

AB 690: Practice Setting Definitions and Supervision Law Changes

AB 690 becomes effective on January 1, 2022. Highlights of the changes it makes are as follows. The complete text of AB 690 can be found [here](#).

Practice Setting Definitions

Practice settings are now defined as follows:

Exempt Setting: A governmental entity, a school, a college, a university, or an institution that is both nonprofit and charitable.

Nonexempt Setting: Any type of setting that does not qualify as an exempt setting.

Private Practice: A type of nonexempt setting that meets all of the following:

(A) The practice is owned by a health professional who is licensed under this division either independently or jointly with one or more other health professionals who are licensed under this division.

(B) The practice provides clinical mental health services, including psychotherapy, to clients.

(C) One or more licensed health professionals are responsible for the practice and for the services provided and set conditions of client payment or reimbursement for the provision of services.

Professional Corporation: A type of nonexempt setting and private practice that has been formed pursuant to [Part 4 \(commencing with Section 13400\) of Division 3 of Title 1 of the Corporations Code](#).

Law Changes or Clarifications Related to Practice Settings

- An individual working or volunteering in an exempt setting who is licensed or registered by the Board of Behavioral Sciences (Board) is still under the jurisdiction of the Board and subject to its laws.
- An entity that is licensed or certified by a government regulatory agency to provide health care services is not an exempt setting just because it has government certification. It must still directly meet the definition of an exempt setting (i.e. the entity

itself must be a governmental entity, a school, a college, a university, or an institution that is both nonprofit and charitable) in order to be considered exempt.

- In nonexempt settings, an active license or registration number is always required to engage in the practice of the professions the Board regulates, with two exceptions:
 - MFT trainees, PCC trainees, and social work interns may practice in nonexempt settings that are not private practices or professional corporations, if they are gaining supervised experience in their graduate degree program under the jurisdiction and supervision of their school.
 - Applicants for registration as associates may practice in nonexempt settings that are not private practices or professional corporations, if they are in compliance with the 90-day rule and are gaining supervised experience toward licensure.
- A trainee, associate, or applicant for licensure who provides voluntary services in any lawful work setting who only receives reimbursement for expenses actually incurred shall be considered an employee. (Previously, this allowance was not available to individuals who were volunteering in a private practice.)

Law Changes or Clarifications Related to Supervision

- Changes were made to the law regarding where the supervisor of an associate working in a private practice or professional corporation must be employed and practice. The new law requires the following of supervisors of associates in a private practice or professional corporation:
 - The supervisor must be employed by or contracted by the associate's employer, or be an owner.
 - The supervisor must also meet one of the following:
 - The supervisor provides psychotherapeutic services to clients for the associate's employer; OR
 - The supervisor and the associate's employer must have a written contract in place that provides the supervisor the same access to the associate's clinical records as is provided to employees of that employer. The associate's clients must also authorize the release of their clinical records to the supervisor.

- A written oversight agreement between the supervisor and the employer is now required for all supervisor-supervisee relationships where the supervisor is not employed by the supervisee's employer or is a volunteer. (Previously, this was not required for private practices, because supervisors in private practices were previously required to have the same employer as the supervisee.)
- Supervisors of supervisees **in any nonexempt setting** are limited to six supervisees per supervisor. (Please note that this limit applies to all nonexempt settings, not just private practices and professional corporations.)
- Supervisees working in exempt settings may obtain their required weekly direct supervisor contact via two-way, real-time videoconferencing. (Previously, the law had only stated that associates in exempt settings could obtain supervision via videoconferencing, leaving it unclear whether or not trainees (who are also supervisees) could do so as well.)