



# Practice Management: corporate practice, HIPAA regulations, billing, and managerial considerations

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# Corporate Practice Issues

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## Disclaimer

*NYSABA does not provide legal advice nor does it recommend actions its members should or should not take. You should seek advice from a qualified professional if you have questions on your qualifications to provide services or if you are interested in setting up your own practice.*

# Types of business entities in NY

In order of least complicated to most complicated:

Sole Proprietor

LLC / LLP / PLLC

PC

Not-for-Profit



# Types of business entities in NY

In order of least complicated to most complicated:

**Sole Proprietor**

Easiest to form: get a business card with your name on it, and you are a sole proprietor.

LLC / LLP / PLLC

PC

Also holds the most PERSONAL LIABILITY for the owner of the business: you and all your personal assets are liable and "on the hook" if you are sued.

Not-for-Profit

# Types of business entities in NY

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Limited Liability Company, Limited Liability Partnership,  
Professional Limited Liability Company

Relatively easy to form with low start-up costs and simple filings with the state.

Owner(s) of the company have their personal assets isolated from the business assets in terms of legal situations.

For taxation purposes, the LLC can elect to be an association (corporation), or if the entity is owned by a single member, it can file its taxes as a "disregarded entity" and file its tax return just like a sole proprietorship.

All the profit from the company is that of the member(s) and they pay taxes on all profits.

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## Professional (Service) Corporation

Slightly more complicated than a LLC to form, and more complicated for taxation purposes.

Owner(s)' personal assets are isolated from that of the company.

The corporation will pay state franchise tax, and shareholder(s) (owners) will pay personal income tax on their pay (salary or dividends).

Income of the corporation and that of the shareholder(s) are filed and taxed separately.

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**Not-for-Profit**

Most complicated to form because this entity has to have a board for oversight.

A NFP offers opportunities that cannot usually be obtained by a for-profit company, such as: grants, fund-raising, advertising, rental/use of space for events, etc.

A NFP can apply for exemption from federal and state taxes.



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Detailed info available at NYS Department of State, Division of Corporations

<http://www.dos.ny.gov/corps/>

# Requirements for the different types of entities

Detailed info available at NYS Education Department, Office of the Professions

<http://www.op.nysed.gov/corp/>

# Requirements for the different types of entities

Licensed professionals (in the field of ABA) can set up a:

- Professional Service Corporation (PC)
- Professional Service Limited Liability Company (PLLC)
- Registered Limited Liability Partnership (LLP)

A **General Business Corporation (GBC)** is NOT allowed to provide professional services.

- *Mary Kay ABA Inc. would not be OK to practice in NYS*
- *GBC can only employ licensed professionals to provide in-house, on site services to its own employees.*

# Requirements for the different types of entities

## Professional Service Corporation (PC)

- may ONLY provide services within its field
- *High Point Behavioral Consulting PC can only provide behavioral services. They may **NOT** provide Speech & Language, OT, PT or any other service.*
- *That same PC is only allowed to MANAGE the service it provides. It cannot provide management services to other behavioral consultants.*

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*What is meant by “management” in this case?*

# Requirements for the different types of entities

## Professional Limited Liability Company (PLLC)

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WAIT !

SAY WHAT ???



# Requirements for the different types of entities

## Professional Limited Liability Company (PLLC)

- Also, may NOT provide management services
- MAY provide services in more than one profession.

*Of course there's a catch!*

**COMPANY OWNERSHIP!**

# Requirements for the different types of entities

## Professional Limited Liability Company (PLLC)

- Also, may NOT provide management services
- MAY provide services in more than one profession.

*from the NYSOP website...theoretical company:*

*Sunn Acupuncture, Occupational Therapy and Physical Therapy, PLLC*

# Requirements for the different types of entities

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- MAY provide services in more than one profession.

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## Other considerations:

- Provision of services OTHER than those listed
- Members / Owners of company who are not licensed.

# Business Management Considerations



# Deciding on company structure

- what services do you want to provide?
- are you going to have partners?
- who are your clients going to be?
- is this going to be a “side job” or your life?



# Determining whether to hire sub-contractors or employees

- o Provide expertise in a particular area
- o NOT to be hired in-lieu of employees!

# Requirements of Sub-Contractors

- Supposed to have their own business entity.
- They should carry insurance for their practice, both professional and general liability.
- They should work under contract on a case-by-case basis.
- Subcontractors should be able to work independently; they cannot be under your direct control



# Employees



- Can and should be supervised by the company
- Can have direct control over their work provided by the company
- Can be hourly or salaried, part time or full time
- Certain full-time employees are considered “exempt” from overtime pay, while others are not
- Exempt employees are primarily in managerial or supervisory roles, have certain wage requirements (minimum salary of approximately \$28,000 per year)



# What if???

I have people come into my office to provide services to the clients?

Employee → sub-contractors must have their own place of business

I tell people how I want them to work, and what hours they need to work

Employee → these people are under your direct control

The person I hired doesn't have a computer to take data, so I bought one and gave it to that person to use.

Employee → subcontractors must supply their own materials for work

# Pros and cons of having an employee manual

## PROS

gives clarity of what your expectations are of your employees

helps you think about issues before they arise

- paid time off

- professional conduct

- maternity leave

- perks: health insurance (if you have fewer than 50 employees), reimbursement for continuing education

- unlawful harassment policies described

ensures consistency with information provided to new hires

enables employees to know what the rules are and the expectations and functions as a resource to refer to

## CONS

it's harder to change procedures and modify expectations (but, this can be a pro also)

if overly detailed and specific, it can prohibit your flexibility as an employer

- e.g. if you provide detailed job descriptions and then ask someone to do something out of their job description, they may refuse

# What should the manual include?

## SECTION 1 - INTRODUCTION

- 1.1 Changes in Policy
- 1.2 Employee Information/Data
- 1.3 At-Will Employment

# SECTION 2 - GENERAL POLICIES

## Non-Discrimination

- 2.2 Individuals with Disabilities
- 2.3 Unlawful Harassment Policy
- 2.4 Non-Disclosure/Confidentiality
- 2.5 New Employee Orientation
- 2.6 Work Hours/Work Days
- 2.7 Lunch Break
- 2.8 Rights of Nursing Mothers
- 2.9 Personnel Files and Information
- 2.10 Severe Weather/Emergency Closings
- 2.11 Performance Review
- 2.12 Outside Employment
- 2.13 Termination of Employment
- 2.14 Medical Attention at Work
- 2.15 Building Security
- 2.16 Personal Effects
- 2.17 Expenses / Reimbursement
- 2.18 *Infection Control*
- 2.19 *Infectious Diseases*

# SECTION 3: STANDARDS OF CONDUCT

- 3.1 General Conduct
- 3.2 Attendance
- 3.3 Use of BIPS' Telephones, Computers, E-mail & Other Equipment
- 3.4 Maintaining client confidentiality and reporting of child abuse
- 3.5 Dress Code
- 3.6 Smoking / Tobacco Products

# SECTION 4: COMPENSATION AND LEAVE TIME

- 4.1 Compensation
- 4.2 Timekeeping
- 4.3 Overtime
- 4.4 Paydays
- 4.5 Sick Leave
- 4.6 Vacation Leave
- 4.7 Holidays
- 4.8 Jury Duty
- 4.9 Military Leave
- 4.10 Bereavement Leave

# SECTION 5: BENEFITS

- 5.1 Health Insurance
- 5.2 Benefits Continuation / Cobra Coverage
- 5.3 Educational Assistance

# SECTION 6: COMMUNICATIONS

6.1 Staff Meetings

6.2 Job-Related Complaints and Questions



# Summary

- Be prepared financially
- Be prepared personally
- Be prepared professionally