

How Much Does It Cost to Start a Private Therapy Practice in DC?

By OSI Offices | March 23, 2026 | 6 min read

Starting a private therapy practice in Washington DC is one of the most rewarding steps a mental health professional can take — and one of the most financially daunting. If you've been calculating what it costs to start a private practice as a therapist in DC, you're already ahead of most new practitioners who leap in without a real budget.

The honest answer: first-year costs typically range from **\$3,000 to \$12,000 or more**, depending on your practice model, how much office time you need, and whether you pursue insurance credentialing or go private pay. But here's the good news — DC therapists are building profitable solo practices on modest budgets, and the flexible office options available today make it more achievable than ever.

This guide breaks down every major cost category so you can build a realistic solo practice budget before you sign anything or spend a dollar.

What Are the Real Private Practice Startup Costs in DC?

Most therapists underestimate startup costs because they focus on the obvious — office space and insurance — and overlook the smaller line items that add up quickly. Here's a complete picture of what you'll actually need.

One-Time Setup Costs

- **DC business formation (LLC):** ~\$99 filing fee + \$300 biennial report fee. An LLC is strongly recommended to separate personal and business liability.
- **State licensure fees:** DC, Maryland, and Virginia each issue separate mental health licenses. If you see clients across jurisdictions, budget \$200–\$500+ in application fees depending on your credential and states involved.
- **Professional liability (malpractice) insurance:** Typically \$100–\$200/year for an individual policy through HPSO, CPH & Associates, or similar providers.
- **HIPAA compliance setup:** Business associate agreements (BAAs), a written privacy policy, and a Notice of Privacy Practices. Consulting an attorney or compliance specialist typically costs \$300–\$800. DIY templates are available through professional associations but should be reviewed carefully.
- **Basic website:** \$300–\$1,000 depending on whether you build it yourself (Squarespace, Wix) or hire a designer. Therapists consistently cite their website as a referral driver — don't skip it.
- **Domain and branded email:** \$25–\$50/year. A professional email address (yourname@yourpractice.com) matters for credibility.

Recurring Monthly Costs

- **EHR and practice management software:** SimplePractice, TherapyNotes, and Therapy Brands are the most common choices — typically \$30–\$100/month. These handle scheduling, HIPAA-compliant telehealth, billing, and client records.
- **Telehealth platform (if standalone):** Most EHR systems include a HIPAA-compliant telehealth module. Standalone options run \$30–\$60/month.
- **Psychology Today profile:** ~\$30/month — consistently one of the highest-ROI investments for new private practices. DC has a large pool of therapy-seeking clients searching these directories daily.
- **Professional association membership:** APA, NASW, ACA memberships run \$100–\$300/year depending on credential. Worth it for malpractice insurance discounts and CE resources.
- **Continuing education:** \$200–\$500/year to meet DC licensure renewal requirements.

Before you consider office space, you're already looking at **\$2,500–\$4,000 in the first year** just to operate a compliant, professionally equipped practice. Your office arrangement is in addition to this — and it's where most new therapists have the most financial flexibility.

Therapy Office Costs in DC: Where the Budget Varies Most

Your choice of office arrangement is the single largest variable in your therapy office costs in DC. Here's a realistic comparison of the main options available to DC-area mental health professionals.

Option 1: Traditional Commercial Lease

A standard office lease in the DC Central Business District typically requires a 12–36 month commitment, a personal guarantee, and a security deposit of 2–3 months' rent. Monthly rent for a single private office near K Street NW runs **\$2,000–\$4,000/month**. Before your first session, you could be writing a \$6,000–\$12,000 check just to secure the space.

This model makes sense once you have a full caseload — typically 25+ sessions per week — but it's rarely the right starting point for a new practice with an uncertain client pipeline.

Option 2: Therapy Suite Sublease

Group practices and therapy-specific sublease arrangements typically charge \$25–\$50/hour per room, often requiring a minimum weekly booking commitment. This offers more flexibility than a traditional lease, but availability can be limited and you may face restrictions on scheduling outside a host practice's operating hours.

Option 3: Flexible Professional Office Space

This is where the math gets interesting — and where many DC therapists find their best value. OSI Offices offers on-demand professional office access at **\$14/hour**, bookable through a client portal with no advance commitment required.

A therapist seeing 8 clients per week in hour-long blocks would spend about **\$112/month** in office time. At 15 clients per week, that's approximately \$210/month. Compared to \$2,000+ for a dedicated lease, you've preserved \$1,800–\$2,000 per month of cash flow — capital that can bridge the income gap while you build your caseload, fund your marketing, or simply reduce your financial risk in year one.

[OSI's mental health professional plans](#) are designed specifically for therapists at every stage: hourly use for new practitioners, shared office plans for growing caseloads, and dedicated private offices for established practices ready for a full-time commitment. There are no deposits, no termination penalties, and no long-term contracts — you simply upgrade when you're ready.

Licensing, Credentialing, and the Address Question

One cost that surprises many new DC therapists is the operational overhead of insurance panel credentialing. Getting listed on major panels — Aetna, BCBS, CareFirst, Cigna, UnitedHealthcare — is essential for most practitioners who want to accept insurance, and the process takes **90-180 days** from application to first reimbursement. Plan your launch timeline accordingly and budget for that income gap.

Critically, most insurance panels require a **professional business address** for credentialing — not a PO box and not your home address. This is one of the most practical reasons more than 150 mental health professionals at OSI Offices have chosen a K Street NW address: it meets credentialing requirements, satisfies DC business licensing standards, and presents the professional image that prospective clients expect when searching for a therapist.

OSI's professional address plans — available starting around \$35/month (subject to change; see osioffices.com/pricing for current rates) — include mail handling, a DC phone number option, and portal access for managing mail digitally. You can begin with address-only service and add office time as your caseload builds.

Marketing and Building Your Referral Pipeline

New therapists consistently underestimate both the time and cost of filling a caseload. Plan for **3-6 months** before reaching a consistently full schedule, and build that timeline into your financial plan.

Marketing Expenses to Budget For

- **Psychology Today profile:** \$30/month. Most DC therapists call this their primary source of new clients in year one — worth every dollar.
- **Google Business Profile:** Free — but you need a professional, verified business address to create one. Your OSI K Street address qualifies.
- **Additional therapist directories:** Zencare, TherapyDen, Open Path (for sliding scale practices) — \$0-\$100/month depending on platform and tier.
- **Business cards:** \$50-\$150 one-time. Old-fashioned but still exchanged regularly at professional events.
- **Practice-building coaching or consultation:** Some new practitioners invest \$500-\$2,000 in business coaching or online courses, which can accelerate the caseload-building process significantly.

Here's what most marketing guides don't say: the most effective referral source for many DC therapists isn't a directory — it's the professional community immediately around them. OSI Offices has more than 150 mental health professionals working from its K Street suites. Psychologists whose specialty doesn't match a prospective client's needs, therapists who don't take certain insurance plans,

practitioners who've hit capacity — informal referrals among colleagues happen naturally in a shared professional environment.

"OSI has been instrumental in building my psychology practice for nearly 10 years. I started with hourly office use; graduated to a shared office space; and for the past few years have my own private full-time office. The quality and array of services along with the flexibility of plans are invaluable."

— Diane Kern, Ph.D., Licensed Psychologist

This trajectory — hourly use to shared office to dedicated office — is exactly how OSI is designed to work. You scale your space commitment as your caseload grows, never paying for more than you need at any given stage of your practice.

A Realistic Solo Practice Budget: Year One in DC

Here's a consolidated view of what a new DC therapist might spend in year one using a flexible office model rather than committing to a fixed commercial lease upfront:

Year 1 Private Practice Budget Estimate — Washington DC

- **LLC formation (one-time):** \$99-\$200
- **Licensure fees (one-time):** \$300-\$700
- **Malpractice insurance:** ~\$180/year

- **EHR/practice management software:** \$360-\$960/year
- **Professional address + office time (flexible plan):** \$2,000-\$4,500/year
- **Psychology Today + directories:** \$360-\$600/year
- **Website hosting and domain:** \$360-\$500/year
- **Continuing education:** \$300-\$500/year
- **Estimated Year 1 Total: \$4,000-\$8,000**

This is substantially lower than the \$25,000-\$35,000+ first-year cost many practitioners absorb when signing a traditional DC office lease before their practice is ready to support it. The flexible model doesn't mean sacrificing professionalism — it means being strategic about when you commit to fixed overhead.

A note on deductibility: consult your accountant about which expenses qualify as business deductions. Many OSI therapists deduct their monthly office plan, professional address, EHR subscription, malpractice insurance, and continuing education as legitimate business expenses. Operating as an LLC or sole proprietor, these costs are typically deductible — which further reduces the effective cost of starting your practice.

When to Scale Up: Moving from Hourly to Dedicated Office

The most common question OSI hears from therapists in their first two years: "*When should I transition from hourly office use to a dedicated space?*"

A practical rule of thumb: when your monthly hourly office costs consistently approach or exceed the price of a shared or private office plan for two to three months in a row, it's time to have the conversation. OSI's team can walk you through the numbers and help you find the plan that fits your current caseload — with no pressure, no deposit, and no penalty for waiting until you're genuinely ready.

Many OSI therapists also appreciate the ability to hold standing reservations for regular time slots without committing to a dedicated office — a middle path that gives you predictable weekly hours without the full overhead of a private space.

At OSI, the goal is to grow with you. That's a different relationship than signing a commercial lease and hoping your practice catches up to your fixed costs.

The Cost to Start a Private Practice in DC — A Realistic Summary

The cost to start a private practice as a therapist in DC is real — but it's manageable with the right planning. The biggest variable is your office arrangement, and the biggest mistake new practitioners make is committing to more space than they need before they've built the caseload to support it.

Start lean. Build your caseload. Add space as your practice grows. That's the model that's worked for over 150 mental health professionals at OSI Offices over the past four decades — and it's available to you, at 1629 K Street NW, one block from the White House and steps from Farragut North Metro.

For current pricing on all OSI plans — including address-only, hourly office, shared office, and dedicated private office — visit

osioffices.com/pricing. No deposit, no long-term commitment, no hidden fees.

Flexible Plans Built for Therapists Starting Private Practice

OSI Offices offers professional workspace plans with no deposits, no long-term leases, and a K Street address that insurance panels accept. Over 150 mental health professionals call OSI home — from first-year practitioners to established full-time practices.

[View MHP Pricing Plans](#)

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