

# STATE OF NEW YORK

6377--A

2019-2020 Regular Sessions

## IN ASSEMBLY

March 7, 2019

Introduced by M. of A. PEOPLES-STOKES, BENEDETTO, STECK, O'DONNELL, GARBARINO, THIELE, LUPARDO, JAFFEE, GOTTFRIED, WOERNER, ORTIZ, RODRIGUEZ, McDONALD, STIRPE, BUTTENSCHON, GRIFFIN -- Multi-Sponsored by -- M. of A. ARROYO, FITZPATRICK -- read once and referred to the Committee on Higher Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the limited liability company law, the business corporation law, the partnership law, the education law and the public health law, in relation to authorizing certain licensed health services professionals 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 amended by chapter 475 of the laws of 2014, is amended  
3 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. Notwithstanding any other provision of this section, any  
17 person licensed pursuant to article 131 of the education law to practice  
18 medicine and any person licensed pursuant to articles 132, 137, 140,  
19 141, 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of

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

LBD04699-04-9

1 article 139 of the education law may form, or cause to be formed, a  
2 professional service limited liability company to provide multidiscipli-  
3 nary services with one or more licensed professionals, subject to the  
4 following conditions: (i) each member of such limited liability company  
5 must be licensed pursuant to title eight of the education law to prac-  
6 tice his or her profession in this state; (ii) each member shall only  
7 practice his or her profession as specified in his or her respective  
8 professional enabling statute under title eight of the education law; and  
9 (iii) any clinical integration of professional practices under this  
10 section shall not alter, expand or curtail the scope of practice of any  
11 of the members; provided further that: (A) no member shall, directly or  
12 indirectly, interfere with the clinical judgment or legitimate clinical  
13 practice of another member; and (B) no member shall order or direct  
14 another member to practice beyond the scope of his or her license. With

15 respect to a professional service limited liability company formed to  
16 provide dental services as such services are defined in article 133 of  
17 the education law, each member of such limited liability company must be  
18 licensed pursuant to article 133 of the education law to practice  
19 dentistry in this state. With respect to a professional service limited  
20 liability company formed to provide veterinary services as such services  
21 are defined in article 135 of the education law, each member of such  
22 limited liability company must be licensed pursuant to article 135 of  
23 the education law to practice veterinary medicine in this state. With  
24 respect to a professional service limited liability company formed to  
25 provide professional engineering, land surveying, architectural, land-  
26 scape architectural and/or geological services as such services are  
27 defined in article 145, article 147 and article 148 of the education  
28 law, each member of such limited liability company must be licensed  
29 pursuant to article 145, article 147 and/or article 148 of the education  
30 law to practice one or more of such professions in this state. [~~With~~  
31 ~~respect to a professional service limited liability company formed to~~  
32 ~~provide licensed clinical social work services as such services are~~  
33 ~~defined in article 154 of the education law, each member of such limited~~  
34 ~~liability company shall be licensed pursuant to article 154 of the~~  
35 ~~education law to practice licensed clinical social work in this state.~~]

36 With respect to a professional service limited liability company formed  
37 to provide creative arts therapy services as such services are defined  
38 in article 163 of the education law, each member of such limited liabil-  
39 ity company must be licensed pursuant to article 163 of the education  
40 law to practice creative arts therapy in this state. With respect to a  
41 professional service limited liability company formed to provide  
42 marriage and family therapy services as such services are defined in  
43 article 163 of the education law, each member of such limited liability  
44 company must be licensed pursuant to article 163 of the education law to  
45 practice marriage and family therapy in this state. With respect to a  
46 professional service limited liability company formed to provide mental  
47 health counseling services as such services are defined in article 163  
48 of the education law, each member of such limited liability company must  
49 be licensed pursuant to article 163 of the education law to practice  
50 mental health counseling in this state. With respect to a professional  
51 service limited liability company formed to provide psychoanalysis  
52 services as such services are defined in article 163 of the education  
53 law, each member of such limited liability company must be licensed  
54 pursuant to article 163 of the education law to practice psychoanalysis  
55 in this state. With respect to a professional service limited liability  
56 company formed to provide applied behavior analysis services as such

1 services are defined in article 167 of the education law, each member of  
2 such limited liability company must be licensed or certified pursuant to  
3 article 167 of the education law to practice applied behavior analysis  
4 in this state. In addition to engaging in such profession or  
5 professions, a professional service limited liability company may engage  
6 in any other business or activities as to which a limited liability  
7 company may be formed under section two hundred one of this chapter.  
8 Notwithstanding any other provision of this section, a professional  
9 service limited liability company (i) authorized to practice law may  
10 only engage in another profession or business or activities or (ii)  
11 which is engaged in a profession or other business or activities other  
12 than law may only engage in the practice of law, to the extent not  
13 prohibited by any other law of this state or any rule adopted by the  
14 appropriate appellate division of the supreme court or the court of  
15 appeals.

16 § 2. Subdivision (b) of section 1207 of the limited liability company  
17 law, as amended by chapter 475 of the laws of 2014, is amended to read  
18 as follows:

19 (b) With respect to a professional service limited liability company  
20 formed to provide medical services as such services are defined in arti-  
21 cle 131 of the education law, each member of such limited liability  
22 company must be licensed pursuant to article 131 of the education law to  
23 practice medicine in this state. Notwithstanding any other provision of  
24 this section, any person licensed pursuant to article 131 of the educa-  
25 tion law to practice medicine and any person licensed pursuant to arti-  
26 cles 132, 137, 140, 141, 143, 144, 153, 154, 155 or 156 or subdivision 3  
27 of section 6902 of article 139 of the education law may form, or cause  
28 to be formed, a professional service limited liability company to  
29 provide multidisciplinary services with one or more licensed profes-  
30 sionals, subject to the following conditions: (i) each member of such  
31 limited liability company must be licensed pursuant to title eight of  
32 the education law to practice his or her profession in this state; (ii)  
33 each member shall only practice his or her profession as specified in  
34 his or her respective professional enabling statute under title eight or  
35 the education law; and (iii) any clinical integration of professional  
36 practices under this section shall not alter, expand or curtail the  
37 scope of practice of any of the members; provided further that: (A) no  
38 member shall, directly or indirectly, interfere with the clinical judge-  
39 ment or legitimate clinical practice of another member; and (B) no  
40 member shall order or direct another member to practice beyond the scope  
41 of his or her license. With respect to a professional service limited  
42 liability company formed to provide dental services as such services are  
43 defined in article 133 of the education law, each member of such limited  
44 liability company must be licensed pursuant to article 133 of the educa-  
45 tion law to practice dentistry in this state. With respect to a profes-  
46 sional service limited liability company formed to provide veterinary  
47 services as such services are defined in article 135 of the education  
48 law, each member of such limited liability company must be licensed  
49 pursuant to article 135 of the education law to practice veterinary  
50 medicine in this state. With respect to a professional service limited  
51 liability company formed to provide professional engineering, land  
52 surveying, architectural, landscape architectural and/or geological  
53 services as such services are defined in article 145, article 147 and  
54 article 148 of the education law, each member of such limited liability  
55 company must be licensed pursuant to article 145, article 147 and/or  
56 article 148 of the education law to practice one or more of such

1 professions in this state. [~~With respect to a professional service  
2 limited liability company formed to provide licensed clinical social  
3 work services as such services are defined in article 154 of the educa-  
4 tion law, each member of such limited liability company shall be  
5 licensed pursuant to article 154 of the education law to practice  
6 licensed clinical social work in this state.~~] With respect to a profes-  
7 sional service limited liability company formed to provide creative arts  
8 therapy services as such services are defined in article 163 of the  
9 education law, each member of such limited liability company must be  
10 licensed pursuant to article 163 of the education law to practice crea-  
11 tive arts therapy in this state. With respect to a professional service  
12 limited liability company formed to provide marriage and family therapy  
13 services as such services are defined in article 163 of the education  
14 law, each member of such limited liability company must be licensed  
15 pursuant to article 163 of the education law to practice marriage and  
16 family therapy in this state. With respect to a professional service  
17 limited liability company formed to provide mental health counseling  
18 services as such services are defined in article 163 of the education  
19 law, each member of such limited liability company must be licensed  
20 pursuant to article 163 of the education law to practice mental health  
21 counseling in this state. With respect to a professional service limited  
22 liability company formed to provide psychoanalysis services as such  
23 services are defined in article 163 of the education law, each member of  
24 such limited liability company must be licensed pursuant to article 163  
25 of the education law to practice psychoanalysis in this state. With  
26 respect to a professional service limited liability company formed to  
27 provide applied behavior analysis services as such services are defined  
28 in article 167 of the education law, each member of such limited liabil-  
29 ity company must be licensed or certified pursuant to article 167 of the  
30 education law to practice applied behavior analysis in this state.

31 § 3. Subdivision (a) of section 1301 of the limited liability company  
32 law, as amended by chapter 475 of the laws of 2014, is amended to read  
33 as follows:

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

1 which provides veterinary services as such services are defined in arti-  
2 cle 135 of the education law, each member of such foreign professional  
3 service limited liability company shall be licensed pursuant to article  
4 135 of the education law to practice veterinary medicine. With respect  
5 to a foreign professional service limited liability company which  
6 provides medical services as such services are defined in article 131 of  
7 the education law, each member of such foreign professional service  
8 limited liability company must be licensed pursuant to article 131 of  
9 the education law to practice medicine in this state. Notwithstanding  
10 any other provision of this section, any person licensed pursuant to  
11 article 131 of the education law to practice medicine and any person  
12 licensed pursuant to articles 132, 137, 140, 141, 143, 144, 153, 154,  
13 155 or 156 or subdivision 3 of section 6902 of article 139 of the educa-  
14 tion law may form, or cause to be formed, a foreign professional service  
15 limited liability company to provide multidisciplinary services with one  
16 or more licensed professionals, subject to the following conditions: (i)  
17 each member of such limited liability company must be licensed pursuant  
18 to title eight of the education law to practice his or her profession in  
19 this state; (ii) each member shall only practice his or her profession  
20 as specified in his or her respective professional enabling statute  
21 under title eight of the education law; and (iii) any clinical inte-  
22 gration of professional practices under this section shall not alter,  
23 expand or curtail the scope of practice of any of the members; provided  
24 further that: (A) no member shall, directly or indirectly, interfere  
25 with the clinical judgment or legitimate clinical practice of another  
26 member; and (B) no member shall order or direct another member to prac-  
27 tice beyond the scope of his or her license. With respect to a foreign  
28 professional service limited liability company which provides dental  
29 services as such services are defined in article 133 of the education  
30 law, each member of such foreign professional service limited liability  
31 company must be licensed pursuant to article 133 of the education law to  
32 practice dentistry in this state. With respect to a foreign professional  
33 service limited liability company which provides professional engineer-  
34 ing, land surveying, geologic, architectural and/or landscape architec-  
35 tural services as such services are defined in article 145, article 147  
36 and article 148 of the education law, each member of such foreign  
37 professional service limited liability company must be licensed pursuant  
38 to article 145, article 147 and/or article 148 of the education law to  
39 practice one or more of such professions in this state. [~~With respect to~~  
40 ~~a foreign professional service limited liability company which provides~~  
41 ~~licensed clinical social work services as such services are defined in~~  
42 ~~article 154 of the education law, each member of such foreign profes-~~  
43 ~~sional service limited liability company shall be licensed pursuant to~~  
44 ~~article 154 of the education law to practice clinical social work in~~  
45 ~~this state.~~] With respect to a foreign professional service limited  
46 liability company which provides creative arts therapy services as such  
47 services are defined in article 163 of the education law, each member of  
48 such foreign professional service limited liability company must be  
49 licensed pursuant to article 163 of the education law to practice crea-  
50 tive arts therapy in this state. With respect to a foreign professional  
51 service limited liability company which provides marriage and family  
52 therapy services as such services are defined in article 163 of the  
53 education law, each member of such foreign professional service limited  
54 liability company must be licensed pursuant to article 163 of the educa-  
55 tion law to practice marriage and family therapy in this state. With  
56 respect to a foreign professional service limited liability company

1 which provides mental health counseling services as such services are  
2 defined in article 163 of the education law, each member of such foreign  
3 professional service limited liability company must be licensed pursuant  
4 to article 163 of the education law to practice mental health counseling  
5 in this state. With respect to a foreign professional service limited  
6 liability company which provides psychoanalysis services as such  
7 services are defined in article 163 of the education law, each member of  
8 such foreign professional service limited liability company must be  
9 licensed pursuant to article 163 of the education law to practice  
10 psychoanalysis in this state. With respect to a foreign professional  
11 service limited liability company which provides applied behavior analy-  
12 sis services as such services are defined in article 167 of the educa-  
13 tion law, each member of such foreign professional service limited  
14 liability company must be licensed or certified pursuant to article 167  
15 of the education law to practice applied behavior analysis in this  
16 state.

17 § 4. Paragraph (a) of section 1503 of the business corporation law, as  
18 amended by chapter 475 of the laws of 2014, is amended to read as  
19 follows:

20 (a) Notwithstanding any other provision of law, (i) one or more indi-  
21 viduals duly authorized by law to render the same professional service  
22 within the state may organize, or cause to be organized, a professional  
23 service corporation for pecuniary profit under this article for the  
24 purpose of rendering the same professional service, except that one or  
25 more individuals duly authorized by law to practice professional engi-  
26 neering, architecture, landscape architecture, land surveying or geology  
27 within the state may organize, or cause to be organized, a professional  
28 service corporation or a design professional service corporation for  
29 pecuniary profit under this article for the purpose of rendering such  
30 professional services as such individuals are authorized to practice,  
31 and (ii) one or more individuals licensed to practice pursuant to arti-  
32 cle 131 and one or more individuals licensed pursuant to articles 132,  
33 137, 140, 141, 143, 144, 153, 154, 155 or 156 or subdivision 3 of  
34 section 6902 of article 139 of title eight of the education law may  
35 organize, or cause to be organized, for business purposes only, a  
36 professional service corporation formed for pecuniary profit under this  
37 article for the purpose of rendering multidisciplinary services within  
38 such a corporation as such individuals are authorized to practice indi-  
39 vidually in his or her respective professions, subject to the following  
40 conditions: (A) individual who organizes, or causes to organize, such  
41 corporation must be licensed pursuant to title eight of the education  
42 law to practice his or her profession in this state; (B) each member  
43 shall only practice his or her profession as specified in his or her  
44 respective professional enabling statute under title eight of the educa-  
45 tion law; and (C) any clinical integration of professional practices  
46 under this section shall not alter, expand or curtail the scope of prac-  
47 tice of any of the members; (D) no individual shall, directly or indi-  
48 rectly, interfere with the clinical judgment or legitimate clinical  
49 practice of another individual; and (E) no individual shall order or  
50 direct another individual to practice beyond the scope of his or her  
51 license.

52 § 5. Subdivision (q) of section 121-1500 of the partnership law, as  
53 amended by chapter 475 of the laws of 2014, is amended to read as  
54 follows:

55 (q) Each partner of a registered limited liability partnership formed  
56 to provide medical services in this state must be licensed pursuant to

1 article 131 of the education law to practice medicine in this state [~~and~~  
2 ~~each~~]. Notwithstanding any other provision of this section, any person  
3 licensed pursuant to article 131 of the education law to practice medi-  
4 cine and any person licensed pursuant to articles 132, 137, 140, 141,  
5 143, 144, 153, 154, 155 or 156 subdivision 3 of section 6902 of article  
6 139 of the education law may form, or cause to be formed, a registered  
7 limited liability partnership to provide multidisciplinary services with  
8 one or more licensed professionals, subject to the following conditions:  
9 (i) each partner of such limited liability partnership must be licensed  
10 pursuant to title eight of the education law to practice his or her  
11 profession in this state; (ii) each partner shall only practice his or  
12 her profession as specified in his or her respective professional enab-  
13 ling statute under title eight of the education law; and (iii) any clin-  
14 ical integration of the professional practices under this section shall  
15 not alter, expand or curtail the scope of practice of any of the part-  
16 ners; provided further that: (A) no partner shall, directly or indirect-  
17 ly, interfere with the clinical judgment or legitimate clinical practice  
18 of another partner; and (B) no partner shall order or direct another  
19 partner to practice beyond the scope of his or her license. Each part-  
20 ner of a registered limited liability partnership formed to provide  
21 dental services in this state must be licensed pursuant to article 133  
22 of the education law to practice dentistry in this state. Each partner  
23 of a registered limited liability partnership formed to provide veteri-  
24 nary services in this state must be licensed pursuant to article 135 of  
25 the education law to practice veterinary medicine in this state. Each  
26 partner of a registered limited liability partnership formed to provide  
27 professional engineering, land surveying, geological services, architec-  
28 tural and/or landscape architectural services in this state must be  
29 licensed pursuant to article 145, article 147 and/or article 148 of the  
30 education law to practice one or more of such professions in this state.

31 [~~Each partner of a registered limited liability partnership formed to~~  
32 ~~provide licensed clinical social work services in this state must be~~  
33 ~~licensed pursuant to article 154 of the education law to practice clin-~~  
34 ~~ical social work in this state.~~] Each partner of a registered limited  
35 liability partnership formed to provide creative arts therapy services  
36 in this state must be licensed pursuant to article 163 of the education  
37 law to practice creative arts therapy in this state. Each partner of a  
38 registered limited liability partnership formed to provide marriage and  
39 family therapy services in this state must be licensed pursuant to arti-  
40 cle 163 of the education law to practice marriage and family therapy in  
41 this state. Each partner of a registered limited liability partnership  
42 formed to provide mental health counseling services in this state must  
43 be licensed pursuant to article 163 of the education law to practice  
44 mental health counseling in this state. Each partner of a registered  
45 limited liability partnership formed to provide psychoanalysis services  
46 in this state must be licensed pursuant to article 163 of the education  
47 law to practice psychoanalysis in this state. Each partner of a regis-  
48 tered limited liability partnership formed to provide applied behavior  
49 analysis service in this state must be licensed or certified pursuant to  
50 article 167 of the education law to practice applied behavior analysis  
51 in this state.

52 § 6. Subdivision (q) of section 121-1502 of the partnership law, as  
53 amended by chapter 475 of the laws of 2014, 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~~]. Notwithstanding any other provision of this section, any person  
3 licensed pursuant to article 131 of the education law to practice medi-  
4 cine and any person licensed pursuant to articles 132, 137, 140, 141,  
5 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of arti-  
6 cle 139 of the education law may form, or cause to be formed, a foreign  
7 limited liability partnership to provide multidisciplinary services with  
8 one or more licensed professionals, subject to the following conditions:  
9 (i) each partner of such foreign limited liability partnership must be  
10 licensed pursuant to title eight of the education law to practice his or  
11 her profession in this state; (ii) each partner shall only practice his  
12 or her profession as specified in his or her respective professional  
13 enabling statute under title eight of the education law; and (iii) any  
14 clinical integration of professional practices under this section shall  
15 not alter, expand or curtail the scope of practice of any of the part-  
16 ners; provided further that: (A) no partner shall, directly or indirect-  
17 ly, interfere with the clinical judgment or legitimate clinical practice  
18 of another partner; and (B) no partner shall order or direct another  
19 partner to practice beyond the scope of his or her license. Each partner  
20 of a foreign limited liability partnership which provides dental  
21 services in the state must be licensed pursuant to article 133 of the  
22 education law to practice dentistry in this state. Each partner of a  
23 foreign limited liability partnership which provides veterinary service  
24 in the state shall be licensed pursuant to article 135 of the education  
25 law to practice veterinary medicine in this state. Each partner of a  
26 foreign limited liability partnership which provides professional engi-  
27 neering, land surveying, geological services, architectural and/or land-  
28 scape architectural services in this state must be licensed pursuant to  
29 article 145, article 147 and/or article 148 of the education law to  
30 practice one or more of such professions. [~~Each partner of a foreign~~  
31 ~~limited liability partnership which provides licensed clinical social~~  
32 ~~work services in this state must be licensed pursuant to article 154 of~~  
33 ~~the education law to practice licensed clinical social work in this~~  
34 ~~state.~~] Each partner of a foreign limited liability partnership which  
35 provides creative arts therapy services in this state must be licensed  
36 pursuant to article 163 of the education law to practice creative arts  
37 therapy in this state. Each partner of a foreign limited liability part-  
38 nership which provides marriage and family therapy services in this  
39 state must be licensed pursuant to article 163 of the education law to  
40 practice marriage and family therapy in this state. Each partner of a  
41 foreign limited liability partnership which provides mental health coun-  
42 seling services in this state must be licensed pursuant to article 163  
43 of the education law to practice mental health counseling in this state.  
44 Each partner of a foreign limited liability partnership which provides  
45 psychoanalysis services in this state must be licensed pursuant to arti-  
46 cle 163 of the education law to practice psychoanalysis in this state.  
47 Each partner of a foreign limited liability partnership which provides  
48 applied behavior analysis services in this state must be licensed or  
49 certified pursuant to article 167 of the education law to practice  
50 applied behavior analysis in this state.

51 § 7. Section 6509-a of the education law, as amended by chapter 555 of  
52 the laws of 1993, is amended to read as follows:

53 § 6509-a. Additional definition of professional misconduct; limited  
54 application. Notwithstanding any inconsistent provision of this article  
55 or of any other provision of law to the contrary, the license or regis-  
56 tration of a person subject to the provisions of articles one hundred

1 thirty-two, one hundred thirty-three, one hundred thirty-six, one  
2 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,  
3 one hundred forty-three, one hundred forty-four, one hundred fifty-six,  
4 one hundred fifty-nine and one hundred sixty-four of this chapter may be  
5 revoked, suspended or annulled or such person may be subject to any  
6 other penalty provided in section sixty-five hundred eleven of this  
7 article in accordance with the provisions and procedure of this article  
8 for the following:

9 That any person subject to the above enumerated articles, has directly  
10 or indirectly requested, received or participated in the division,  
11 transference, assignment, rebate, splitting or refunding of a fee for,  
12 or has directly requested, received or profited by means of a credit or  
13 other valuable consideration as a commission, discount or gratuity in  
14 connection with the furnishing of professional care, or service, includ-  
15 ing x-ray examination and treatment, or for or in connection with the  
16 sale, rental, supplying or furnishing of clinical laboratory services or  
17 supplies, x-ray laboratory services or supplies, inhalation therapy  
18 service or equipment, ambulance service, hospital or medical supplies,  
19 physiotherapy or other therapeutic service or equipment, artificial  
20 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,  
21 optical appliances, supplies or equipment, devices for aid of hearing,  
22 drugs, medication or medical supplies or any other goods, services or  
23 supplies prescribed for medical diagnosis, care or treatment under this  
24 chapter, except payment, not to exceed thirty-three and one-third per  
25 centum of any fee received for x-ray examination, diagnosis or treat-  
26 ment, to any hospital furnishing facilities for such examination, diag-  
27 nosis or treatment. Nothing contained in this section shall prohibit  
28 such persons from practicing as partners, in groups or as a professional  
29 corporation or as a university faculty practice corporation nor from  
30 pooling fees and moneys received, either by the partnerships, profes-  
31 sional corporations, university faculty practice corporations or groups  
32 by the individual members thereof, for professional services furnished  
33 by any individual professional member, or employee of such partnership,  
34 corporation or group, nor shall the professionals constituting the part-  
35 nerships, corporations or groups be prohibited from sharing, dividing or  
36 apportioning the fees and moneys received by them or by the partnership,  
37 corporation or group in accordance with a partnership or other agree-  
38 ment; provided that no such practice as partners, corporations or in  
39 groups or pooling of fees or moneys received or shared, division or  
40 apportionment of fees shall be permitted with respect to care and treat-  
41 ment under the workers' compensation law except as expressly authorized  
42 by the workers' compensation law. Nothing contained in this section  
43 shall prohibit a multidisciplinary services practice formed pursuant to  
44 subdivision (a) of section twelve hundred three of the limited liability  
45 company law, subdivision (b) of section twelve hundred seven of the  
46 limited liability company law, subdivision (a) of section thirteen  
47 hundred one of the limited liability company law, paragraph (a) of  
48 section fifteen hundred three of the business corporation law, subdivi-  
49 sion (q) of section 121-1500 of the partnership law, or subdivision (q)  
50 of section 121-1502 of the partnership law from pooling fees or monies  
51 received. Nothing contained in this chapter shall prohibit a medical or  
52 dental expense indemnity corporation pursuant to its contract with the  
53 subscriber from prorationing a medical or dental expense indemnity  
54 allowance among two or more professionals in proportion to the services  
55 rendered by each such professional at the request of the subscriber,  
56 provided that prior to payment thereof such professionals shall submit

1 both to the medical or dental expense indemnity corporation and to the  
2 subscriber statements itemizing the services rendered by each such  
3 professional and the charges therefor.

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

6 19. Permitting any person to share in the fees for professional  
7 services, other than: a partner, employee, associate in a professional  
8 firm or corporation, professional subcontractor or consultant authorized  
9 to practice medicine, ~~[or]~~ a legally authorized trainee practicing under  
10 the supervision of a licensee, or an authorized professional licensed  
11 pursuant to article one hundred thirty-one, one hundred thirty-two, one  
12 hundred thirty-seven, one hundred forty, one hundred forty-one, one  
13 hundred forty-three, one hundred forty-four, one hundred fifty-three,  
14 one hundred fifty-four, one hundred fifty-five, one hundred fifty-six or  
15 one hundred fifty-nine or subdivision three of section sixty nine  
16 hundred two of article one hundred thirty-nine of this chapter providing  
17 professional services in the same practice. This prohibition shall  
18 include any arrangement or agreement whereby the amount received in  
19 payment for furnishing space, facilities, equipment or personnel  
20 services used by a licensee constitutes a percentage of, or is otherwise  
21 dependent upon, the income or receipts of the licensee from such prac-  
22 tice, except as otherwise provided by law with respect to a facility  
23 licensed pursuant to article twenty-eight of the public health law or  
24 article thirteen of the mental hygiene law;

25 § 9. Section 6531 of the education law, as amended by chapter 555 of  
26 the laws of 1993, is amended to read as follows:

27 § 6531. Additional definition of professional misconduct, limited  
28 application. Notwithstanding any inconsistent provision of this article  
29 or any other provisions of law to the contrary, the license or registra-  
30 tion of a person subject to the provisions of this article and article  
31 one hundred thirty-one-B of this chapter may be revoked, suspended, or  
32 annulled or such person may be subject to any other penalty provided in  
33 section two hundred thirty-a of the public health law in accordance with  
34 the provisions and procedures of this article for the following:

35 That any person subject to the above-enumerated articles has directly  
36 or indirectly requested, received or participated in the division,  
37 transference, assignment, rebate, splitting, or refunding of a fee for,  
38 or has directly requested, received or profited by means of a credit or  
39 other valuable consideration as a commission, discount or gratuity, in  
40 connection with the furnishing of professional care or service, includ-  
41 ing x-ray examination and treatment, or for or in connection with the  
42 sale, rental, supplying, or furnishing of clinical laboratory services  
43 or supplies, x-ray laboratory services or supplies, inhalation therapy  
44 service or equipment, ambulance service, hospital or medical supplies,  
45 physiotherapy or other therapeutic service or equipment, artificial  
46 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,  
47 optical appliances, supplies, or equipment, devices for aid of hearing,  
48 drugs, medication, or medical supplies, or any other goods, services, or  
49 supplies prescribed for medical diagnosis, care, or treatment under this  
50 chapter, except payment, not to exceed thirty-three and one-third  
51 percent of any fee received for x-ray examination, diagnosis, or treat-  
52 ment, to any hospital furnishing facilities for such examination, diag-  
53 nosis, or treatment. Nothing contained in this section shall prohibit  
54 such persons from practicing as partners, in groups or as a professional  
55 corporation or as a university faculty practice corporation, nor from  
56 pooling fees and moneys received, either by the partnerships, profes-

1 sional corporations, or university faculty practice corporations or  
2 groups by the individual members thereof, for professional services  
3 furnished by an individual professional member, or employee of such  
4 partnership, corporation, or group, nor shall the professionals consti-  
5 tuting the partnerships, corporations or groups be prohibited from shar-  
6 ing, dividing, or apportioning the fees and moneys received by them or  
7 by the partnership, corporation, or group in accordance with a partner-  
8 ship or other agreement; provided that no such practice as partners,  
9 corporations, or groups, or pooling of fees or moneys received or  
10 shared, division or apportionment of fees shall be permitted with  
11 respect to and treatment under the workers' compensation law. Nothing  
12 contained in this section shall prohibit a multidisciplinary services  
13 practice formed pursuant to subdivision (a) of section twelve hundred  
14 three of the limited liability company law, subdivision (b) of section  
15 twelve hundred seven of the limited liability company law, subdivision  
16 (a) of section thirteen hundred one of the limited liability company  
17 law, paragraph (a) of section fifteen hundred three of the business  
18 corporation law, subdivision (q) of section 121-1500 of the partnership  
19 law, or subdivision (q) of section 121-1502 of the partnership law from  
20 pooling fees or monies received. Nothing contained in this chapter shall  
21 prohibit a corporation licensed pursuant to article forty-three of the  
22 insurance law pursuant to its contract with the subscribed from prora-  
23 tioning a medical or dental expenses indemnity allowance among two or  
24 more professionals in proportion to the services rendered by each such  
25 professional at the request of the subscriber, provided that prior to  
26 payment thereof such professionals shall submit both to the corporation  
27 licensed pursuant to article forty-three of the insurance law and to the  
28 subscriber statements itemizing the services rendered by each such  
29 professional and the charges therefor.

30 § 10. Subdivision 1 of section 2801 of the public health law, as  
31 amended by section 1 of subpart B of part S of chapter 57 of the laws of  
32 2018, is amended to read as follows:

33 1. "Hospital" means a facility or institution engaged principally in  
34 providing services by or under the supervision of a physician or, in the  
35 case of a dental clinic or dental dispensary, of a dentist, or, in the  
36 case of a midwifery birth center, of a midwife, for the prevention,  
37 diagnosis or treatment of human disease, pain, injury, deformity or  
38 physical condition, including, but not limited to, a general hospital,  
39 public health center, diagnostic center, treatment center, dental clinic,  
40 dental dispensary, rehabilitation center other than a facility used  
41 solely for vocational rehabilitation, nursing home, tuberculosis hospital,  
42 chronic disease hospital, maternity hospital, midwifery birth  
43 center, lying-in-asylum, out-patient department, out-patient lodge,  
44 dispensary and a laboratory or central service facility serving one or  
45 more such institutions, but the term hospital shall not include an  
46 institution, sanitarium or other facility engaged principally in provid-  
47 ing services for the prevention, diagnosis or treatment of mental disa-  
48 bility and which is subject to the powers of visitation, examination,  
49 inspection and investigation of the department of mental hygiene except  
50 for those distinct parts of such a facility which provide hospital  
51 service. The provisions of this article shall not apply to a facility or  
52 institution engaged principally in providing services by or under the  
53 supervision of the bona fide members and adherents of a recognized reli-  
54 gious organization whose teachings include reliance on spiritual means  
55 through prayer alone for healing in the practice of the religion of such  
56 organization and where services are provided in accordance with those

1 teachings or to a multidisciplinary services practice formed pursuant to  
2 subdivision (a) of section twelve hundred three of the limited liability  
3 company law, subdivision (b) of section twelve hundred seven of the  
4 limited liability company law, subdivision (a) of section thirteen  
5 hundred one of the limited liability company law, paragraph (a) of  
6 section fifteen hundred three of the business corporation law, subdivi-  
7 tion (q) of section 121-1500 of the partnership law, or subdivision (q)  
8 of section 121-1502 of the partnership law. No provision of this arti-

9 cle or any other provision of law shall be construed to: (a) limit the  
10 volume of mental health or substance use disorder services that can be  
11 provided by a provider of primary care services licensed under this  
12 article and authorized to provide integrated services in accordance with  
13 regulations issued by the commissioner in consultation with the commis-  
14 sioner of the office of mental health and the commissioner of the office  
15 of alcoholism and substance abuse services, including regulations issued  
16 pursuant to subdivision seven of section three hundred sixty-five-1 of  
17 the social services law or part L of chapter fifty-six of the laws of  
18 two thousand twelve; (b) require a provider licensed pursuant to article  
19 thirty-one of the mental hygiene law or certified pursuant to article  
20 thirty-two of the mental hygiene law to obtain an operating certificate  
21 from the department if such provider has been authorized to provide  
22 integrated services in accordance with regulations issued by the commis-  
23 sioner in consultation with the commissioner of the office of mental  
24 health and the commissioner of the office of alcoholism and substance  
25 abuse services, including regulations issued pursuant to subdivision  
26 seven of section three hundred sixty-five-1 of the social services law  
27 or part L of chapter fifty-six of the laws of two thousand twelve.

28 § 10-a. Subdivision 1 of section 2801 of the public health law, as  
29 amended by section 1 of part Z of chapter 57 of the laws of 2019, is  
30 amended to read as follows:

31 1. "Hospital" means a facility or institution engaged principally in  
32 providing services by or under the supervision of a physician or, in the  
33 case of a dental clinic or dental dispensary, of a dentist, or, in the  
34 case of a midwifery birth center, of a midwife, for the prevention,  
35 diagnosis or treatment of human disease, pain, injury, deformity or  
36 physical condition, including, but not limited to, a general hospital,  
37 public health center, diagnostic center, treatment center, dental clinic,  
38 dental dispensary, rehabilitation center other than a facility used  
39 solely for vocational rehabilitation, nursing home, tuberculosis hospital,  
40 chronic disease hospital, maternity hospital, midwifery birth  
41 center, lying-in-asylum, out-patient department, out-patient lodge,  
42 dispensary and a laboratory or central service facility serving one or  
43 more such institutions, but the term hospital shall not include an  
44 institution, sanitarium or other facility engaged principally in provid-  
45 ing services for the prevention, diagnosis or treatment of mental disa-  
46 bility and which is subject to the powers of visitation, examination,  
47 inspection and investigation of the department of mental hygiene except  
48 for those distinct parts of such a facility which provide hospital  
49 service. The provisions of this article shall not apply to a facility or  
50 institution engaged principally in providing services by or under the  
51 supervision of the bona fide members and adherents of a recognized reli-  
52 gious organization whose teachings include reliance on spiritual means  
53 through prayer alone for healing in the practice of the religion of such  
54 organization and where services are provided in accordance with those  
55 teachings or to a multidisciplinary services practice formed pursuant to  
56 subdivision (a) of section twelve hundred three of the limited liability

1 company law, subdivision (b) of section twelve hundred seven of the  
2 limited liability company law, subdivision (a) of section thirteen  
3 hundred one of the limited liability company law, paragraph (a) of  
4 section fifteen hundred three of the business corporation law, subdivi-  
5 sion (g) of section 121-1500 of the partnership law, or subdivision (g)  
6 of section 121-1502 of the partnership law. No provision of this arti-  
7 cle or any other provision of law shall be construed to: (a) limit the  
8 volume of mental health, substance use disorder services or develop-  
9 mental disability services that can be provided by a provider of primary  
10 care services licensed under this article and authorized to provide  
11 integrated services in accordance with regulations issued by the commis-  
12 sioner in consultation with the commissioner of the office of mental  
13 health, the commissioner of the office of alcoholism and substance abuse  
14 services and the commissioner of the office for people with develop-  
15 mental disabilities, including regulations issued pursuant to subdivi-  
16 sion seven of section three hundred sixty-five-1 of the social services  
17 law or part L of chapter fifty-six of the laws of two thousand twelve;  
18 (b) require a provider licensed pursuant to article thirty-one of the  
19 mental hygiene law or certified pursuant to article sixteen or article  
20 thirty-two of the mental hygiene law to obtain an operating certificate  
21 from the department if such provider has been authorized to provide  
22 integrated services in accordance with regulations issued by the commis-  
23 sioner in consultation with the commissioner of the office of mental  
24 health, the commissioner of the office of alcoholism and substance abuse  
25 services and the commissioner of the office for people with develop-  
26 mental disabilities, including regulations issued pursuant to subdivi-  
27 sion seven of section three hundred sixty-five-1 of the social services  
28 law or part L of chapter fifty-six of the laws of two thousand twelve.  
29 § 11. This act shall take effect on the thirtieth day after it shall  
30 have become a law; provided, however, that section ten-a of this act  
31 shall take effect on the same date and in the same manner as section 1  
32 of part Z of chapter 57 of the laws of 2019, takes effect.