

Why do we have PCs and PLLCs in North Carolina?

In NC, we have a statute passed by the NC Legislature in 1964 which says that anyone in NC with a professional license, who opens a formal business to offer their professional services must open that business as a professional corporation (PC) or a professional limited liability company (PLLC). This statute, [55-B](#), also says that all PCs and PLLC must be approved by the professional licensing board before any filing may take place with the NC Secretary of State.

Do I need a PC or a PLLC?

These two different corporation structures are tax related. The North Carolina Medical Board (NCMB) advises that you confer with your attorney or Certified Public Accountant (CPA) to determine which corporation structure will be best for you.

Is there information about medical PCs and PLLCs on the NCMB website?

Yes, everything you need to know about the application process, including links to the required documents is on the NCMB website. There is also a corporations@ncmedboard.org email address for questions.

What are the steps to forming a medical corporation?

1. Complete an online application through the NCMB website. The physician or Physician Assistant (PA) licensee will do this through their Licensure Gateway page. The instruction page of the online application has links to all the forms you will need to complete.
2. Non-licensees, i.e., attorneys, CPAs, office managers, spouses, etc. may complete an online application by creating a Third-Party Gateway account on the NCMB website. Third-Party users will begin this process by going in through the Non-Licensee Portal on the NCMB website.
3. Complete the NCMB required Certificate of Incorporators/Organizers. Links to this form are on the online application instruction page.
4. Complete the NC Secretary of State Articles of Incorporation or Articles of Organization for a professional entity. Links to these forms are on the online application instruction page.
5. Email the completed documents to corp.application@ncmedboard.org.

How long does it take to be approved?

All corporation application approval timelines begin when the application documents are submitted to corp.application@ncmedboard.org email address. The email is opened, and documents are reviewed within 10-14 business days.

What happens if I send in the wrong form or fill it out incorrectly?

You will receive a rejection email, with the steps that need to be taken to make all necessary corrections for approval.

Is there an expedited process for corporation approvals?

No, all corporation applications are approved in the order they are received. At the current time, our corporation application fee is \$50, and the renewal fee is \$25, with a \$10 late fee. These fees are set by

the NC Legislature, and they do not have a fee structure for professional boards to expedite corporation application approvals, so we cannot accommodate these requests.

What happens after the corporation application is approved by the NCMB?

You will receive an approval packet; with the documents you need to file with the NC Secretary of State bundled together for filing. The email will also have copies of the documents for you to retain for your records. The approval email will include filing instructions for electronic filing with the NC Secretary of State.

Once my corporation is approved by the NCMB, do I need to do anything further with the Board?

Yes, you will be required to renew your corporation annually. PCs and PLLCs do not file annual reports, they renew with their licensing board.

When do I renew my corporation?

All PCs and PLLCs are required to be renewed by 12/31 each year. The current renewal fee is \$25. The NCMB opens the renewal window on 10/1 each year. You will receive a renewal reminder email, sent to the business email address for the corporation, on 10/1, 11/1, 12/1, 1/1 and 3/1. If the corporation is not renewed by 3/1, it will be suspended by the NCMB and the NC Sec. of State.

Is suspension a big deal? Can I just let my corporation “lapse” for a couple of years and then renew it?

Once the PC or PLLC is suspended, the physician or PA may still practice medicine, but the corporation is supposed to cease providing all professional services. Many licensees with a suspended corporation have encountered problems with securing financing for homes, cars, education, office equipment, etc. because the lending institution does a due diligence search and discovers the physician or PA has a suspended corporation.

What do I do if my corporation has been suspended?

Email corporations@ncmedboard.org and we will work with you to get your corporation reinstated.

What is a Registered Agent? Why do I need one?

A Registered Agent (RA) is required by the NC Secretary of State. Anyone may be designated as the RA for your corporation, including yourself. The RA is NOT the owner/shareholder. The RA is the person to whom a process server may serve legal documents in the event the corporation is ever sued. Only the RA may “accept service” of legal documents sent to or served on the corporation.

Who can own a PC or PLLC in NC?

Only professional licensees that are listed in NC General Statute [55-B](#).

I am a physician, my spouse is not, can my spouse be a shareholder/part-owner of my PC or PLLC?

No, non-licensees may not be a shareholder in a PC or a member of a PLLC. Non-licensees may be employees of the corporation but may not be paid based on fees collected from patients. This is called fee-splitting, and it is not permitted in NC.

I am a doctor, and my neighbor is a licensee of another professional board. We want to go into business together. Can we form a corporation and offer the practice of medicine and the professional service he is licensed to provide?

It depends. NC General Statute [55-B-14\(c\)](#) clearly lists the professional licensees in NC who may form a corporation together. If the combination of professional licensees is not listed in 55-B-14(c), then it is not allowed. There are no exceptions.

I am a physician licensee and I have been approached about serving as a “medical director” in a business owned by a layperson who wants to offer medical services to their clients. Can I do this?

No, licensed physicians may not offer professional services in a business entity. Business entities hiring physicians to practice medicine is known as the Corporate Practice of Medicine (CPOM) and NC has a very strict CPOM doctrine. A non-licensee may not hire a physician to work for them. This creates an employer/employee relationship, which is supervisory in nature and lay persons are not licensed to or qualified to supervise physicians.

Can I change the name of my corporation?

Yes, you will complete the appropriate blank form from the NC Secretary of State website and submit it to corporations@ncmedboard.org for approval. Once approved, you will submit the approval packet to the NC Secretary of State for final filing.

What if I want to add a partner who is licensed by a different professional board?

You may do this, as long as the partnership is listed in the NCGS 55-B-14(c). If you wish to add a partner from another (allowable) Board, please send an email to corporations@ncmedboard.org for assistance.

What if I want to close my practice? Can I just not renew it?

No, non-renewal will result in a suspension, which may lead to problems with future financial endeavors. You will need to dissolve the PC or PLLC. If you wish to “close” the practice, please contact corporations@ncmedboard.org. The NCMB Corporations Coordinator will send you complete instructions for dissolving your practice, along with the correct forms to file and an NCMB guide on closing a practice.

I am licensed in another state, as well as NC, and I have a medical corporation set up in the other state. Can I bring my corporation to NC?

Yes, a medical corporation established in another state can come into NC as a “Foreign” PC or PLLC. Foreign means it started in another state. If there are other shareholders/owners of the corporation in the original state, they must all be licensed physicians. The information concerning foreign corporations is on the Corporation information page on the NCMB website. You may also email corporations@ncmedboard.org with any questions concerning establishing a foreign PC or PLLC.