

## Five Steps to Move Into Compliance with the Professional Service Corporation (PSC) Act and CPOM Section 150 within the LBA Licensure Act 5.14.2026

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.

PSC Act: All professional services are required to be PLLCs/PCs. (healthcare providers, legal, CPAs, dentists)

**Step 1: Register the current direct service company as a PC (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 PC - Articles of Organization Amendments to comply with the business structure requirements in the Professional Service Act. (This is a different Act than the LBA Act.)
  - a. Amends to add:
    - i. (1) REQUIRED: The purpose clause is amended to show your professional service.
      1. Purpose (professional services rendered will be ABA services). These words are required. You can add other services such as speech, OT, and PT.
    - ii. (2) KEEP CURRENT NAME: Name Change for the professional company (direct service company) cannot be a corporation or just an LLC. Just need to change the company type to a professional corporation by adding an "P" in front of LLC or "C" Corporation. (PLLC/PC).
    - iii. (3) Pay Fee: \$50 fee. \$100 for expedited for PLLC, for PCs, the fee is \$150.
    - iv. (4) Complete one of these forms:
      1. For an LLC to PLLC – Amend Articles and keep current EIN.
        1. Follow IDFPR New Application Checklist  
<https://idfpr.illinois.gov/content/dam/soi/en/web/idfpr/forms/online/-248-limited-liability-company-user-guide.pdf>
        2. See #6. Complete 5.25 form, print in duplicate and mail it with your check  
[https://www.ilsos.gov/content/dam/publications/pdf\\_publications/llc525.pdf](https://www.ilsos.gov/content/dam/publications/pdf_publications/llc525.pdf)
        3. In 2 weeks by mail, you will receive back a filed (processed) copy.
      4. For a Corp to PC use BCA 10.30 – Amend Articles
        1. If ownership changes, work with an attorney to keep the current EIN number.
        2. Complete form BCA 10.30, print in duplicate and mail it with your check.  
[https://www.ilsos.gov/content/dam/publications/pdf\\_publications/bca1030.pdf](https://www.ilsos.gov/content/dam/publications/pdf_publications/bca1030.pdf)
        3. In 2 weeks by mail, you will receive back a filed (processed) copy.
        4. Follow IDFPR Checklist Document:  
<https://idfpr.illinois.gov/content/dam/soi/en/web/idfpr/forms/online/-060-professional-service-corporation-user-guide.pdf>

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

- a. RSP = related service practitioners (SPH, OT, PT, SW, Psych, Medical Doctor)
- b. Non-licensed people cannot own the direct service company that delivers all ABA services.
- c. Non-licensed people 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. However, the licensed practitioner can negotiate this agreement to determine whether they want to be captive or non-captive.
- d. Example: 2 LBAs and 1 Non-LP current ownership structure options:
  - i. If an LLC, divest the non-licensed owner, change the service delivery company into a PLLC, and do not change your EIN number.
  - ii. If a Corporation, divest the non-licensed owner and attempt to become a PC without changing the direct service entity EIN number.
  - iii. In both scenarios, the non-licensed person will divest from the direct service company and can either be an employee of the direct service company, create an MSO and contract with the PLLC/PC, or move on to other endeavors.

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

- a. LLC to a PLLC - no changes needed in EIN.
- b. Corp to a PC – range of options to divest Non-LP owners and avoid EIN changes.
  - i. 2 providers that were corporations did this without changing their EIN.
- c. S Corps are a designation under the IRS for tax purposes and are not a business structure in IL.
- d. Change name on NPI, but NPI number stays the same. (happens when taxes are filed).
- e. Most providers reported not needing to change the bank accounts for the direct service company.

**Step 4: Register the PC/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. PC registration instructions <https://idfpr.illinois.gov/content/dam/soi/en/web/idfpr/forms/online/-060-professional-service-corporation-user-guide.pdf>

**Step 5: Amend your Groups Contract with Payers**

1. Keep current contracts with the existing company that becomes the direct service company PLLC/PC.
2. Addendum to insurance contracts to add new company extension, ex. LLCs to PLLCs, and no change to EIN number: Some providers stated they just made the change in Availity. Many have completed an amendment.
3. Possibly may need new contracts for Corporations moving to PCs.
  - a. If a new EIN is needed for the direct service company, you may need new contracts.