

# Medical Director & *PC-MSO* Requirements

What every med spa, gym, IV lounge, salon, and wellness brand needs to know before offering GLP-1, TRT, aesthetics, or any prescription service — across all 50 states.

## Why this matters

The moment your business touches a prescription, an injectable, or a medical decision, you are in the practice of medicine — even if a nurse or an app does the work. Get the structure wrong and you risk board action, an unlicensed-practice finding, denied insurance, and personal liability.

Get it right and you can offer medical-grade services under your own brand, legally, in any state. This guide gives you the framework, a directional state map, and a self-assessment you can hand to your attorney.

### THE 6 QUESTIONS

#### Every state answers these

- Does this state enforce the **Corporate Practice of Medicine** (CPOM)?
- Who is legally allowed to **own** the clinical entity?
- What must a **medical director** actually do (not just sign)?
- Is a documented **Good-Faith Exam** required before treatment?
- What can an **RN / NP / PA** do, and under whose supervision?
- How must **money flow** without triggering fee-splitting / anti-kickback law?

## The two structures, in plain English

### OPTION A

#### In-house medical director

You hire/contract a physician to supervise. Simple on paper — but in CPOM states a non-physician business still can't own or control the medical service, and a director who only "signs" is treated as a sham. Cost and licensure scale poorly across state lines.

### OPTION B

#### PC-MSO structure

A physician-owned Professional Corporation (PC) delivers the care; your business is the Management Services Organization (MSO) providing everything non-clinical under a management agreement. This is how multi-state and CPOM-state operators stay compliant while keeping their brand.

## Corporate Practice of Medicine — directional state map

CPOM is the doctrine that decides whether a non-physician may own/control a medical practice. It is the single biggest driver of which structure you need. Classifications below are **directional general guidance** based on statutes, board positions, and case law as commonly applied — they are **not legal determinations** and the law shifts. Confirm your state before you build.

**STRICT** — PC-MSO typically required

**MODERATE** — fact-specific

**MINIMAL** — limited / no CPOM

| State                                      | CPOM posture    | What it usually means for an operator  |
|--|-----------------|--|
| CA, CO, IL, NY, NJ, TX, OH, MI, NC, TN     | <b>STRICT</b>   | Non-physician ownership of the clinical entity is barred. Use a physician-owned PC + MSO management agreement; medical director must exercise real clinical authority. |
| GA, IA, KS, PA, OR, WA, NV, CT, MD, IN     | <b>STRICT</b>   | Same pattern — board and/or courts actively apply CPOM. PC-MSO is the default safe structure; fee-splitting rules are enforced.  |
| MO, MN, KY, WV, SC, AZ, WI, MA, RI, DE     | <b>MODERATE</b> | CPOM applied in narrower or fact-specific ways. Structure depends on services, who supervises, and how revenue flows. Get a written opinion.                           |
| VA, MS, AL, AR, OK, LA, NE, HI, ME, NH     | <b>MODERATE</b> | Mixed or evolving posture; medical director + GFE requirements still apply even where ownership rules are looser.  |
| FL, UT, ID, MT, WY, ND, SD, NM, VT, AK, DC | <b>MINIMAL</b>  | Little or no general CPOM bar — but you still need a medical director, a documented GFE, and compliant delegation. "No CPOM" ≠ "no rules."                             |

**The trap everyone misses:** even in "minimal" states, anti-kickback and fee-splitting laws, RN/NP delegation rules, and Good-Faith-Exam requirements still bind you. CPOM is one of six questions — not the whole test.

## What a real medical director must do

Boards distinguish a genuine medical director from a "rented signature." A defensible director — at minimum — establishes and signs standing orders/protocols, reviews charts on a real cadence, is reachable for clinical questions, oversees adverse-event handling, and confirms each clinician is working within scope. Paying a physician simply to lend a license while doing nothing is the fact pattern that gets structures unwound.

## The 12-point readiness checklist

Run your current or planned setup against this. Any unchecked box is a conversation to have with counsel — or with us.

- We know whether our state enforces CPOM.
- The clinical entity is owned by someone legally permitted to own it.
- We have a named medical director with real, documented duties.
- Standing orders & treatment protocols are signed and current.
- A documented Good-Faith Exam happens before every treatment/Rx.
- RN/NP/PA scope & supervision match our state's rules.
- Money flows as flat/fair-market-value fees — no fee-splitting.
- No payment is tied to referral volume or prescription counts.
- A BAA is in place before any PHI is shared.
- Patient records & consents are retained per state law.
- Each prescriber is licensed in the patient's state.
- The structure is documented in a written management agreement.

### SKIP THE 50-STATE RESEARCH

## We're already licensed in every state.

MDside is the licensed medical layer behind med spas, gyms, salons, and pharmacies nationwide — a dedicated physician medical director, real Good-Faith Exams, e-prescribe, and a physician-owned PC-MSO structure built to survive a board audit. You keep your brand and your clients.

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