

Physician professional corporations and locum tenens contracts

Some physicians may incorporate their professional practice or create a legal entity, such as a partnership, professional corporation, or LLC ([limited liability company](#)),* from which to provide professional services. If they want to contract through their legal entity, the physician can enter a special services agreement ([physician entity professional services agreement](#)).

The agreement is designed to ensure that only the physician will work on behalf of their legal entity, not an unapproved, substitute professional. Once an assignment begins, the agreement then in force will be honored. The physician must execute any changes to or from an individual agreement to an entity agreement before the assignment begins. Agreement changes will not be accepted in the middle of an assignment.

The physician must review the first payment of an assignment to ensure their name or the legal entity's name is correct on the check, since the IRS Form 1099-MISC year-end reporting will be consistent with the payee and agreement names.

If the physician or locum tenens agency determines the payments or Form 1099 reporting were the result of agency error or misunderstanding and evidence shows that the agreement and/or payments should have been reported differently, retroactive corrections will be made (including reissuing Form 1099-MISC).

*A single-member LLC may not have a separate tax identification number. In this case, the 1099-MISC will be issued under the physician's social security number with the physician's name on the first name line and the LLC's name on the second name line.

