

## Steps to Move Into Compliance with CPOM within the LBA Licensure Act and the Professional Service Corporation Act

Link to the CPOM Webinar. <https://vimeo.com/1089912839?share=copy> Password: CPOM2026 (corp practice of medicine)

Link to Q&A with all Rules and Acts. [https://3.basecamp.com/3859737/buckets/10376277/messages/9078959985#\\_recording\\_9079167236](https://3.basecamp.com/3859737/buckets/10376277/messages/9078959985#_recording_9079167236)

CPOM: Protects the public and professionals by ensuring licensed practitioners treat patients, not corporations.

**Step 1: Register the direct service company as a PSC (previously a corporation) or a PLLC (previously an LLC) with the Illinois Secretary of State's Office (ILSOS). This company holds all insurance contracts.**

1. PLLC and PSC - Articles of Organization Amendments
  - a. Amends to add:
    - i. (1) Purpose (professional services rendered, must say ABA services).
    - ii. (2) Name Change for professional company (direct service corporation). Can't be a corporation. Usually includes the LBA's owner's last name, then the ABA company's old name, which can be the dba (doing business as).
    - iii. \$50 fee. \$100 for expedited for PLLC, for PSCs \$150.
    - iv. LLC form is LLC 5.25 <https://www.ilsos.gov/departments/business-services/amendments/llc-instructions.html>
    - v. PSC form is BCA 10.30 <https://www.ilsos.gov/departments/business-services/amendments/corp-instructions.html>
2. PSC - Articles of Organization amended. BCA Articles of Amendment
  - a. List a specific purpose clause for the type of professional service being provided, specifically within your PLLC, and the purpose clause is amended to show your professional service.

**Step 2: Divest non-LBA, non-LaBA, and non-RSP owners, if needed. Can't own PSC/PLLC.**

- a. RSP = related service practitioners (SPH, OT, PT, SW, Psych, Medical Doctor)
- b. Non-licensed persons cannot own the direct service company that delivers all ABA services.
- c. Non-licensed persons owners can start an MSO (management service organization, friendly organization) with an MSA (agreement) with the service delivery company.
  - i. provides administrative services to the service delivery company. Sets an hourly rate for the services they provide at fair market value. No fee splitting is allowed.
  - ii. Has to follow federal fraud laws, anti-kickback laws, safe harbor laws, and fee-splitting laws in Illinois.
  - iii. MSO can add some financial control over the service delivery company – tethers them.
- d. Ex. 2 LBAs and 1 Non-LP = depends on how complicated this structure is, might need a new EIN number. Have a buyout – the LP pays the non-LP the share of their business interest.

### **Step 3: Tax EIN ID Change – avoid this to avoid needing new insurer contracts.**

- a. LLC to a PLLC - no changes needed.
- b. Corp to a PSC – range of options to divest Non-LP owners and avoid EIN changes.
  - i. 2 providers did not have to change EIN.
- c. Change name on NPI, but NPI number stays the same. (happens when taxes filed).
- d. Some had not changed bank accounts.

### **Step 4: Need new insurance contracts and employee agreements**

- a. Keep all current contracts with the existing company, and that becomes the direct service company that is now a PLLC/PSC.
- b. Amend contract to add PLLC or PSC state entity type.
  - i. Many changed name (new extension) on Availity at this time per insurer's staff extension.
- c. Insurers have been saying if the name of the company did not change, just the extension (PLLC), don't need to modify because the name is the same.

### **Step 5: Register PSC/PLLC with IDFPR (licensing entity plus they monitor CPOM and PSC Acts)**

- a. PLLC registration instructions <https://idfpr.illinois.gov/content/dam/soi/en/web/idfpr/forms/online/-248-limited-liability-company-user-guide.pdf>
- b. PSC registration instructions <https://idfpr.illinois.gov/content/dam/soi/en/web/idfpr/forms/online/-060-professional-service-corporation-user-guide.pdf>

### **Step 6: Change Contracts with Payers**

1. Addendum to insurance contract to add new company extension for LLCs to PLLCs.
  - a. Not seeing this as a requirement. Just change on Availity.
  - b. Maybe hold off reaching out to insurers until Coalition meets with them.
2. Possibly may need new contracts for Corporations moving to PSCs.
  - a. The Coalition & ILABA have been speaking to the public and private insurer associations on this process. We hope to have more information soon.