

2220

2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. V. LOPEZ, O'DONNELL, MAISEL, ABBATE, ROBERTS, CASTRO, TITONE, JAFFEE, WEPRIN -- Multi-Sponsored by -- M. of A. CROUCH, GANTT, GOODELL, GUNTHER, HEASTIE, KATZ, LUPARDO, McDONOUGH, McKEVITT, THIELE -- read once and referred to the Committee on Higher Education

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-
10 cle for the purpose of rendering the professional service or services as
11 such professionals are authorized to practice. With respect to a profes-
12 sional service limited liability company formed to provide medical
13 services as such services are defined in article 131 of the education
14 law, each member of such limited liability company must be licensed
15 pursuant to article 131 of the education law to practice medicine in
16 this state. With respect to a professional service limited liability
17 company formed to provide dental services as such services are defined
18 in article 133 of the education law, each member of such limited liabil-

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

LBD01399-01-3

1 ity company must be licensed pursuant to article 133 of the education
2 law to practice dentistry in this state. With respect to a professional
3 service limited liability company formed to provide veterinary services
4 as such services are defined in article 135 of the education law, each
5 member of such limited liability company must be licensed pursuant to
6 article 135 of the education law to practice veterinary medicine in this
7 state. With respect to a professional service limited liability company
8 formed to provide professional engineering, land surveying, architec-
9 tural and/or landscape architectural services as such services are
10 defined in article 145, article 147 and article 148 of the education
11 law, each member of such limited liability company must be licensed
12 pursuant to article 145, article 147 and/or article 148 of the education
13 law to practice one or more of such professions in this state. With
14 respect to a professional service limited liability company formed to
15 provide licensed clinical social work services as such services are
16 defined in article 154 of the education law, each member of such limited
17 liability company shall be licensed pursuant to article 154 of the
18 education law to practice licensed clinical social work in this state.
19 With respect to a professional service limited liability company formed
20 to provide creative arts therapy services as such services are defined
21 in article 163 of the education law, each member of such limited liabil-
22 ity company must be licensed pursuant to article 163 of the education
23 law to practice creative arts therapy in this state. With respect to a
24 professional service limited liability company formed to provide
25 marriage and family therapy services as such services are defined in
26 article 163 of the education law, each member of such limited liability
27 company must be licensed pursuant to article 163 of the education law to
28 practice marriage and family therapy in this state. With respect to a
29 professional service limited liability company formed to provide mental
30 health counseling services as such services are defined in article 163
31 of the education law, each member of such limited liability company must
32 be licensed pursuant to article 163 of the education law to practice
33 mental health counseling in this state. With respect to a professional
34 service limited liability company formed to provide psychoanalysis
35 services as such services are defined in article 163 of the education
36 law, each member of such limited liability company must be licensed
37 pursuant to article 163 of the education law to practice psychoanalysis
38 in this state. In addition to engaging in such profession or
39 professions, a professional service limited liability company may engage
40 in any other business or activities as to which a limited liability
41 company may be formed under section two hundred one of this chapter.
42 Notwithstanding any other provision of this section, a professional
43 service limited liability company (i) authorized to practice law may
44 only engage in another profession or business or activities or (ii)
45 which is engaged in a profession or other business or activities other
46 than law may only engage in the practice of law, to the extent not
47 prohibited by any other law of this state or any rule adopted by the
48 appropriate appellate division of the supreme court or the court of
49 appeals. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, WITH
50 RESPECT TO A LIMITED LIABILITY COMPANY FORMED TO PROVIDE INTEGRATED,
51 MULTIDISCIPLINARY MEDICAL AND CHIROPRACTIC SERVICES, AS SUCH SERVICES
52 ARE RESPECTIVELY DEFINED UNDER ARTICLES 131 AND 132 OF THE EDUCATION
53 LAW, (I) EACH MEMBER OF SUCH LIMITED LIABILITY COMPANY MUST BE LICENSED
54 PURSUANT TO ARTICLE 131 OR ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE
55 HIS OR HER PROFESSION IN THIS STATE, (II) EACH MEMBER SHALL ONLY PRAC-
56 TICE HIS OR HER PROFESSION AS SPECIFIED IN HIS OR HER RESPECTIVE PROFES-

1 SIONAL ENABLING STATUTE UNDER ARTICLE 131 OR ARTICLE 132 OF THE EDUCA-
2 TION LAW, AND (III) THE CLINICAL INTEGRATION OF PROFESSIONAL PRACTICES
3 WITHIN AN INTEGRATED, MULTIDISCIPLINARY ENTITY ORGANIZED UNDER THIS
4 SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE OF PRACTICE OF ANY
5 OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS OR HER RESPECTIVE
6 PROFESSIONAL ENABLING LAW, PROVIDED THAT: (A) THE CLINICAL JUDGMENT,
7 MANAGEMENT AND CLINICAL DECISION-MAKING OF ONE OR MORE ARTICLE 131
8 PROVIDERS IN AN INTEGRATED, MULTIDISCIPLINARY PROFESSIONAL SERVICE
9 LIMITED LIABILITY COMPANY SHALL BE CONTROLLING, (B) MEMBERS LICENSED
10 UNDER ARTICLE 132 OF THE EDUCATION LAW, SHALL NOT, DIRECTLY OR INDIRECT-
11 LY, INTERFERE WITH THE CLINICAL JUDGMENT OR LEGITIMATE CLINICAL PRACTICE
12 OF A PROFESSIONAL LICENSED UNDER ARTICLE 131, AND (C) INDIVIDUALS
13 LICENSED UNDER ARTICLE 131 MAY NOT ORDER OR DIRECT A PROFESSIONAL
14 LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE BEYOND THE
15 SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCATION LAW, EVEN
16 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER
17 ARTICLE 131.

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

21 (b) With respect to a professional service limited liability company
22 formed to provide medical services as such services are defined in arti-
23 cle 131 of the education law, each member of such limited liability
24 company must be licensed pursuant to article 131 of the education law to
25 practice medicine in this state. With respect to a professional service
26 limited liability company formed to provide dental services as such
27 services are defined in article 133 of the education law, each member of
28 such limited liability company must be licensed pursuant to article 133
29 of the education law to practice dentistry in this state. With respect
30 to a professional service limited liability company formed to provide
31 veterinary services as such services are defined in article 135 of the
32 education law, each member of such limited liability company must be
33 licensed pursuant to article 135 of the education law to practice veter-
34 inary medicine in this state. With respect to a professional service
35 limited liability company formed to provide professional engineering,
36 land surveying, architectural and/or landscape architectural services as
37 such services are defined in article 145, article 147 and article 148 of
38 the education law, each member of such limited liability company must be
39 licensed pursuant to article 145, article 147 and/or article 148 of the
40 education law to practice one or more of such professions in this state.
41 With respect to a professional service limited liability company formed
42 to provide licensed clinical social work services as such services are
43 defined in article 154 of the education law, each member of such limited
44 liability company shall be licensed pursuant to article 154 of the
45 education law to practice licensed clinical social work in this state.
46 With respect to a professional service limited liability company formed
47 to provide creative arts therapy services as such services are defined
48 in article 163 of the education law, each member of such limited liabil-
49 ity company must be licensed pursuant to article 163 of the education
50 law to practice creative arts therapy in this state. With respect to a
51 professional service limited liability company formed to provide
52 marriage and family therapy services as such services are defined in
53 article 163 of the education law, each member of such limited liability
54 company must be licensed pursuant to article 163 of the education law to
55 practice marriage and family therapy in this state. With respect to a
56 professional service limited liability company formed to provide mental

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

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

37 (a) "Foreign professional service limited liability company" means a
38 professional service limited liability company, whether or not denomi-
39 nated as such, organized under the laws of a jurisdiction other than
40 this state, (i) each of whose members and managers, if any, is a profes-
41 sional authorized by law to render a professional service within this
42 state and who is or has been engaged in the practice of such profession
43 in such professional service limited liability company or a predecessor
44 entity, or will engage in the practice of such profession in the profes-
45 sional service limited liability company within thirty days of the date
46 such professional becomes a member, or each of whose members and manag-
47 ers, if any, is a professional at least one of such members is author-
48 ized by law to render a professional service within this state and who
49 is or has been engaged in the practice of such profession in such
50 professional service limited liability company or a predecessor entity,
51 or will engage in the practice of such profession in the professional
52 service limited liability company within thirty days of the date such
53 professional becomes a member, or (ii) authorized by, or holding a
54 license, certificate, registration or permit issued by the licensing
55 authority pursuant to, the education law to render a professional
56 service within this state; except that all members and managers, if any,

1 of a foreign professional service limited liability company that
2 provides health services in this state shall be licensed in this state.
3 With respect to a foreign professional service limited liability company
4 which provides veterinary services as such services are defined in arti-
5 cle 135 of the education law, each member of such foreign professional
6 service limited liability company shall be licensed pursuant to article
7 135 of the education law to practice veterinary medicine. With respect
8 to a foreign professional service limited liability company which
9 provides medical services as such services are defined in article 131 of
10 the education law, each member of such foreign professional service
11 limited liability company must be licensed pursuant to article 131 of
12 the education law to practice medicine in this state. With respect to a
13 foreign professional service limited liability company which provides
14 dental services as such services are defined in article 133 of the
15 education law, each member of such foreign professional service limited
16 liability company must be licensed pursuant to article 133 of the educa-
17 tion law to practice dentistry in this state. With respect to a foreign
18 professional service limited liability company which provides profes-
19 sional engineering, land surveying, architectural and/or landscape
20 architectural services as such services are defined in article 145,
21 article 147 and article 148 of the education law, each member of such
22 foreign professional service limited liability company must be licensed
23 pursuant to article 145, article 147 and/or article 148 of the education
24 law to practice one or more of such professions in this state. With
25 respect to a foreign professional service limited liability company
26 which provides licensed clinical social work services as such services
27 are defined in article 154 of the education law, each member of such
28 foreign professional service limited liability company shall be licensed
29 pursuant to article 154 of the education law to practice clinical social
30 work in this state. With respect to a foreign professional service
31 limited liability company which provides creative arts therapy services
32 as such services are defined in article 163 of the education law, each
33 member of such foreign professional service limited liability company
34 must be licensed pursuant to article 163 of the education law to prac-
35 tice creative arts therapy in this state. With respect to a foreign
36 professional service limited liability company which provides marriage
37 and family therapy services as such services are defined in article 163
38 of the education law, each member of such foreign professional service
39 limited liability company must be licensed pursuant to article 163 of
40 the education law to practice marriage and family therapy in this state.
41 With respect to a foreign professional service limited liability company
42 which provides mental health counseling services as such services are
43 defined in article 163 of the education law, each member of such foreign
44 professional service limited liability company must be licensed pursuant
45 to article 163 of the education law to practice mental health counseling
46 in this state. With respect to a foreign professional service limited
47 liability company which provides psychoanalysis services as such
48 services are defined in article 163 of the education law, each member of
49 such foreign professional service limited liability company must be
50 licensed pursuant to article 163 of the education law to practice
51 psychoanalysis in this state. WITH RESPECT TO A FOREIGN PROFESSIONAL
52 SERVICE LIMITED LIABILITY COMPANY FORMED TO PROVIDE INTEGRATED,
53 MULTI-DISCIPLINARY MEDICAL AND CHIROPRACTIC SERVICES, AS SUCH SERVICES
54 ARE RESPECTIVELY DEFINED UNDER ARTICLE 131 AND ARTICLE 132 OF THE EDUCA-
55 TION LAW, (I) EACH MEMBER OF SUCH LIMITED LIABILITY COMPANY MUST BE
56 LICENSED PURSUANT TO ARTICLE 131 OR ARTICLE 132 OF THE EDUCATION LAW TO

1 PRACTICE HIS OR HER PROFESSION IN THIS STATE, (II) EACH MEMBER SHALL
2 ONLY PRACTICE HIS OR HER PROFESSION AS SPECIFIED IN HIS OR HER RESPEC-
3 TIVE PROFESSIONAL ENABLING STATUTE UNDER ARTICLE 131 OR ARTICLE 132 OF
4 THE EDUCATION LAW, AND (III) THE CLINICAL INTEGRATION OF PROFESSIONAL
5 PRACTICES WITHIN AN INTEGRATED, MULTIDISCIPLINARY ENTITY ORGANIZED UNDER
6 THIS SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE OF PRACTICE OF
7 ANY OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS OR HER RESPEC-
8 TIVE PROFESSIONAL ENABLING LAW, PROVIDED THAT: (A) THE CLINICAL JUDG-
9 MENT, MANAGEMENT AND CLINICAL DECISION-MAKING OF ONE OR MORE ARTICLE 131
10 PROVIDERS IN AN INTEGRATED, MULTIDISCIPLINARY PROFESSIONAL SERVICE
11 LIMITED LIABILITY COMPANY SHALL BE CONTROLLING, (B) MEMBERS LICENSED
12 UNDER ARTICLE 132 OF THE EDUCATION LAW, SHALL NOT, DIRECTLY OR INDIRECT-
13 LY, INTERFERE WITH THE CLINICAL JUDGMENT OR LEGITIMATE CLINICAL PRACTICE
14 OF A PROFESSIONAL LICENSED UNDER ARTICLE 131, AND (C) INDIVIDUALS
15 LICENSED UNDER ARTICLE 131 MAY NOT ORDER OR DIRECT A PROFESSIONAL
16 LICENSED UNDER ARTICLE 132 OF THE EDUCATION LAW TO PRACTICE BEYOND THE
17 SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCATION LAW, EVEN
18 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER
19 ARTICLE 131.

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

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

1 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER
2 ARTICLE 131.

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

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

1 SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCATION LAW, EVEN
2 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER
3 ARTICLE 131.

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

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

1 SCOPE OF HIS OR HER LICENSE UNDER ARTICLE 132 OF THE EDUCATION LAW, EVEN
2 IF SUPERVISED DIRECTLY OR INDIRECTLY BY A PROFESSIONAL LICENSED UNDER
3 ARTICLE 131.

4 S 7. Subdivision 1 of section 2801 of the public health law, as sepa-
5 rately amended by chapters 297 and 416 of the laws of 1983, is amended
6 to read as follows:

7 1. "Hospital" means a facility or institution engaged principally in
8 providing services by or under the supervision of a physician or, in the
9 case of a dental clinic or dental dispensary, of a dentist, for the
10 prevention, diagnosis or treatment of human disease, pain, injury,
11 deformity or physical condition, including, but not limited to, a gener-
12 al hospital, public health center, diagnostic center, treatment center,
13 dental clinic, dental dispensary, rehabilitation center other than a
14 facility used solely for vocational rehabilitation, nursing home, tuber-
15 culosis hospital, chronic disease hospital, maternity hospital, lying-
16 in-asylum, out-patient department, out-patient lodge, dispensary and a
17 laboratory or central service facility serving one or more such insti-
18 tutions, but the term hospital shall not include an institution, sani-
19 tarium or other facility engaged principally in providing services for
20 the prevention, diagnosis or treatment of mental disability and which is
21 subject to the powers of visitation, examination, inspection and inves-
22 tigation of the department of mental hygiene except for those distinct
23 parts of such a facility which provide hospital service. The provisions
24 of this article shall not apply to a facility or institution engaged
25 principally in providing services by or under the supervision of the
26 bona fide members and adherents of a recognized religious organization
27 whose teachings include reliance on spiritual means through prayer alone
28 for healing in the practice of the religion of such organization and
29 where services are provided in accordance with those teachings OR TO A
30 BUSINESS CORPORATION, LIMITED LIABILITY CORPORATION OR PARTNERSHIP
31 BETWEEN A MEDICAL DOCTOR AND A DULY LICENSED TITLE VIII HEALTHCARE
32 PROFESSIONAL.

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

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

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

50 S 6509-a. Additional definition of professional misconduct; limited
51 application. Notwithstanding any inconsistent provision of this article
52 or of any other provision of law to the contrary, the license or regis-
53 tration of a person subject to the provisions of articles one hundred
54 thirty-two, one hundred thirty-three, one hundred thirty-six, one
55 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,
56 one hundred forty-three, one hundred forty-four, one hundred fifty-six,

one hundred fifty-nine and one hundred sixty-four of this chapter may be revoked, suspended or annulled or such person may be subject to any other penalty provided in section sixty-five hundred eleven of this article in accordance with the provisions and procedure of this article for the following:

That any person subject to the above enumerated articles, has directly or indirectly requested, received or participated in the division, transference, assignment, rebate, splitting or refunding of a fee for, or has directly requested, received or profited by means of a credit or other valuable consideration as a commission, discount or gratuity in connection with the furnishing of professional care, or service, including x-ray examination and treatment, or for or in connection with the sale, rental, supplying or furnishing of clinical laboratory services or supplies, x-ray laboratory services or supplies, inhalation therapy service or equipment, ambulance service, hospital or medical supplies, physiotherapy or other therapeutic service or equipment, artificial limbs, teeth or eyes, orthopedic or surgical appliances or supplies, optical appliances, supplies or equipment, devices for aid of hearing, drugs, medication or medical supplies or any other goods, services or supplies prescribed for medical diagnosis, care or treatment under this chapter, except payment, not to exceed thirty-three and one-third per centum of any fee received for x-ray examination, diagnosis or treatment, to any hospital furnishing facilities for such examination, diagnosis or treatment. Nothing contained in this section shall prohibit such persons from practicing as partners, in groups or as a professional corporation or as a university faculty practice corporation nor from pooling fees and moneys received, either by the partnerships, professional corporations, university faculty practice corporations or groups by the individual members thereof, for professional services furnished by any individual professional member, or employee of such partnership, corporation or group, nor shall the professionals constituting the partnerships, corporations or groups be prohibited from sharing, dividing or apportioning the fees and moneys received by them or by the partnership, corporation or group in accordance with a partnership or other agreement; provided that no such practice as partners, corporations or in groups or pooling of fees or moneys received or shared, division or apportionment of fees shall be permitted with respect to care and treatment under the workers' compensation law except as expressly authorized by the workers' compensation law. NOTHING CONTAINED IN THIS SECTION, SHALL PROHIBIT A MULTIDISCIPLINARY MEDICAL AND CHIROPRACTIC PRACTICE FORMED PURSUANT TO SUBDIVISION (A) OR (B) OF SECTION TWELVE HUNDRED THREE OF THE LIMITED LIABILITY COMPANY LAW, SUBDIVISION (A) OF SECTION THIRTEEN HUNDRED ONE OF THE LIMITED LIABILITY COMPANY LAW, PARAGRAPH (A) OF SECTION FIFTEEN HUNDRED THREE OF THE BUSINESS CORPORATION LAW, SUBDIVISION (Q) OF SECTION 121-1500 OF THE PARTNERSHIP LAW, OR SUBDIVISION (Q) OF SECTION 121-1502 OF THE PARTNERSHIP LAW FROM POOLING FEES OR MONIES RECEIVED. Nothing contained in this chapter shall prohibit a medical or dental expense indemnity corporation pursuant to its contract with the subscriber from prorationing a medical or dental expense indemnity allowance among two or more professionals in proportion to the services rendered by each such professional at the request of the subscriber, provided that prior to payment thereof such professionals shall submit both to the medical or dental expense indemnity corporation and to the subscriber statements itemizing the services rendered by each such professional and the charges therefor.

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

3 S 6531. Additional definition of professional misconduct, limited
4 application. Notwithstanding any inconsistent provision of this article
5 or any other provisions of law to the contrary, the license or registra-
6 tion of a person subject to the provisions of this article and article
7 one hundred thirty-one-B of this chapter may be revoked, suspended, or
8 annulled or such person may be subject to any other penalty provided in
9 section two hundred thirty-a of the public health law in accordance with
10 the provisions and procedures of this article for the following:

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

1 provided that prior to payment thereof such professionals shall submit
2 both to the corporation licensed pursuant to article forty-three of the
3 insurance law and to the subscriber statements itemizing the services
4 rendered by each such professional and the charges therefor.
5 S 11. This act shall take effect immediately.