

5012--C

Cal. No. 310

2011-2012 Regular Sessions

I N   S E N A T E

May 2, 2011

---

Introduced by Sens. FUSCHILLO, ADDABBO, AVELLA, BONACIC, DUANE, LANZA, MAZIARZ, OPPENHEIMER, RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- reported favorably from said committee and committed to the Committee on Higher Education -- reported favorably from said committee, ordered to first report, amended on first report, ordered to a second report and ordered reprinted, retaining its place in the order of second report -- recommitted to the Committee on Corporations, Authorities and Commissions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported favorably from said committee and committed to the Committee on Higher Education -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the limited liability company law, the business corporation law, the partnership law, the public health law and the education law, in relation to allowing doctors of chiropractic licensed under title VIII, article 132 of the education law to form limited liability companies

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Subdivision (a) of section 1203 of the limited liability  
2     company law, as separately amended by chapters 420 and 676 of the laws  
3     of 2002, is amended to read as follows:

4     (a) Notwithstanding the education law or any other provision of law,  
5     one or more professionals each of whom is authorized by law to render a  
6     professional service within the state, or one or more professionals, at  
7     least one of whom is authorized by law to render a professional service  
8     within the state, may form, or cause to be formed, a professional  
9     service limited liability company for pecuniary profit under this arti-

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

LBD10908-07-2

1 cle for the purpose of rendering the professional service or services as  
2 such professionals are authorized to practice. With respect to a profes-  
3 sional service limited liability company formed to provide medical  
4 services as such services are defined in article 131 of the education  
5 law, each member of such limited liability company must be licensed  
6 pursuant to article 131 of the education law to practice medicine in  
7 this state. With respect to a professional service limited liability  
8 company formed to provide dental services as such services are defined  
9 in article 133 of the education law, each member of such limited liabil-  
10 ity company must be licensed pursuant to article 133 of the education  
11 law to practice dentistry in this state. With respect to a professional  
12 service limited liability company formed to provide veterinary services  
13 as such services are defined in article 135 of the education law, each  
14 member of such limited liability company must be licensed pursuant to  
15 article 135 of the education law to practice veterinary medicine in this  
16 state. With respect to a professional service limited liability company  
17 formed to provide professional engineering, land surveying, architec-  
18 tural and/or landscape architectural services as such services are  
19 defined in article 145, article 147 and article 148 of the education  
20 law, each member of such limited liability company must be licensed  
21 pursuant to article 145, article 147 and/or article 148 of the education  
22 law to practice one or more of such professions in this state. With  
23 respect to a professional service limited liability company formed to  
24 provide licensed clinical social work services as such services are  
25 defined in article 154 of the education law, each member of such limited  
26 liability company shall be licensed pursuant to article 154 of the  
27 education law to practice licensed clinical social work in this state.  
28 With respect to a professional service limited liability company formed  
29 to provide creative arts therapy services as such services are defined  
30 in article 163 of the education law, each member of such limited liabil-  
31 ity company must be licensed pursuant to article 163 of the education  
32 law to practice creative arts therapy in this state. With respect to a  
33 professional service limited liability company formed to provide  
34 marriage and family therapy services as such services are defined in  
35 article 163 of the education law, each member of such limited liability  
36 company must be licensed pursuant to article 163 of the education law to  
37 practice marriage and family therapy in this state. With respect to a  
38 professional service limited liability company formed to provide mental  
39 health counseling services as such services are defined in article 163  
40 of the education law, each member of such limited liability company must  
41 be licensed pursuant to article 163 of the education law to practice  
42 mental health counseling in this state. With respect to a professional  
43 service limited liability company formed to provide psychoanalysis  
44 services as such services are defined in article 163 of the education  
45 law, each member of such limited liability company must be licensed  
46 pursuant to article 163 of the education law to practice psychoanalysis  
47 in this state. In addition to engaging in such profession or  
48 professions, a professional service limited liability company may engage  
49 in any other business or activities as to which a limited liability  
50 company may be formed under section two hundred one of this chapter.  
51 Notwithstanding any other provision of this section, a professional  
52 service limited liability company (i) authorized to practice law may  
53 only engage in another profession or business or activities or (ii)  
54 which is engaged in a profession or other business or activities other  
55 than law may only engage in the practice of law, to the extent not  
56 prohibited by any other law of this state or any rule adopted by the

1 appropriate appellate division of the supreme court or the court of  
2 appeals. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, WITH  
3 RESPECT TO A LIMITED LIABILITY COMPANY FORMED TO PROVIDE INTEGRATED,  
4 MULTIDISCIPLINARY MEDICAL AND CHIROPRACTIC SERVICES, AS SUCH SERVICES  
5 ARE RESPECTIVELY DEFINED UNDER ARTICLES 131 AND 132 OF THE EDUCATION  
6 LAW, (I) EACH MEMBER OF SUCH LIMITED LIABILITY COMPANY MUST BE LICENSED  
7 PURSUANT TO ARTICLE 131 OR ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE  
8 HIS OR HER PROFESSION IN THIS STATE, (II) EACH MEMBER SHALL ONLY PRAC-  
9 TICE HIS OR HER PROFESSION AS SPECIFIED IN HIS OR HER RESPECTIVE PROFES-  
10 SIONAL ENABLING STATUTE UNDER ARTICLE 131 OR ARTICLE 132 OF THE EDUCA-  
11 TION LAW, AND (III) THE CLINICAL INTEGRATION OF PROFESSIONAL PRACTICES  
12 WITHIN AN INTEGRATED, MULTIDISCIPLINARY ENTITY ORGANIZED UNDER THIS  
13 SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE OF PRACTICE OF ANY  
14 OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS OR HER RESPECTIVE  
15 PROFESSIONAL ENABLING LAW, PROVIDED THAT: (A) THE CLINICAL JUDGMENT,  
16 MANAGEMENT AND CLINICAL DECISION-MAKING OF ONE OR MORE ARTICLE 131  
17 PROVIDERS IN AN INTEGRATED, MULTIDISCIPLINARY PROFESSIONAL SERVICE  
18 LIMITED LIABILITY COMPANY SHALL BE CONTROLLING, (B) MEMBERS LICENSED  
19 UNDER ARTICLE 132 OF THE EDUCATION LAW, SHALL NOT, DIRECTLY OR INDIRECT-  
20 LY, INTERFERE WITH THE CLINICAL JUDGMENT OR LEGITIMATE CLINICAL PRACTICE  
21 OF A PROFESSIONAL LICENSED UNDER ARTICLE 131, AND (C) INDIVIDUALS  
22 LICENSED UNDER ARTICLE 131 MAY NOT ORDER OR DIRECT A PROFESSIONAL  
23 LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE BEYOND THE  
24 SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCATION LAW, EVEN  
25 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER  
26 ARTICLE 131.

27 S 2. Subdivision (b) of section 1207 of the limited liability company  
28 law, as separately amended by chapters 420 and 676 of the laws of 2002,  
29 is amended to read as follows:

30 (b) With respect to a professional service limited liability company  
31 formed to provide medical services as such services are defined in arti-  
32 cle 131 of the education law, each member of such limited liability  
33 company must be licensed pursuant to article 131 of the education law to  
34 practice medicine in this state. With respect to a professional service  
35 limited liability company formed to provide dental services as such  
36 services are defined in article 133 of the education law, each member of  
37 such limited liability company must be licensed pursuant to article 133  
38 of the education law to practice dentistry in this state. With respect  
39 to a professional service limited liability company formed to provide  
40 veterinary services as such services are defined in article 135 of the  
41 education law, each member of such limited liability company must be  
42 licensed pursuant to article 135 of the education law to practice veter-  
43 inary medicine in this state. With respect to a professional service  
44 limited liability company formed to provide professional engineering,  
45 land surveying, architectural and/or landscape architectural services as  
46 such services are defined in article 145, article 147 and article 148 of  
47 the education law, each member of such limited liability company must be  
48 licensed pursuant to article 145, article 147 and/or article 148 of the  
49 education law to practice one or more of such professions in this state.  
50 With respect to a professional service limited liability company formed  
51 to provide licensed clinical social work services as such services are  
52 defined in article 154 of the education law, each member of such limited  
53 liability company shall be licensed pursuant to article 154 of the  
54 education law to practice licensed clinical social work in this state.  
55 With respect to a professional service limited liability company formed  
56 to provide creative arts therapy services as such services are defined

1 in article 163 of the education law, each member of such limited liabil-  
2 ity company must be licensed pursuant to article 163 of the education  
3 law to practice creative arts therapy in this state. With respect to a  
4 professional service limited liability company formed to provide  
5 marriage and family therapy services as such services are defined in  
6 article 163 of the education law, each member of such limited liability  
7 company must be licensed pursuant to article 163 of the education law to  
8 practice marriage and family therapy in this state. With respect to a  
9 professional service limited liability company formed to provide mental  
10 health counseling services as such services are defined in article 163  
11 of the education law, each member of such limited liability company must  
12 be licensed pursuant to article 163 of the education law to practice  
13 mental health counseling in this state. With respect to a professional  
14 service limited liability company formed to provide psychoanalysis  
15 services as such services are defined in article 163 of the education  
16 law, each member of such limited liability company must be licensed  
17 pursuant to article 163 of the education law to practice psychoanalysis  
18 in this state. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,  
19 WITH RESPECT TO A PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY FORMED  
20 TO PROVIDE INTEGRATED, MULTIDISCIPLINARY MEDICAL AND CHIROPRACTIC  
21 SERVICES, AS SUCH SERVICES ARE RESPECTIVELY DEFINED UNDER ARTICLES 131  
22 AND 132 OF THE EDUCATION LAW, (I) EACH MEMBER OF SUCH LIMITED LIABILITY  
23 COMPANY MUST BE LICENSED PURSUANT TO ARTICLE 131 OR ARTICLE 132 OF THE  
24 EDUCATION LAW TO PRACTICE HIS OR HER PROFESSION IN THIS STATE, (II) EACH  
25 MEMBER SHALL ONLY PRACTICE HIS OR HER PROFESSION AS SPECIFIED IN HIS OR  
26 HER RESPECTIVE PROFESSIONAL ENABLING STATUTE UNDER ARTICLE 131 OR ARTI-  
27 CLE 132 OF THE EDUCATION LAW, AND (III) THE CLINICAL INTEGRATION OF  
28 PROFESSIONAL PRACTICES WITHIN AN INTEGRATED, MULTIDISCIPLINARY ENTITY  
29 ORGANIZED UNDER THIS SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE  
30 OF PRACTICE OF ANY OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS  
31 OR HER RESPECTIVE PROFESSIONAL ENABLING LAW, PROVIDED THAT: (A) THE  
32 CLINICAL JUDGMENT, MANAGEMENT AND CLINICAL DECISION-MAKING OF ONE OR  
33 MORE ARTICLE 131 PROVIDERS IN AN INTEGRATED, MULTIDISCIPLINARY PROFES-  
34 SIONAL SERVICE LIMITED LIABILITY COMPANY SHALL BE CONTROLLING, (B)  
35 MEMBERS LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW, SHALL NOT,  
36 DIRECTLY OR INDIRECTLY, INTERFERE WITH THE CLINICAL JUDGMENT OR LEGITI-  
37 MATE CLINICAL PRACTICE OF A PROFESSIONAL LICENSED UNDER ARTICLE 131, AND  
38 (C) INDIVIDUALS LICENSED UNDER ARTICLE 131 MAY NOT ORDER OR DIRECT A  
39 PROFESSIONAL LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE  
40 BEYOND THE SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCA-  
41 TION LAW, EVEN IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL  
42 LICENSED UNDER ARTICLE 131.

43 S 3. Subdivision (a) of section 1301 of the limited liability company  
44 law, as separately amended by chapters 420 and 676 of the laws of 2002,  
45 is amended to read as follows:

46 (a) "Foreign professional service limited liability company" means a  
47 professional service limited liability company, whether or not denomi-  
48 nated as such, organized under the laws of a jurisdiction other than  
49 this state, (i) each of whose members and managers, if any, is a profes-  
50 sional authorized by law to render a professional service within this  
51 state and who is or has been engaged in the practice of such profession  
52 in such professional service limited liability company or a predecessor  
53 entity, or will engage in the practice of such profession in the profes-  
54 sional service limited liability company within thirty days of the date  
55 such professional becomes a member, or each of whose members and manag-  
56 ers, if any, is a professional at least one of such members is author-

1 ized by law to render a professional service within this state and who  
2 is or has been engaged in the practice of such profession in such  
3 professional service limited liability company or a predecessor entity,  
4 or will engage in the practice of such profession in the professional  
5 service limited liability company within thirty days of the date such  
6 professional becomes a member, or (ii) authorized by, or holding a  
7 license, certificate, registration or permit issued by the licensing  
8 authority pursuant to, the education law to render a professional  
9 service within this state; except that all members and managers, if any,  
10 of a foreign professional service limited liability company that  
11 provides health services in this state shall be licensed in this state.  
12 With respect to a foreign professional service limited liability company  
13 which provides veterinary services as such services are defined in arti-  
14 cle 135 of the education law, each member of such foreign professional  
15 service limited liability company shall be licensed pursuant to article  
16 135 of the education law to practice veterinary medicine. With respect  
17 to a foreign professional service limited liability company which  
18 provides medical services as such services are defined in article 131 of  
19 the education law, each member of such foreign professional service  
20 limited liability company must be licensed pursuant to article 131 of  
21 the education law to practice medicine in this state. With respect to a  
22 foreign professional service limited liability company which provides  
23 dental services as such services are defined in article 133 of the  
24 education law, each member of such foreign professional service limited  
25 liability company must be licensed pursuant to article 133 of the educa-  
26 tion law to practice dentistry in this state. With respect to a foreign  
27 professional service limited liability company which provides profes-  
28 sional engineering, land surveying, architectural and/or landscape  
29 architectural services as such services are defined in article 145,  
30 article 147 and article 148 of the education law, each member of such  
31 foreign professional service limited liability company must be licensed  
32 pursuant to article 145, article 147 and/or article 148 of the education  
33 law to practice one or more of such professions in this state. With  
34 respect to a foreign professional service limited liability company  
35 which provides licensed clinical social work services as such services  
36 are defined in article 154 of the education law, each member of such  
37 foreign professional service limited liability company shall be licensed  
38 pursuant to article 154 of the education law to practice clinical social  
39 work in this state. With respect to a foreign professional service  
40 limited liability company which provides creative arts therapy services  
41 as such services are defined in article 163 of the education law, each  
42 member of such foreign professional service limited liability company  
43 must be licensed pursuant to article 163 of the education law to prac-  
44 tice creative arts therapy in this state. With respect to a foreign  
45 professional service limited liability company which provides marriage  
46 and family therapy services as such services are defined in article 163  
47 of the education law, each member of such foreign professional service  
48 limited liability company must be licensed pursuant to article 163 of  
49 the education law to practice marriage and family therapy in this state.  
50 With respect to a foreign professional service limited liability company  
51 which provides mental health counseling services as such services are  
52 defined in article 163 of the education law, each member of such foreign  
53 professional service limited liability company must be licensed pursuant  
54 to article 163 of the education law to practice mental health counseling  
55 in this state. With respect to a foreign professional service limited  
56 liability company which provides psychoanalysis services as such

1 services are defined in article 163 of the education law, each member of  
2 such foreign professional service limited liability company must be  
3 licensed pursuant to article 163 of the education law to practice  
4 psychoanalysis in this state. WITH RESPECT TO A FOREIGN PROFESSIONAL  
5 SERVICE LIMITED LIABILITY COMPANY FORMED TO PROVIDE INTEGRATED,  
6 MULTI-DISCIPLINARY MEDICAL AND CHIROPRACTIC SERVICES, AS SUCH SERVICES  
7 ARE RESPECTIVELY DEFINED UNDER ARTICLE 131 AND ARTICLE 132 OF THE EDUCA-  
8 TION LAW, (I) EACH MEMBER OF SUCH LIMITED LIABILITY COMPANY MUST BE  
9 LICENSED PURSUANT TO ARTICLE 131 OR ARTICLE 132 OF THE EDUCATION LAW TO  
10 PRACTICE HIS OR HER PROFESSION IN THIS STATE, (II) EACH MEMBER SHALL  
11 ONLY PRACTICE HIS OR HER PROFESSION AS SPECIFIED IN HIS OR HER RESPEC-  
12 TIVE PROFESSIONAL ENABLING STATUTE UNDER ARTICLE 131 OR ARTICLE 132 OF  
13 THE EDUCATION LAW, AND (III) THE CLINICAL INTEGRATION OF PROFESSIONAL  
14 PRACTICES WITHIN AN INTEGRATED, MULTIDISCIPLINARY ENTITY ORGANIZED UNDER  
15 THIS SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE OF PRACTICE OF  
16 ANY OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS OR HER RESPEC-  
17 TIVE PROFESSIONAL ENABLING LAW, PROVIDED THAT: (A) THE CLINICAL JUDG-  
18 MENT, MANAGEMENT AND CLINICAL DECISION-MAKING OF ONE OR MORE ARTICLE 131  
19 PROVIDERS IN AN INTEGRATED, MULTIDISCIPLINARY PROFESSIONAL SERVICE  
20 LIMITED LIABILITY COMPANY SHALL BE CONTROLLING, (B) MEMBERS LICENSED  
21 UNDER ARTICLE 132 OF THE EDUCATION LAW, SHALL NOT, DIRECTLY OR INDIRECT-  
22 LY, INTERFERE WITH THE CLINICAL JUDGMENT OR LEGITIMATE CLINICAL PRACTICE  
23 OF A PROFESSIONAL LICENSED UNDER ARTICLE 131, AND (C) INDIVIDUALS  
24 LICENSED UNDER ARTICLE 131 MAY NOT ORDER OR DIRECT A PROFESSIONAL  
25 LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE BEYOND THE  
26 SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCATION LAW, EVEN  
27 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER  
28 ARTICLE 131.

29 S 4. Paragraph (a) of section 1503 of the business corporation law, as  
30 amended by chapter 550 of the laws of 2011, is amended to read as  
31 follows:

32 (a) Notwithstanding any other provision of law, (I) one or more indi-  
33 viduals duly authorized by law to render the same professional service  
34 within the state may organize, or cause to be organized, a professional  
35 service corporation for pecuniary profit under this article for the  
36 purpose of rendering the same professional service, except that one or  
37 more individuals duly authorized by law to practice professional engi-  
38 neering, architecture, landscape architecture or land surveying within  
39 the state may organize, or cause to be organized, a professional service  
40 corporation or a design professional service corporation for pecuniary  
41 profit under this article for the purpose of rendering such professional  
42 services as such individuals are authorized to practice, AND, (II) ONE  
43 OR MORE INDIVIDUALS DULY LICENSED TO PRACTICE MEDICINE AND ONE OR MORE  
44 CHIROPRACTORS LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW, WHO MAY  
45 BE BOARD CERTIFIED OR QUALIFIED BY HIS OR HER RESPECTIVE PROFESSIONAL  
46 SPECIALTY BOARDS, MAY ORGANIZE, OR CAUSE TO BE ORGANIZED, FOR BUSINESS  
47 PURPOSES ONLY, A MULTIDISCIPLINARY PROFESSIONAL SERVICE CORPORATION  
48 FORMED FOR PECUNIARY PROFIT UNDER THIS ARTICLE FOR THE PURPOSE OF  
49 RENDERING INTEGRATED AND NON-INTEGRATED PROFESSIONAL SERVICES WITHIN  
50 SUCH A CORPORATION AS SUCH INDIVIDUALS ARE AUTHORIZED TO PRACTICE INDI-  
51 VIDUALLY IN HIS OR HER RESPECTIVE PROFESSIONS, PROVIDED THAT THE CLIN-  
52 ICAL INTEGRATION OF PROFESSIONAL PRACTICES WITHIN AN ENTITY ORGANIZED  
53 UNDER THIS SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE OF PRAC-  
54 TICE OF ANY OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS OR HER  
55 RESPECTIVE PROFESSIONAL ENABLING LAW; THAT THE CLINICAL JUDGMENT,  
56 MANAGEMENT AND CLINICAL DECISION-MAKING OF ONE OR MORE ARTICLE 131

1 PROVIDERS IN AN INTEGRATED, MULTIDISCIPLINARY PRACTICE SHALL BE CONTROL-  
2 LING; THAT MEMBERS LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW,  
3 SHALL NOT, DIRECTLY OR INDIRECTLY, INTERFERE WITH THE CLINICAL JUDGMENT  
4 OR LEGITIMATE CLINICAL PRACTICE OF A PROFESSIONAL LICENSED UNDER ARTICLE  
5 131; AND THAT INDIVIDUALS LICENSED UNDER ARTICLE 131 MAY NOT ORDER OR  
6 DIRECT A PROFESSIONAL LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW TO  
7 PRACTICE BEYOND THE SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE  
8 EDUCATION LAW IN A PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY, EVEN  
9 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER  
10 ARTICLE 131.

11 S 5. Subdivision (q) of section 121-1500 of the partnership law, as  
12 separately amended by chapters 420 and 676 of the laws of 2002, is  
13 amended to read as follows:

14 (q) Each partner of a registered limited liability partnership formed  
15 to provide medical services in this state must be licensed pursuant to  
16 article 131 of the education law to practice medicine in this state and  
17 each partner of a registered limited liability partnership formed to  
18 provide dental services in this state must be licensed pursuant to arti-  
19 cle 133 of the education law to practice dentistry in this state. Each  
20 partner of a registered limited liability partnership formed to provide  
21 veterinary services in this state must be licensed pursuant to article  
22 135 of the education law to practice veterinary medicine in this state.  
23 Each partner of a registered limited liability partnership formed to  
24 provide professional engineering, land surveying, architectural and/or  
25 landscape architectural services in this state must be licensed pursuant  
26 to article 145, article 147 and/or article 148 of the education law to  
27 practice one or more of such professions in this state. Each partner of  
28 a registered limited liability partnership formed to provide licensed  
29 clinical social work services in this state must be licensed pursuant to  
30 article 154 of the education law to practice clinical social work in  
31 this state. Each partner of a registered limited liability partnership  
32 formed to provide creative arts therapy services in this state must be  
33 licensed pursuant to article 163 of the education law to practice crea-  
34 tive arts therapy in this state. Each partner of a registered limited  
35 liability partnership formed to provide marriage and family therapy  
36 services in this state must be licensed pursuant to article 163 of the  
37 education law to practice marriage and family therapy in this state.  
38 Each partner of a registered limited liability partnership formed to  
39 provide mental health counseling services in this state must be licensed  
40 pursuant to article 163 of the education law to practice mental health  
41 counseling in this state. Each partner of a registered limited liability  
42 partnership formed to provide psychoanalysis services in this state must  
43 be licensed pursuant to article 163 of the education law to practice  
44 psychoanalysis in this state. EACH PARTNER OF A REGISTERED LIMITED  
45 LIABILITY PARTNERSHIP FORMED TO PROVIDE INTEGRATED, MULTIDISCIPLINARY  
46 MEDICAL AND CHIROPRACTIC SERVICES, AS SUCH SERVICES ARE RESPECTIVELY  
47 DEFINED UNDER ARTICLE 131 AND ARTICLE 132 OF THE EDUCATION LAW, (I) MUST  
48 BE LICENSED PURSUANT TO ARTICLE 131 OR ARTICLE 132 OF THE EDUCATION LAW  
49 TO PRACTICE HIS OR HER PROFESSION IN THIS STATE, (II) SHALL ONLY PRAC-  
50 TICE HIS OR HER PROFESSION AS SPECIFIED IN HIS OR HER RESPECTIVE PROFES-  
51 SIONAL ENABLING STATUTE UNDER ARTICLE 131 OR ARTICLE 132 OF THE EDUCA-  
52 TION LAW, AND (III) THE CLINICAL INTEGRATION OF PROFESSIONAL PRACTICES  
53 WITHIN AN INTEGRATED, MULTI-DISCIPLINARY ENTITY ORGANIZED UNDER THIS  
54 SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE OF PRACTICE OF ANY  
55 OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS OR HER RESPECTIVE  
56 PROFESSIONAL ENABLING LAW, PROVIDED THAT: (A) THE CLINICAL JUDGMENT,

1 MANAGEMENT AND CLINICAL DECISION-MAKING OF ONE OR MORE ARTICLE 131  
2 PROVIDERS IN AN INTEGRATED, MULTIDISCIPLINARY PROFESSIONAL SERVICE  
3 LIMITED LIABILITY COMPANY SHALL BE CONTROLLING, (B) MEMBERS LICENSED  
4 UNDER ARTICLE 132 OF THE EDUCATION LAW, SHALL NOT, DIRECTLY OR INDIRECT-  
5 LY, INTERFERE WITH THE CLINICAL JUDGMENT OR LEGITIMATE CLINICAL PRACTICE  
6 OF A PROFESSIONAL LICENSED UNDER ARTICLE 131, AND (C) INDIVIDUALS  
7 LICENSED UNDER ARTICLE 131 MAY NOT ORDER OR DIRECT A PROFESSIONAL  
8 LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE BEYOND THE  
9 SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCATION LAW, EVEN  
10 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER  
11 ARTICLE 131.

12 S 6. Subdivision (q) of section 121-1502 of the partnership law, as  
13 amended by chapter 230 of the laws of 2004, is amended to read as  
14 follows:

15 (q) Each partner of a foreign limited liability partnership which  
16 provides medical services in this state must be licensed pursuant to  
17 article 131 of the education law to practice medicine in the state and  
18 each partner of a foreign limited liability partnership which provides  
19 dental services in the state must be licensed pursuant to article 133 of  
20 the education law to practice dentistry in this state. Each partner of a  
21 foreign limited liability partnership which provides veterinary service  
22 in the state shall be licensed pursuant to article 135 of the education  
23 law to practice veterinary medicine in this state. Each partner of a  
24 foreign limited liability partnership which provides professional engi-  
25 neering, land surveying, architectural and/or landscape architectural  
26 services in this state must be licensed pursuant to article 145, article  
27 147 and/or article 148 of the education law to practice one or more of  
28 such professions. Each partner of a foreign limited liability partner-  
29 ship which provides licensed clinical social work services in this state  
30 must be licensed pursuant to article 154 of the education law to prac-  
31 tice licensed clinical social work in this state. Each partner of a  
32 foreign limited liability partnership which provides creative arts ther-  
33 apy services in this state must be licensed pursuant to article 163 of  
34 the education law to practice creative arts therapy in this state. Each  
35 partner of a foreign limited liability partnership which provides  
36 marriage and family therapy services in this state must be licensed  
37 pursuant to article 163 of the education law to practice marriage and  
38 family therapy in this state. Each partner of a foreign limited liabil-  
39 ity partnership which provides mental health counseling services in this  
40 state must be licensed pursuant to article 163 of the education law to  
41 practice mental health counseling in this state. Each partner of a  
42 foreign limited liability partnership which provides psychoanalysis  
43 services in this state must be licensed pursuant to article 163 of the  
44 education law to practice psychoanalysis in this state. EACH PARTNER OF  
45 A FOREIGN LIMITED LIABILITY PARTNERSHIP FORMED TO PROVIDE INTEGRATED,  
46 MULTIDISCIPLINARY MEDICAL AND CHIROPRACTIC SERVICES, AS SUCH SERVICES  
47 ARE DEFINED UNDER ARTICLE 131 OR ARTICLE 132 OF THE EDUCATION LAW, (I)  
48 MUST BE LICENSED PURSUANT TO ARTICLE 131 OR ARTICLE 132 OF THE EDUCATION  
49 LAW TO PRACTICE HIS OR HER PROFESSION IN THIS STATE, (II) SHALL ONLY  
50 PRACTICE HIS OR HER PROFESSION AS SPECIFIED IN HIS OR HER RESPECTIVE  
51 PROFESSIONAL ENABLING STATUTE UNDER ARTICLE 131 OR ARTICLE 132 OF THE  
52 EDUCATION LAW, AND (III) THE CLINICAL INTEGRATION OF PROFESSIONAL PRAC-  
53 TICES WITHIN AN INTEGRATED, MULTIDISCIPLINARY ENTITY ORGANIZED UNDER  
54 THIS SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE OF PRACTICE OF  
55 ANY OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS OR HER RESPEC-  
56 TIVE PROFESSIONAL ENABLING LAW, PROVIDED THAT: (A) THE CLINICAL JUDG-



MENT, MANAGEMENT AND CLINICAL DECISION-MAKING OF ONE OR MORE ARTICLE 131 PROVIDERS IN AN INTEGRATED, MULTIDISCIPLINARY PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY SHALL BE CONTROLLING, (B) MEMBERS NOT LICENSED UNDER ARTICLE 131 OF THE EDUCATION LAW, SHALL NOT, DIRECTLY OR INDIRECTLY, INTERFERE WITH THE CLINICAL JUDGMENT OR LEGITIMATE CLINICAL PRACTICE OF A PROFESSIONAL LICENSED UNDER ARTICLE 131, AND (C) INDIVIDUALS LICENSED UNDER ARTICLE 131 MAY NOT ORDER OR DIRECT A PROFESSIONAL LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE BEYOND THE SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCATION LAW, EVEN IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER ARTICLE 131.

S 7. Subdivision 1 of section 2801 of the public health law, as separately amended by chapters 297 and 416 of the laws of 1983, is amended to read as follows:

1. "Hospital" means a facility or institution engaged principally in providing services by or under the supervision of a physician or, in the case of a dental clinic or dental dispensary, of a dentist, for the prevention, diagnosis or treatment of human disease, pain, injury, deformity or physical condition, including, but not limited to, a general hospital, public health center, diagnostic center, treatment center, dental clinic, dental dispensary, rehabilitation center other than a facility used solely for vocational rehabilitation, nursing home, tuberculosis hospital, chronic disease hospital, maternity hospital, lying-in-asylum, out-patient department, out-patient lodge, dispensary and a laboratory or central service facility serving one or more such institutions, but the term hospital shall not include an institution, sanitarium or other facility engaged principally in providing services for the prevention, diagnosis or treatment of mental disability and which is subject to the powers of visitation, examination, inspection and investigation of the department of mental hygiene except for those distinct parts of such a facility which provide hospital service. The provisions of this article shall not apply to a facility or institution engaged principally in providing services by or under the supervision of the bona fide members and adherents of a recognized religious organization whose teachings include reliance on spiritual means through prayer alone for healing in the practice of the religion of such organization and where services are provided in accordance with those teachings OR TO A BUSINESS CORPORATION, LIMITED LIABILITY CORPORATION OR PARTNERSHIP BETWEEN A MEDICAL DOCTOR AND A DULY LICENSED TITLE VIII HEALTHCARE PROFESSIONAL.

S 8. Subdivision 19 of section 6530 of the education law, as added by chapter 606 of the laws of 1991, is amended to read as follows:

19. Permitting any person to share in the fees for professional services, other than: a partner, employee, associate in a professional firm or corporation, professional subcontractor or consultant authorized to practice medicine, or a legally authorized trainee practicing under the supervision of a licensee OR A CHIROPRACTOR PROVIDING PROFESSIONAL SERVICES IN THE SAME PRACTICE. This prohibition shall include any arrangement or agreement whereby the amount received in payment for furnishing space, facilities, equipment or personnel services used by a licensee constitutes a percentage of, or is otherwise dependent upon, the income or receipts of the licensee from such practice, except as otherwise provided by law with respect to a facility licensed pursuant to article twenty-eight of the public health law or article thirteen of the mental hygiene law;

1 S 9. Section 6509-a of the education law, as amended by chapter 555 of  
2 the laws of 1993, is amended as follows:

3 S 6509-a. Additional definition of professional misconduct; limited  
4 application. Notwithstanding any inconsistent provision of this article  
5 or of any other provision of law to the contrary, the license or regis-  
6 tration of a person subject to the provisions of articles one hundred  
7 thirty-two, one hundred thirty-three, one hundred thirty-six, one  
8 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,  
9 one hundred forty-three, one hundred forty-four, one hundred fifty-six,  
10 one hundred fifty-nine and one hundred sixty-four of this chapter may be  
11 revoked, suspended or annulled or such person may be subject to any  
12 other penalty provided in section sixty-five hundred eleven of this  
13 article in accordance with the provisions and procedure of this article  
14 for the following:

15 That any person subject to the above enumerated articles, has directly  
16 or indirectly requested, received or participated in the division,  
17 transference, assignment, rebate, splitting or refunding of a fee for,  
18 or has directly requested, received or profited by means of a credit or  
19 other valuable consideration as a commission, discount or gratuity in  
20 connection with the furnishing of professional care, or service, includ-  
21 ing x-ray examination and treatment, or for or in connection with the  
22 sale, rental, supplying or furnishing of clinical laboratory services or  
23 supplies, x-ray laboratory services or supplies, inhalation therapy  
24 service or equipment, ambulance service, hospital or medical supplies,  
25 physiotherapy or other therapeutic service or equipment, artificial  
26 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,  
27 optical appliances, supplies or equipment, devices for aid of hearing,  
28 drugs, medication or medical supplies or any other goods, services or  
29 supplies prescribed for medical diagnosis, care or treatment under this  
30 chapter, except payment, not to exceed thirty-three and one-third per  
31 centum of any fee received for x-ray examination, diagnosis or treat-  
32 ment, to any hospital furnishing facilities for such examination, diag-  
33 nosis or treatment. Nothing contained in this section shall prohibit  
34 such persons from practicing as partners, in groups or as a professional  
35 corporation or as a university faculty practice corporation nor from  
36 pooling fees and moneys received, either by the partnerships, profes-  
37 sional corporations, university faculty practice corporations or groups  
38 by the individual members thereof, for professional services furnished  
39 by any individual professional member, or employee of such partnership,  
40 corporation or group, nor shall the professionals constituting the part-  
41 nerships, corporations or groups be prohibited from sharing, dividing or  
42 apportioning the fees and moneys received by them or by the partnership,  
43 corporation or group in accordance with a partnership or other agree-  
44 ment; provided that no such practice as partners, corporations or in  
45 groups or pooling of fees or moneys received or shared, division or  
46 apportionment of fees shall be permitted with respect to care and treat-  
47 ment under the workers' compensation law except as expressly authorized  
48 by the workers' compensation law. NOTHING CONTAINED IN THIS SECTION,  
49 SHALL PROHIBIT A MULTIDISCIPLINARY MEDICAL AND CHIROPRACTIC PRACTICE  
50 FORMED PURSUANT TO SUBDIVISION (A) OR (B) OF SECTION TWELVE HUNDRED  
51 THREE OF THE LIMITED LIABILITY COMPANY LAW, SUBDIVISION (A) OF SECTION  
52 THIRTEEN HUNDRED ONE OF THE LIMITED LIABILITY COMPANY LAW, PARAGRAPH (A)  
53 OF SECTION FIFTEEN HUNDRED THREE OF THE BUSINESS CORPORATION LAW, SUBDI-  
54 VISION (Q) OF SECTION 121-1500 OF THE PARTNERSHIP LAW, OR SUBDIVISION  
55 (Q) OF SECTION 121-1502 OF THE PARTNERSHIP LAW FROM POOLING FEES OR  
56 MONIES RECEIVED. Nothing contained in this chapter shall prohibit a

1 medical or dental expense indemnity corporation pursuant to its contract  
2 with the subscriber from prorationing a medical or dental expense indem-  
3 nity allowance among two or more professionals in proportion to the  
4 services rendered by each such professional at the request of the  
5 subscriber, provided that prior to payment thereof such professionals  
6 shall submit both to the medical or dental expense indemnity corporation  
7 and to the subscriber statements itemizing the services rendered by each  
8 such professional and the charges therefor.

9 S 10. Section 6531 of the education law, as amended by chapter 555 of  
10 the laws of 1993, is amended as follows:

11 S 6531. Additional definition of professional misconduct, limited  
12 application. Notwithstanding any inconsistent provision of this article  
13 or any other provisions of law to the contrary, the license or registra-  
14 tion of a person subject to the provisions of this article and article  
15 one hundred thirty-one-B of this chapter may be revoked, suspended, or  
16 annulled or such person may be subject to any other penalty provided in  
17 section two hundred thirty-a of the public health law in accordance with  
18 the provisions and procedures of this article for the following:

19 That any person subject to the above-enumerated articles has directly  
20 or indirectly requested, received or participated in the division,  
21 transference, assignment, rebate, splitting, or refunding of a fee for,  
22 or has directly requested, received or profited by means of a credit or  
23 other valuable consideration as a commission, discount or gratuity, in  
24 connection with the furnishing of professional care or service, includ-  
25 ing x-ray examination and treatment, or for or in connection with the  
26 sale, rental, supplying, or furnishing of clinical laboratory services  
27 or supplies, x-ray laboratory services or supplies, inhalation therapy  
28 service or equipment, ambulance service, hospital or medical supplies,  
29 physiotherapy or other therapeutic service or equipment, artificial  
30 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,  
31 optical appliances, supplies, or equipment, devices for aid of hearing,  
32 drugs, medication, or medical supplies, or any other goods, services, or  
33 supplies prescribed for medical diagnosis, care, or treatment under this  
34 chapter, except payment, not to exceed thirty-three and one-third  
35 percent of any fee received for x-ray examination, diagnosis, or treat-  
36 ment, to any hospital furnishing facilities for such examination, diag-  
37 nosis, or treatment. Nothing contained in this section shall prohibit  
38 such persons from practicing as partners, in groups or as a professional  
39 corporation or as a university faculty practice corporation, nor from  
40 pooling fees and moneys received, either by the partnerships, profes-  
41 sional corporations, or university faculty practice corporations or  
42 groups by the individual members thereof, for professional services  
43 furnished by an individual professional member, or employee of such  
44 partnership, corporation, or group, nor shall the professionals consti-  
45 tuting the partnerships, corporations or groups be prohibited from shar-  
46 ing, dividing, or apportioning the fees and moneys received by them or  
47 by the partnership, corporation, or group in accordance with a partner-  
48 ship or other agreement; provided that no such practice as partners,  
49 corporations, or groups, or pooling of fees or moneys received or  
50 shared, division or apportionment of fees shall be permitted with  
51 respect to and treatment under the workers' compensation law. NOTHING  
52 CONTAINED IN THIS SECTION, SHALL PROHIBIT A MULTIDISCIPLINARY MEDICAL  
53 AND CHIROPRACTIC PRACTICE FORMED PURSUANT TO SUBDIVISION (A) OR (B) OF  
54 SECTION TWELVE HUNDRED THREE OF THE LIMITED LIABILITY COMPANY LAW,  
55 SUBDIVISION (A) OF SECTION THIRTEEN HUNDRED ONE OF THE LIMITED LIABILITY  
56 COMPANY LAW, PARAGRAPH (A) OF SECTION FIFTEEN HUNDRED THREE OF THE BUSI-

1 NESS CORPORATION LAW, SUBDIVISION (Q) OF SECTION 121-1500 OF THE PART-  
2 NERSHIP LAW, OR SUBDIVISION (Q) OF SECTION 121-1502 OF THE PARTNERSHIP  
3 LAW FROM POOLING FEES OR MONIES RECEIVED. Nothing contained in this  
4 chapter shall prohibit a corporation licensed pursuant to article  
5 forty-three of the insurance law pursuant to its contract with the  
6 subscribed from prorationing a medical or dental expenses indemnity  
7 allowance among two or more professionals in proportion to the services  
8 rendered by each such professional at the request of the subscriber,  
9 provided that prior to payment thereof such professionals shall submit  
10 both to the corporation licensed pursuant to article forty-three of the  
11 insurance law and to the subscriber statements itemizing the services  
12 rendered by each such professional and the charges therefor.

13 S 11. This act shall take effect immediately.