflecting broader professional and workforce considerations.

Practicum Student Model

Practicum students offer the lowest explicit cost, at $25 per client session, compared to the higher salaries or revenue-sharing arrangements of other models. Even so, this advantage is offset by supervision demands roughly three hours weekly per 10–12 clients, which displaces 3 hrs/wk of supervision $375/wk (= $125×3), or ~$19,500/yr. (APA, 2015). As a result, while practicum students may expand client reach at low direct wages, the supervisory displacement erodes profitability and limits feasibility for solo practices where supervision cannot be delegated (Bernard & Goodyear, 2019).

Postdoctoral Fellow Model

Postdoctoral fellows require only minimal oversight, typically case consultation and note sign-off, while earning a predictable $45,000 annual salary (Grus et al., 2017). At a caseload of 10 sessions per week, fellows cover their salary and begin contributing net revenue, creating a viable alignment between affordability and clinical independence. Because they also strengthen the workforce pipeline and can be retained as licensed staff, postdoctoral fellows represent a stable option for solo practices seeking both immediate capacity and long-term growth (Li et al., 2024).

Licensed Psychologist Model

Licensed psychologists operate independently, requiring no supervision, and typically work under a 60/40 revenue split where the practice retains about $50 per session (Zuvekas & Cohen, 2016). This autonomy enhances credibility and reduces supervisory burden but leaves narrower margins and increases reliance on maintaining a steady referral base. For solo practices, the model provides clinical independence but carries financial risk if client volume declines. As a result, while the licensed psychologist model provides autonomy and minimal supervision burden, it carries substantial financial risk for a solo telehealth practice. Table 1 summarizes the three staffing models considered at Wellness Mental Health Services across four key dimensions: cost structure, supervision burden, break-even caseload, and risks.

Table 1. Comparative Analysis of Staffing Models for Solo Telehealth Practice

Staffing Model	**Cost Structure**	**Supervision Burden**	**Break-even Caseload**	**Risks**
Practicum Student	$25/session + high indirect supervision cost	High – ~3 hrs/week per 10–12 clients	High – difficult due to supervision displacement	Supervisor time displaces revenue; inefficiency reduces net gain
Postdoctoral Fellow	$45,000 annual salary (~$43/hr)	Low – note sign-off, case consultation	Moderate – ~9–10 sessions/week covers salary	Fixed salary commitment; retention uncertain
Licensed Psychologist	60/40 split, practice keeps ~$50 per session	None – fully autonomous	High – requires large client base to sustain margins	Lower margins; reliant on volume and steady referrals

Source: Author's calculations from practice data and pay scale of Wellness Mental Health Services

Comparative Outcomes

When compared side by side, the three staffing models demonstrate clear tradeoffs. Practicum students have the lowest direct cost but displace significant billable time through required supervision, limiting overall capacity. Postdoctoral fellows represent a more sustainable configuration, combining modest salary demands, minimal oversight, and the potential for long-term retention. Licensed psychologists provide autonomy but reduce margins, creating financial risk if client volume declines.

Overall, the analysis suggests that postdoctoral fellows offer the most balanced path for solo practices: they preserve clinical independence at a predictable cost while strengthening the workforce pipeline. Practicum placements are best suited for larger clinics with distributed supervision, while licensed hires require careful financial planning to offset margin compression.

Discussion

The findings from Wellness Mental Health Services highlight the inherent tradeoffs that solo telehealth practices face when considering workforce expansion. Each staffing option practicum students, postdoctoral fellows, and licensed psychologists offers distinct advantages but also introduces challenges that must be weighed against the realities of supervision, financial sustainability, and long-term practice goals.

From the perspective of Human Capital Theory (Becker, 1994), practicum students represent the lowest-cost investment but also the least developed human capital, requiring intensive supervisory input. Their limited clinical independence underscores why their integration into solo practices is financially inefficient without institutional support.

In contrast, postdoctoral fellows embody an intermediate stage of human capital development. They enter the workforce with substantial training, require only limited oversight, and can be retained as licensed staff. This aligns with both Human Capital Theory (return on prior investment in education and training) and workforce pipeline literature (Grus et al., 2017; Li et al., 2024), explaining why they represent the most sustainable configuration for solo practices.

Licensed psychologists represent the highest level of human capital investment, arriving fully trained and autonomous. At the same time, healthcare economics shows that their higher compensation structures reduce net practice margins, making them less advantageous for solo practices that lack economies of scale (Gapenski & Pink, 2015).

APA supervision guidelines (2015) and supervision literature (Bernard & Goodyear, 2019) highlight why practicum placements are most challenging in solo contexts: the supervisory burden consumes significant clinical capacity, eroding profitability. These frameworks together clarify the strategic tradeoffs: solo practices must weigh the level of human capital against the supervision burden and financial model to determine which is practicable within solo practice contexts.

Lessons Learned

The analysis indicates that staffing decisions for solo practices are not purely financial calculations but involve balancing professional responsibilities with business sustainability. Supervision, while essential for training and client protection, carries indirect costs that can diminish profitability if not carefully managed (Falender & Shafranske, 2021). Conversely, higher-cost staff who require little oversight may improve capacity and reduce supervisory burden but constrain margins.

This analysis suggests that the most viable option for *Wellness Mental Health Services*, and by extension similar solo practices, is to prioritize models that strike a balance between financial feasibility and supervisory demands. Postdoctoral fellows best reflect this balance. They provide immediate service capacity, require only minimal supervisory input, and

strengthen the long-term workforce pipeline (Grus et al., 2017; Li et al., 2024). Importantly, this model supports both the mission of training future psychologists and the sustainability of the practice itself.

Solo telehealth practices, in turn, must adopt a dual mindset: one that views staffing not only as a business decision but also as an ethical and professional responsibility. By applying structured evaluation methods such as break-even and opportunity cost analysis, small practices can make staffing choices that align with their values while ensuring long-term viability (Becker, 1994; Gapenski & Pink, 2015).

Conclusion and Implications

The case analysis of Wellness Mental Health Services illustrates the complexity of staffing decisions in solo telehealth practices. At first glance, practicum students appear to be the lowest direct-cost option, yet the supervision demands transform them into the least efficient choice in terms of profitability. Licensed psychologists bring independence and enhance practice credibility, but the revenue-sharing model limits margins and exposes the practice to greater financial risk. Between these extremes, postdoctoral fellows provide the most sustainable alignment. They offer clinical independence with predictable costs and contribute to the long-term workforce pipeline, making them the most strategically practicable option for this practice context.

Several key insights emerge from the findings. First, supervision must be recognized as both an ethical responsibility and an economic factor. The indirect costs of supervisory time can erode financial sustainability if underestimated. Second, staffing decisions are not simply about financial feasibility but about aligning financial models with professional standards and long-term strategic goals. Third, structured evaluation methods such as break-even and opportunity cost analysis enable solo practitioners to approach staffing choices with greater clarity and confidence.

The implications extend beyond a single practice. For solo practitioners, the analysis indicates: workforce expansion must balance the realities of supervision, revenue structures, and pipeline development. For policymakers, the findings underscore the need to support flexible supervision arrangements and provide incentives for small practices to engage in training. Finally, for healthcare leaders, the case highlights how workforce pipeline strategies intersect with economic sustainability. Expanding telehealth access will depend on creative staffing models that leverage both trainees and licensed professionals in ways that are financially sound and clinically responsible.

Key Takeaways for Practitioners:

- Start with postdoctoral fellows if supervision time is limited but growth is needed; they provide clinical independence with predictable costs and strengthen long-term staffing pipelines.
- Practicum placements are most viable when supervision demands are offset (e.g., institutional partnerships/shared supervision); otherwise, the opportunity cost can outweigh the low wage.
- Bring in licensed psychologists strategically, recognizing their autonomy but planning for narrower margins and ensuring steady referral streams to sustain the model.

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