

5956

2013-2014 Regular Sessions

I N A S S E M B L Y

March 11, 2013

Introduced by M. of A. O'DONNELL -- 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 article
10 for the purpose of rendering the professional service or services as
11 such professionals are authorized to practice. With respect to a professional
12 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 liability
19 company must be licensed pursuant to article 133 of the education
20 law to practice dentistry in this state. With respect to a professional
21 service limited liability company formed to provide veterinary services
22 as such services are defined in article 135 of the education law, each
23 member of such limited liability company must be licensed pursuant to
24 article 135 of the education law to practice veterinary medicine in this
25 state. With respect to a professional service limited liability company

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

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

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

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

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

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

27 S 3. Subdivision (a) of section 1301 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 (a) "Foreign professional service limited liability company" means a
31 professional service limited liability company, whether or not denomi-
32 nated as such, organized under the laws of a jurisdiction other than
33 this state, (i) each of whose members and managers, if any, is a profes-
34 sional authorized by law to render a professional service within this
35 state and who is or has been engaged in the practice of such profession
36 in such professional service limited liability company or a predecessor
37 entity, or will engage in the practice of such profession in the profes-
38 sional service limited liability company within thirty days of the date
39 such professional becomes a member, or each of whose members and manag-
40 ers, if any, is a professional at least one of such members is author-
41 ized by law to render a professional service within this state and who
42 is or has been engaged in the practice of such profession in such
43 professional service limited liability company or a predecessor entity,
44 or will engage in the practice of such profession in the professional
45 service limited liability company within thirty days of the date such
46 professional becomes a member, or (ii) authorized by, or holding a
47 license, certificate, registration or permit issued by the licensing
48 authority pursuant to, the education law to render a professional
49 service within this state; except that all members and managers, if any,
50 of a foreign professional service limited liability company that
51 provides health services in this state shall be licensed in this state.
52 With respect to a foreign professional service limited liability company
53 which provides veterinary services as such services are defined in arti-
54 cle 135 of the education law, each member of such foreign professional
55 service limited liability company shall be licensed pursuant to article
56 135 of the education law to practice veterinary medicine. With respect

1 to a foreign professional service limited liability company which
2 provides medical services as such services are defined in article 131 of
3 the education law, each member of such foreign professional service
4 limited liability company must be licensed pursuant to article 131 of
5 the education law to practice medicine in this state. With respect to a
6 foreign professional service limited liability company which provides
7 dental services as such services are defined in article 133 of the
8 education law, each member of such foreign professional service limited
9 liability company must be licensed pursuant to article 133 of the educa-
10 tion law to practice dentistry in this state. With respect to a foreign
11 professional service limited liability company which provides profes-
12 sional engineering, land surveying, architectural and/or landscape
13 architectural services as such services are defined in article 145,
14 article 147 and article 148 of the education law, each member of such
15 foreign professional service limited liability company must be licensed
16 pursuant to article 145, article 147 and/or article 148 of the education
17 law to practice one or more of such professions in this state. With
18 respect to a foreign professional service limited liability company
19 which provides licensed clinical social work services as such services
20 are defined in article 154 of the education law, each member of such
21 foreign professional service limited liability company shall be licensed
22 pursuant to article 154 of the education law to practice clinical social
23 work in this state. With respect to a foreign professional service
24 limited liability company which provides creative arts therapy services
25 as such services are defined in article 163 of the education law, each
26 member of such foreign professional service limited liability company
27 must be licensed pursuant to article 163 of the education law to prac-
28 tice creative arts therapy in this state. With respect to a foreign
29 professional service limited liability company which provides marriage
30 and family therapy services as such services are defined in article 163
31 of the education law, each member of such foreign professional service
32 limited liability company must be licensed pursuant to article 163 of
33 the education law to practice marriage and family therapy in this state.
34 With respect to a foreign professional service limited liability company
35 which provides mental health counseling services as such services are
36 defined in article 163 of the education law, each member of such foreign
37 professional service limited liability company must be licensed pursuant
38 to article 163 of the education law to practice mental health counseling
39 in this state. With respect to a foreign professional service limited
40 liability company which provides psychoanalysis services as such
41 services are defined in article 163 of the education law, each member of
42 such foreign professional service limited liability company must be
43 licensed pursuant to article 163 of the education law to practice
44 psychoanalysis in this state. WITH RESPECT TO A FOREIGN PROFESSIONAL
45 SERVICE LIMITED LIABILITY COMPANY FORMED TO PROVIDE INTEGRATED,
46 MULTI-DISCIPLINARY MEDICAL AND CHIROPRACTIC SERVICES, AS SUCH SERVICES
47 ARE RESPECTIVELY DEFINED UNDER ARTICLE 131 AND ARTICLE 132 OF THE EDUCA-
48 TION LAW, (I) EACH MEMBER OF SUCH LIMITED LIABILITY COMPANY MUST BE
49 LICENSED PURSUANT TO ARTICLE 131 OR ARTICLE 132 OF THE EDUCATION LAW TO
50 PRACTICE HIS OR HER PROFESSION IN THIS STATE, (II) EACH MEMBER SHALL
51 ONLY PRACTICE HIS OR HER PROFESSION AS SPECIFIED IN HIS OR HER RESPEC-
52 TIVE PROFESSIONAL ENABLING STATUTE UNDER ARTICLE 131 OR ARTICLE 132 OF
53 THE EDUCATION LAW, AND (III) THE CLINICAL INTEGRATION OF PROFESSIONAL
54 PRACTICES WITHIN AN INTEGRATED, MULTIDISCIPLINARY ENTITY ORGANIZED UNDER
55 THIS SECTION DOES NOT ALTER, EXPAND OR CURTAIL THE SCOPE OF PRACTICE OF
56 ANY OF THE INDIVIDUALS LICENSED UNDER THE STATUTE OF HIS OR HER RESPEC-

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

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

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

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

54 (q) Each partner of a registered limited liability partnership formed
55 to provide medical services in this state must be licensed pursuant to
56 article 131 of the education law to practice medicine in this state and

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

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

55 (q) Each partner of a foreign limited liability partnership which
56 provides medical services in this state must be licensed pursuant to

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

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

55 1. "Hospital" means a facility or institution engaged principally in
56 providing services by or under the supervision of a physician or, in the

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

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

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

40 S 9. Section 6509-a of the education law, as amended by chapter 555 of
41 the laws of 1993, is amended to read as follows:

42 S 6509-a. Additional definition of professional misconduct; limited
43 application. Notwithstanding any inconsistent provision of this article
44 or of any other provision of law to the contrary, the license or regis-
45 tration of a person subject to the provisions of articles one hundred
46 thirty-two, one hundred thirty-three, one hundred thirty-six, one
47 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,
48 one hundred forty-three, one hundred forty-four, one hundred fifty-six,
49 one hundred fifty-nine and one hundred sixty-four of this chapter may be
50 revoked, suspended or annulled or such person may be subject to any
51 other penalty provided in section sixty-five hundred eleven of this
52 article in accordance with the provisions and procedure of this article
53 for the following:

54 That any person subject to the above enumerated articles, has directly
55 or indirectly requested, received or participated in the division,
56 transference, assignment, rebate, splitting or refunding of a fee for,

1 or has directly requested, received or profited by means of a credit or
2 other valuable consideration as a commission, discount or gratuity in
3 connection with the furnishing of professional care, or service, includ-
4 ing x-ray examination and treatment, or for or in connection with the
5 sale, rental, supplying or furnishing of clinical laboratory services or
6 supplies, x-ray laboratory services or supplies, inhalation therapy
7 service or equipment, ambulance service, hospital or medical supplies,
8 physiotherapy or other therapeutic service or equipment, artificial
9 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,
10 optical appliances, supplies or equipment, devices for aid of hearing,
11 drugs, medication or medical supplies or any other goods, services or
12 supplies prescribed for medical diagnosis, care or treatment under this
13 chapter, except payment, not to exceed thirty-three and one-third per
14 centum of any fee received for x-ray examination, diagnosis or treat-
15 ment, to any hospital furnishing facilities for such examination, diag-
16 nosis or treatment. Nothing contained in this section shall prohibit
17 such persons from practicing as partners, in groups or as a professional
18 corporation or as a university faculty practice corporation nor from
19 pooling fees and moneys received, either by the partnerships, profes-
20 sional corporations, university faculty practice corporations or groups
21 by the individual members thereof, for professional services furnished
22 by any individual professional member, or employee of such partnership,
23 corporation or group, nor shall the professionals constituting the part-
24 nerships, corporations or groups be prohibited from sharing, dividing or
25 apportioning the fees and moneys received by them or by the partnership,
26 corporation or group in accordance with a partnership or other agree-
27 ment; provided that no such practice as partners, corporations or in
28 groups or pooling of fees or moneys received or shared, division or
29 apportionment of fees shall be permitted with respect to care and treat-
30 ment under the workers' compensation law except as expressly authorized
31 by the workers' compensation law. NOTHING CONTAINED IN THIS SECTION,
32 SHALL PROHIBIT A MULTIDISCIPLINARY MEDICAL AND CHIROPRACTIC PRACTICE
33 FORMED PURSUANT TO SUBDIVISION (A) OR (B) OF SECTION TWELVE HUNDRED
34 THREE OF THE LIMITED LIABILITY COMPANY LAW, SUBDIVISION (A) OF SECTION
35 THIRTEEN HUNDRED ONE OF THE LIMITED LIABILITY COMPANY LAW, PARAGRAPH (A)
36 OF SECTION FIFTEEN HUNDRED THREE OF THE BUSINESS CORPORATION LAW, SUBDI-
37 VISION (Q) OF SECTION 121-1500 OF THE PARTNERSHIP LAW, OR SUBDIVISION
38 (Q) OF SECTION 121-1502 OF THE PARTNERSHIP LAW FROM POOLING FEES OR
39 MONIES RECEIVED. Nothing contained in this chapter shall prohibit a
40 medical or dental expense indemnity corporation pursuant to its contract
41 with the subscriber from prorationing a medical or dental expense indem-
42 nity allowance among two or more professionals in proportion to the
43 services rendered by each such professional at the request of the
44 subscriber, provided that prior to payment thereof such professionals
45 shall submit both to the medical or dental expense indemnity corporation
46 and to the subscriber statements itemizing the services rendered by each
47 such professional and the charges therefor.

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

50 S 6531. Additional definition of professional misconduct, limited
51 application. Notwithstanding any inconsistent provision of this article
52 or any other provisions of law to the contrary, the license or registra-
53 tion of a person subject to the provisions of this article and article
54 one hundred thirty-one-B of this chapter may be revoked, suspended, or
55 annulled or such person may be subject to any other penalty provided in

1 section two hundred thirty-a of the public health law in accordance with
2 the provisions and procedures of this article for the following:

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

53 S 11. This act shall take effect on the thirtieth day after it shall
54 have become a law.