WILSON SONSINI

Corporate Practice of Medicine (CPOM) Resource



OVERVIEW

Corporate practice of medicine (CPOM) laws govern whether and how non-physician-owned businesses may employ physicians, own or control medical practices, and influence the delivery of professional medical services. These requirements vary significantly by state and have become increasingly important as digital health companies, management services organizations (MSOs) and professional corporations (PCs), private equity and venture-backed healthcare platforms, and other healthcare businesses expand across jurisdictions. Depending on the state, CPOM restrictions may affect professional entity ownership and governance, physician employment, management and administrative services arrangements, fee structures, clinical decision-making, banking and financial controls, and the rights an MSO or investor may hold with respect to an affiliated professional entity. As states increasingly scrutinize the separation between clinical and nonclinical control, companies and investors must consider not only how an MSO-PC structure is documented, but how it operates in practice.

Wilson Sonsini advises healthcare companies and investors on CPOM issues throughout the business lifecycle, from formation and multistate expansion to financings, strategic investments, mergers and acquisitions, and other liquidity events. Our Healthcare and FDA Regulatory attorneys regularly structure and assess MSO-PC arrangements; advise on professional entity ownership, governance, management services agreements, transfer restriction and succession arrangements, and operational controls; conduct CPOM diligence for investors, buyers, and sellers; help clients evaluate and remediate existing structures as state laws and enforcement priorities evolve; and represent clients subject to investigations and enforcement actions by state and federal regulators, including the Centers for Medicare & Medicaid Services (CMS), the U.S. Department of Health and Human Services Office of Inspector General (HHS OIG), the U.S. Department of Justice (DOJ), the U.S. Food and Drug Administration (FDA), state attorneys general, and state professional licensing boards. By integrating our healthcare regulatory experience with the firm's corporate, financing, M&A, and investment capabilities, we help clients develop scalable structures that preserve required clinical independence while supporting their business and growth objectives.

INSIGHTS AND RESOURCES

Insights

- Alert | DOJ Issues First Healthcare Declination Under Revised Corporate Enforcement Policy: Key Takeaways for Healthcare Companies and MSOs, August 17, 2026
- Alert | California Attorney General Targets MSO-PC Structures: What the *Art Center Holdings* Amicus Brief Means for CPOM Compliance, May 11, 2026
- Alert | But "We Don't Take Insurance": Why Cash-Pay Digital Health Companies Still Face Kickback and Fee-Splitting Risk, April 13, 2026
- Alert | California MSO Transaction Notification Requirements Begin January 1, 2026, November 19, 2025
- Client Advisories | Offering Equity to Physicians in an MSO/PC Structure: Key Fraud and Abuse Compliance Considerations, August 19, 2025
- Alert | Oregon Enacts Nation's Most Restrictive CPOM Law, June 13, 2025
- Alert | Telehealth Companies Sued for Selling Compounded GLP-1 Drugs and Violations of Corporate Practice of Medicine Laws, May 5, 2025
- Client Advisories | The Corporate Practice of Medicine: Essential Guidance for Digital Health Companies and Investors, March 27, 2025

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- Alert | California Passes Law Requiring Attorney General Approval for Certain Healthcare Investments and Emphasizes Requirements for MSO-PC Models, September 12, 2024

Events

- Navigating the Corporate Practice of Medicine: Compliance Essentials and Recent Developments
- Digital Health Webinar Series – Session 2: Corporate Practice of Medicine

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