

# STATE OF NEW YORK

---

6525

2019-2020 Regular Sessions

## IN ASSEMBLY

March 11, 2019

---

Introduced by M. of A. O'DONNELL, BENEDETTO, LENTOL, STIRPE, GUNTHER, LIFTON, LALOR, ZEBROWSKI, WEPRIN, ENGLEBRIGHT, ARROYO, WOERNER, GOTTFRIED, SANTABARBARA, RODRIGUEZ -- Multi-Sponsored by -- M. of A. ABBATE, BRABENEC, KIM, KOLB, LUPARDO, McDONOUGH, MONTESANO, RAIA, THIELE -- read once and referred to the Committee on Higher Education

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

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision (a) of section 1203 of the limited liability  
2 company law, as 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. With respect to a professional service limited liability  
17 company formed to provide dental services as such services are defined  
18 in article 133 of the education law, each member of such limited liabil-  
19 ity company must be licensed pursuant to article 133 of the education

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

LBD07170-01-9

1 law to practice dentistry in this state. With respect to a professional  
2 service limited liability company formed to provide veterinary services  
3 as such services are defined in article 135 of the education law, each  
4 member of such limited liability company must be licensed pursuant to  
5 article 135 of the education law to practice veterinary medicine in this  
6 state. With respect to a professional service limited liability company  
7 formed to provide professional engineering, land surveying, architec-  
8 tural, landscape architectural and/or geological services as such  
9 services are defined in article 145, article 147 and article 148 of the  
10 education law, each member of such limited liability company must be  
11 licensed pursuant to article 145, article 147 and/or article 148 of the  
12 education law to practice one or more of such professions in this state.  
13 With respect to a professional service limited liability company formed  
14 to provide licensed clinical social work services as such services are  
15 defined in article 154 of the education law, each member of such limited  
16 liability company shall be licensed pursuant to article 154 of the  
17 education law to practice licensed clinical social work in this state.  
18 With respect to a professional service limited liability company formed  
19 to provide creative arts therapy services as such services are defined  
20 in article 163 of the education law, each member of such limited liabil-  
21 ity company must be licensed pursuant to article 163 of the education  
22 law to practice creative arts therapy in this state. With respect to a  
23 professional service limited liability company formed to provide  
24 marriage and family therapy services as such services are defined in  
25 article 163 of the education law, each member of such limited liability  
26 company must be licensed pursuant to article 163 of the education law to  
27 practice marriage and family therapy in this state. With respect to a  
28 professional service limited liability company formed to provide mental  
29 health counseling services as such services are defined in article 163  
30 of the education law, each member of such limited liability company must  
31 be licensed pursuant to article 163 of the education law to practice  
32 mental health counseling in this state. With respect to a professional  
33 service limited liability company formed to provide psychoanalysis  
34 services as such services are defined in article 163 of the education  
35 law, each member of such limited liability company must be licensed  
36 pursuant to article 163 of the education law to practice psychoanalysis  
37 in this state. With respect to a professional service limited liability  
38 company formed to provide applied behavior analysis services as such  
39 services are defined in article 167 of the education law, each member of  
40 such limited liability company must be licensed or certified pursuant to  
41 article 167 of the education law to practice applied behavior analysis  
42 in this state. In addition to engaging in such profession or  
43 professions, a professional service limited liability company may engage  
44 in any other business or activities as to which a limited liability  
45 company may be formed under section two hundred one of this chapter.  
46 Notwithstanding any other provision of this section, a professional  
47 service limited liability company (i) authorized to practice law may  
48 only engage in another profession or business or activities or (ii)  
49 which is engaged in a profession or other business or activities other  
50 than law may only engage in the practice of law, to the extent not  
51 prohibited by any other law of this state or any rule adopted by the  
52 appropriate appellate division of the supreme court or the court of  
53 appeals. Notwithstanding any other provision of this section, with  
54 respect to a limited liability company formed to provide integrated,  
55 multidisciplinary medical and chiropractic services, as such services  
56 are respectively defined under articles 131 and 132 of the education

1 law, (i) each member of such limited liability company must be licensed  
2 pursuant to article 131 or article 132 of the education law to practice  
3 his or her profession in this state, (ii) each member shall only prac-  
4 tice his or her profession as specified in his or her respective profes-  
5 sional enabling statute under article 131 or article 132 of the educa-  
6 tion law, and (iii) the clinical integration of professional practices  
7 within an integrated, multidisciplinary entity organized under this  
8 section does not alter, expand or curtail the scope of practice of any  
9 of the individuals licensed under the statute of his or her respective  
10 professional enabling law, provided that: (a) the clinical judgment,  
11 management and clinical decision-making of one or more article 131  
12 providers in an integrated, multidisciplinary professional service  
13 limited liability company shall be controlling, (b) members licensed  
14 under article 132 of the education law, shall not, directly or indirect-  
15 ly, interfere with the clinical judgment or legitimate clinical practice  
16 of a professional licensed under article 131, and (c) individuals  
17 licensed under article 131 may not order or direct a professional  
18 licensed under article 132 of the education law to practice beyond the  
19 scope of his or her license under article 132 of the education law, even  
20 if supervised directly or indirectly by a professional licensed under  
21 article 131.

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

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

1 as such services are defined in article 163 of the education law, each  
2 member of such limited liability company must be licensed pursuant to  
3 article 163 of the education law to practice marriage and family therapy  
4 in this state. With respect to a professional service limited liability  
5 company formed to provide mental health counseling services as such  
6 services are defined in article 163 of the education law, each member of  
7 such limited liability company must be licensed pursuant to article 163  
8 of the education law to practice mental health counseling in this state.

9 With respect to a professional service limited liability company formed  
10 to provide psychoanalysis services as such services are defined in arti-  
11 cle 163 of the education law, each member of such limited liability  
12 company must be licensed pursuant to article 163 of the education law to  
13 practice psychoanalysis in this state. With respect to a professional  
14 service limited liability company formed to provide applied behavior  
15 analysis services as such services are defined in article 167 of the  
16 education law, each member of such limited liability company must be  
17 licensed or certified pursuant to article 167 of the education law to  
18 practice applied behavior analysis in this state. Notwithstanding any  
19 other provision of this section, with respect to a professional service  
20 limited liability company formed to provide integrated, multidiscipli-  
21 nary medical and chiropractic services, as such services are respective-  
22 ly defined under articles 131 and 132 of the education law, (i) each  
23 member of such limited liability company must be licensed pursuant to  
24 article 131 or article 132 of the education law to practice his or her  
25 profession in this state, (ii) each member shall only practice his or  
26 her profession as specified in his or her respective professional enabl-  
27 ing statute under article 131 or article 132 of the education law, and  
28 (iii) the clinical integration of professional practices within an inte-  
29 grated, multidisciplinary entity organized under this section does not  
30 alter, expand or curtail the scope of practice of any of the individuals  
31 licensed under the statute of his or her respective professional enabl-  
32 ing law, provided that: (a) the clinical judgment, management and clin-  
33 ical decision-making of one or more article 131 providers in an inte-  
34 grated, multidisciplinary professional service limited liability company  
35 shall be controlling, (b) members licensed under article 132 of the  
36 education law, shall not, directly or indirectly, interfere with the  
37 clinical judgment or legitimate clinical practice of a professional  
38 licensed under article 131, and (c) individuals licensed under article  
39 131 may not order or direct a professional licensed under article 132 of  
40 the education law to practice beyond the scope of his or her license  
41 under article 132 of the education law, even if supervised directly or  
42 indirectly by a professional licensed under article 131.

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

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

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

services are defined in article 163 of the education law, each member of such foreign professional service limited liability company must be licensed pursuant to article 163 of the education law to practice psychoanalysis in this state. With respect to a foreign professional service limited liability company which provides applied behavior analysis services as such services are defined in article 167 of the education law, each member of such foreign professional service limited liability company must be licensed or certified pursuant to article 167 of the education law to practice applied behavior analysis in this state. With respect to a foreign professional service limited liability company formed to provide integrated, multi-disciplinary medical and chiropractic services, as such services are respectively defined under article 131 and article 132 of the education law, (i) each member of such limited liability company must be licensed pursuant to article 131 or article 132 of the education law to practice his or her profession in this state, (ii) each member shall only practice his or her profession as specified in his or her respective professional enabling statute under article 131 or article 132 of the education law, and (iii) the clinical integration of professional practices within an integrated, multidisciplinary entity organized under this section does not alter, expand or curtail the scope of practice of any of the individuals licensed under the statute of his or her respective professional enabling law, provided that: (a) the clinical judgment, management and clinical decision-making of one or more article 131 providers in an integrated, multidisciplinary professional service limited liability company shall be controlling, (b) members licensed under article 132 of the education law, shall not, directly or indirectly, interfere with the clinical judgment or legitimate clinical practice of a professional licensed under article 131, and (c) individuals licensed under article 131 may not order or direct a professional licensed under article 132 of the education law to practice beyond the scope of his or her license under article 132 of the education law, even if supervised directly or indirectly by a professional licensed under article 131.

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

(a) Notwithstanding any other provision of law, (i) one or more individuals duly authorized by law to render the same professional service within the state may organize, or cause to be organized, a professional service corporation for pecuniary profit under this article for the purpose of rendering the same professional service, except that one or more individuals duly authorized by law to practice professional engineering, architecture, landscape architecture, land surveying or geology within the state may organize, or cause to be organized, a professional service corporation or a design professional service corporation for pecuniary profit under this article for the purpose of rendering such professional services as such individuals are authorized to practice, and, (ii) one or more individuals duly licensed to practice medicine and one or more chiropractors licensed under article 132 of the education law, who may be board certified or qualified by his or her respective professional specialty boards, may organize, or cause to be organized, for business purposes only, a multidisciplinary professional service corporation formed for pecuniary profit under this article for the purpose of rendering integrated and non-integrated professional services within such a corporation as such individuals are authorized to practice individually in his or her respective professions, provided that the



clinical integration of professional practices within an entity organized under this section does not alter, expand or curtail the scope of practice of any of the individuals licensed under the statute of his or her respective professional enabling law; that the clinical judgment, management and clinical decision-making of one or more article 131 providers in an integrated, multidisciplinary practice shall be controlling; that members licensed under article 132 of the education law, shall not, directly or indirectly, interfere with the clinical judgment or legitimate clinical practice of a professional licensed under article 131; and that individuals licensed under article 131 may not order or direct a professional licensed under article 132 of the education law to practice beyond the scope of his or her license under article 132 of the education law in a professional service limited liability company, even if supervised directly or indirectly by a professional licensed under article 131.

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

(q) Each partner of a registered limited liability partnership formed to provide medical services in this state must be licensed pursuant to article 131 of the education law to practice medicine in this state and each partner of a registered limited liability partnership formed to provide dental services in this state must be licensed pursuant to article 133 of the education law to practice dentistry in this state. Each partner of a registered limited liability partnership formed to provide veterinary services in this state must be licensed pursuant to article 135 of the education law to practice veterinary medicine in this state. Each partner of a registered limited liability partnership formed to provide professional engineering, land surveying, geological services, architectural and/or landscape architectural services in this state must be licensed pursuant to article 145, article 147 and/or article 148 of the education law to practice one or more of such professions in this state. Each partner of a registered limited liability partnership formed to provide licensed clinical social work services in this state must be licensed pursuant to article 154 of the education law to practice clinical social work in this state. Each partner of a registered limited liability partnership formed to provide creative arts therapy services in this state must be licensed pursuant to article 163 of the education law to practice creative arts therapy in this state. Each partner of a registered limited liability partnership formed to provide marriage and family therapy services in this state must be licensed pursuant to article 163 of the education law to practice marriage and family therapy in this state. Each partner of a registered limited liability partnership formed to provide mental health counseling services in this state must be licensed pursuant to article 163 of the education law to practice mental health counseling in this state. Each partner of a registered limited liability partnership formed to provide psychoanalysis services in this state must be licensed pursuant to article 163 of the education law to practice psychoanalysis in this state. Each partner of a registered limited liability partnership formed to provide applied behavior analysis service in this state must be licensed or certified pursuant to article 167 of the education law to practice applied behavior analysis in this state. Each partner of a registered limited liability partnership formed to provide integrated, multidisciplinary medical and chiropractic services, as such services are respectively defined under article 131 and article 132 of the education law, (i) must be licensed pursuant

to article 131 or article 132 of the education law to practice his or her profession in this state, (ii) shall only practice his or her profession as specified in his or her respective professional enabling statute under article 131 or article 132 of the education law, and (iii) the clinical integration of professional practices within an integrated, multi-disciplinary entity organized under this section does not alter, expand or curtail the scope of practice of any of the individuals licensed under the statute of his or her respective professional enabling law, provided that: (a) the clinical judgment, management and clinical decision-making of one or more article 131 providers in an integrated, multidisciplinary professional service limited liability company shall be controlling, (b) members licensed under article 132 of the education law, shall not, directly or indirectly, interfere with the clinical judgment or legitimate clinical practice of a professional licensed under article 131, and (c) individuals licensed under article 131 may not order or direct a professional licensed under article 132 of the education law to practice beyond the scope of his or her license under article 132 of the education law, even if supervised directly or indirectly by a professional licensed under article 131.

§ 6. Subdivision (q) of section 121-1502 of the partnership law, as amended by chapter 475 of the laws of 2014, is amended to read as follows:

(q) Each partner of a foreign limited liability partnership which provides medical services in this state must be licensed pursuant to article 131 of the education law to practice medicine in the state and each partner of a foreign limited liability partnership which provides dental services in the state must be licensed pursuant to article 133 of the education law to practice dentistry in this state. Each partner of a foreign limited liability partnership which provides veterinary service in the state shall be licensed pursuant to article 135 of the education law to practice veterinary medicine in this state. Each partner of a foreign limited liability partnership which provides professional engineering, land surveying, geological services, architectural and/or landscape architectural services in this state must be licensed pursuant to article 145, article 147 and/or article 148 of the education law to practice one or more of such professions. Each partner of a foreign limited liability partnership which provides licensed clinical social work services in this state must be licensed pursuant to article 154 of the education law to practice licensed clinical social work in this state. Each partner of a foreign limited liability partnership which provides creative arts therapy services in this state must be licensed pursuant to article 163 of the education law to practice creative arts therapy in this state. Each partner of a foreign limited liability partnership which provides marriage and family therapy services in this state must be licensed pursuant to article 163 of the education law to practice marriage and family therapy in this state. Each partner of a foreign limited liability partnership which provides mental health counseling services in this state must be licensed pursuant to article 163 of the education law to practice mental health counseling in this state. Each partner of a foreign limited liability partnership which provides psychoanalysis services in this state must be licensed pursuant to article 163 of the education law to practice psychoanalysis in this state. Each partner of a foreign limited liability partnership which provides applied behavior analysis services in this state must be licensed or certified pursuant to article 167 of the education law to practice applied behavior analysis in this state. Each partner of a foreign



limited liability partnership formed to provide integrated, multidisciplinary medical and chiropractic services, as such services are defined under article 131 or article 132 of the education law, (i) must be licensed pursuant to article 131 or article 132 of the education law to practice his or her profession in this state, (ii) shall only practice his or her profession as specified in his or her respective professional enabling statute under article 131 or article 132 of the education law, and (iii) the clinical integration of professional practices within an integrated, multidisciplinary entity organized under this section does not alter, expand or curtail the scope of practice of any of the individuals licensed under the statute of his or her respective professional enabling law, provided that: (a) the clinical judgment, management and clinical decision-making of one or more article 131 providers in an integrated, multidisciplinary professional service limited liability company shall be controlling, (b) members not licensed under article 131 of the education law, shall not, directly or indirectly, interfere with the clinical judgment or legitimate clinical practice of a professional licensed under article 131, and (c) individuals licensed under article 131 may not order or direct a professional licensed under article 132 of the education law to practice beyond the scope of his or her license under article 132 of the education law, even if supervised directly or indirectly by a professional licensed under article 131.

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

1. "Hospital" means a facility or institution engaged principally in providing services by or under the supervision of a physician or, in the case of a dental clinic or dental dispensary, of a dentist, or, in the case of a midwifery birth center, of a midwife, for the prevention, diagnosis or treatment of human disease, pain, injury, deformity or physical condition, including, but not limited to, a general hospital, public health center, diagnostic center, treatment center, dental clinic, dental dispensary, rehabilitation center other than a facility used solely for vocational rehabilitation, nursing home, tuberculosis hospital, chronic disease hospital, maternity hospital, midwifery birth center, lying-in-asylum, out-patient department, out-patient lodge, dispensary and a laboratory or central service facility serving one or more such institutions, but the term hospital shall not include an institution, sanitarium or other facility engaged principally in providing services for the prevention, diagnosis or treatment of mental disability and which is subject to the powers of visitation, examination, inspection and investigation of the department of mental hygiene except for those distinct parts of such a facility which provide hospital service. The provisions of this article shall not apply to a facility or institution engaged principally in providing services by or under the supervision of the bona fide members and adherents of a recognized religious organization whose teachings include reliance on spiritual means through prayer alone for healing in the practice of the religion of such organization and where services are provided in accordance with those teachings or to a business corporation, limited liability corporation or partnership between a medical doctor and a duly licensed title VIII healthcare professional. No provision of this article or any other provision of law shall be construed to: (a) limit the volume of mental health or substance use disorder services that can be provided by a provider of primary care services licensed under this article and authorized to provide integrated services in accordance with regulations

1 issued by the commissioner in consultation with the commissioner of the  
2 office of mental health and the commissioner of the office of alcoholism  
3 and substance abuse services, including regulations issued pursuant to  
4 subdivision seven of section three hundred sixty-five-1 of the social  
5 services law or part L of chapter fifty-six of the laws of two thousand  
6 twelve; (b) require a provider licensed pursuant to article thirty-one  
7 of the mental hygiene law or certified pursuant to article thirty-two of  
8 the mental hygiene law to obtain an operating certificate from the  
9 department if such provider has been authorized to provide integrated  
10 services in accordance with regulations issued by the commissioner in  
11 consultation with the commissioner of the office of mental health and  
12 the commissioner of the office of alcoholism and substance abuse  
13 services, including regulations issued pursuant to subdivision seven of  
14 section three hundred sixty-five-1 of the social services law or part L  
15 of chapter fifty-six of the laws of two thousand twelve.

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

18 19. Permitting any person to share in the fees for professional  
19 services, other than: a partner, employee, associate in a professional  
20 firm or corporation, professional subcontractor or consultant authorized  
21 to practice medicine, or a legally authorized trainee practicing under  
22 the supervision of a licensee or a chiropractor providing professional  
23 services in the same practice. This prohibition shall include any  
24 arrangement or agreement whereby the amount received in payment for  
25 furnishing space, facilities, equipment or personnel services used by a  
26 licensee constitutes a percentage of, or is otherwise dependent upon,  
27 the income or receipts of the licensee from such practice, except as  
28 otherwise provided by law with respect to a facility licensed pursuant  
29 to article twenty-eight of the public health law or article thirteen of  
30 the mental hygiene law;

31 § 9. Section 6509-a of the education law, as amended by chapter 555 of  
32 the laws of 1993, is amended to read as follows:

33 § 6509-a. Additional definition of professional misconduct; limited  
34 application. Notwithstanding any inconsistent provision of this article  
35 or of any other provision of law to the contrary, the license or regis-  
36 tration of a person subject to the provisions of articles one hundred  
37 thirty-two, one hundred thirty-three, one hundred thirty-six, one  
38 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,  
39 one hundred forty-three, one hundred forty-four, one hundred fifty-six,  
40 one hundred fifty-nine and one hundred sixty-four of this chapter may be  
41 revoked, suspended or annulled or such person may be subject to any  
42 other penalty provided in section sixty-five hundred eleven of this  
43 article in accordance with the provisions and procedure of this article  
44 for the following:

45 That any person subject to the above enumerated articles, has directly  
46 or indirectly requested, received or participated in the division,  
47 transference, assignment, rebate, splitting or refunding of a fee for,  
48 or has directly requested, received or profited by means of a credit or  
49 other valuable consideration as a commission, discount or gratuity in  
50 connection with the furnishing of professional care, or service, includ-  
51 ing x-ray examination and treatment, or for or in connection with the  
52 sale, rental, supplying or furnishing of clinical laboratory services or  
53 supplies, x-ray laboratory services or supplies, inhalation therapy  
54 service or equipment, ambulance service, hospital or medical supplies,  
55 physiotherapy or other therapeutic service or equipment, artificial  
56 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,

1 optical appliances, supplies or equipment, devices for aid of hearing,  
2 drugs, medication or medical supplies or any other goods, services or  
3 supplies prescribed for medical diagnosis, care or treatment under this  
4 chapter, except payment, not to exceed thirty-three and one-third per  
5 centum of any fee received for x-ray examination, diagnosis or treat-  
6 ment, to any hospital furnishing facilities for such examination, diag-  
7 nosis or treatment. Nothing contained in this section shall prohibit  
8 such persons from practicing as partners, in groups or as a professional  
9 corporation or as a university faculty practice corporation nor from  
10 pooling fees and moneys received, either by the partnerships, profes-  
11 sional corporations, university faculty practice corporations or groups  
12 by the individual members thereof, for professional services furnished  
13 by any individual professional member, or employee of such partnership,  
14 corporation or group, nor shall the professionals constituting the part-  
15 nerships, corporations or groups be prohibited from sharing, dividing or  
16 apportioning the fees and moneys received by them or by the partnership,  
17 corporation or group in accordance with a partnership or other agree-  
18 ment; provided that no such practice as partners, corporations or in  
19 groups or pooling of fees or moneys received or shared, division or  
20 apportionment of fees shall be permitted with respect to care and treat-  
21 ment under the workers' compensation law except as expressly authorized  
22 by the workers' compensation law. Nothing contained in this section,  
23 shall prohibit a multidisciplinary medical and chiropractic practice  
24 formed pursuant to subdivision (a) or (b) of section twelve hundred  
25 three of the limited liability company law, subdivision (a) of section  
26 thirteen hundred one of the limited liability company law, paragraph (a)  
27 of section fifteen hundred three of the business corporation law, subdi-  
28 vision (q) of section 121-1500 of the partnership law, or subdivision  
29 (q) of section 121-1502 of the partnership law from pooling fees or  
30 monies received. Nothing contained in this chapter shall prohibit a  
31 medical or dental expense indemnity corporation pursuant to its contract  
32 with the subscriber from prorating a medical or dental expense indem-  
33 nity allowance among two or more professionals in proportion to the  
34 services rendered by each such professional at the request of the  
35 subscriber, provided that prior to payment thereof such professionals  
36 shall submit both to the medical or dental expense indemnity corporation  
37 and to the subscriber statements itemizing the services rendered by each  
38 such professional and the charges therefor.

39 § 10. Section 6531 of the education law, as amended by chapter 555 of  
40 the laws of 1993, is amended to read as follows:

41 § 6531. Additional definition of professional misconduct, limited  
42 application. Notwithstanding any inconsistent provision of this article  
43 or any other provisions of law to the contrary, the license or registra-  
44 tion of a person subject to the provisions of this article and article  
45 one hundred thirty-one-B of this chapter may be revoked, suspended, or  
46 annulled or such person may be subject to any other penalty provided in  
47 section two hundred thirty-a of the public health law in accordance with  
48 the provisions and procedures of this article for the following:

49 That any person subject to the above-enumerated articles has directly  
50 or indirectly requested, received or participated in the division,  
51 transference, assignment, rebate, splitting, or refunding of a fee for,  
52 or has directly requested, received or profited by means of a credit or  
53 other valuable consideration as a commission, discount or gratuity, in  
54 connection with the furnishing of professional care or service, includ-  
55 ing x-ray examination and treatment, or for or in connection with the  
56 sale, rental, supplying, or furnishing of clinical laboratory services

1 or supplies, x-ray laboratory services or supplies, inhalation therapy  
2 service or equipment, ambulance service, hospital or medical supplies,  
3 physiotherapy or other therapeutic service or equipment, artificial  
4 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,  
5 optical appliances, supplies, or equipment, devices for aid of hearing,  
6 drugs, medication, or medical supplies, or any other goods, services, or  
7 supplies prescribed for medical diagnosis, care, or treatment under this  
8 chapter, except payment, not to exceed thirty-three and one-third  
9 percent of any fee received for x-ray examination, diagnosis, or treat-  
10 ment, to any hospital furnishing facilities for such examination, diag-  
11 nosis, or treatment. Nothing contained in this section shall prohibit  
12 such persons from practicing as partners, in groups or as a professional  
13 corporation or as a university faculty practice corporation, nor from  
14 pooling fees and moneys received, either by the partnerships, profes-  
15 sional corporations, or university faculty practice corporations or  
16 groups by the individual members thereof, for professional services  
17 furnished by an individual professional member, or employee of such  
18 partnership, corporation, or group, nor shall the professionals consti-  
19 tuting the partnerships, corporations or groups be prohibited from shar-  
20 ing, dividing, or apportioning the fees and moneys received by them or  
21 by the partnership, corporation, or group in accordance with a partner-  
22 ship or other agreement; provided that no such practice as partners,  
23 corporations, or groups, or pooling of fees or moneys received or  
24 shared, division or apportionment of fees shall be permitted with  
25 respect to and treatment under the workers' compensation law. Nothing  
26 contained in this section, shall prohibit a multidisciplinary medical  
27 and chiropractic practice formed pursuant to subdivision (a) or (b) of  
28 section twelve hundred three of the limited liability company law,  
29 subdivision (a) of section thirteen hundred one of the limited liability  
30 company law, paragraph (a) of section fifteen hundred three of the busi-  
31 ness corporation law, subdivision (q) of section 121-1500 of the part-  
32 nership law, or subdivision (q) of section 121-1502 of the partnership  
33 law from pooling fees or monies received. Nothing contained in this  
34 chapter shall prohibit a corporation licensed pursuant to article  
35 forty-three of the insurance law pursuant to its contract with the  
36 subscribed from prorationing a medical or dental expenses indemnity  
37 allowance among two or more professionals in proportion to the services  
38 rendered by each such professional at the request of the subscriber,  
39 provided that prior to payment thereof such professionals shall submit  
40 both to the corporation licensed pursuant to article forty-three of the  
41 insurance law and to the subscriber statements itemizing the services  
42 rendered by each such professional and the charges therefor.

43 § 11. This act shall take effect on the thirtieth day after it shall  
44 have become a law.