

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:

Section 1. Subdivision (a) of section 1203 of the limited liability company law, as amended by chapter 475 of the laws of 2014, is amended to read as follows:

(a) Notwithstanding the education law or any other provision of law, one or more professionals each of whom is authorized by law to render a professional service within the state, or one or more professionals, at least one of whom is authorized by law to render a professional service within the state, may form, or cause to be formed, a professional service limited liability company for pecuniary profit under this article for the purpose of rendering the professional service or services as such professionals are authorized to practice. With respect to a professional service limited liability company formed to provide medical services as such services are defined in article 131 of the education law, each member of such limited liability company must be licensed pursuant to article 131 of the education law to practice medicine in this state.

Notwithstanding any other provision of this section, any person licensed pursuant to article 131 of the education law to practice medicine and any person licensed pursuant to articles 132, 137, 140, 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-

sional corporations, or university faculty practice corporations or groups by the individual members thereof, for professional services furnished by an individual professional member, or employee of such partnership, corporation, or group, nor shall the professionals constituting the partnerships, corporations or groups be prohibited from sharing, dividing, or apportioning the fees and moneys received by them or by the partnership, corporation, or group in accordance with a partnership or other agreement; provided that no such practice as partners, corporations, or groups, or pooling of fees or moneys received or shared, division or apportionment of fees shall be permitted with respect to and treatment under the workers' compensation law. Nothing contained in this section shall prohibit a multidisciplinary services practice formed pursuant to subdivision (a) of section twelve hundred three of the limited liability company law, subdivision (b) of section twelve hundred seven of the limited liability company law, subdivision (a) of section thirteen hundred one of the limited liability company law, paragraph (a) of section fifteen hundred three of the business corporation law, subdivision (q) of section 121-1500 of the partnership law, or subdivision (q) of section 121-1502 of the partnership law from pooling fees or monies received. Nothing contained in this chapter shall prohibit a corporation licensed pursuant to article forty-three of the insurance law pursuant to its contract with the subscriber from prorationing a medical or dental expenses indemnity allowance among two or more professionals in proportion to the services rendered by each such professional at the request of the subscriber, provided that prior to payment thereof such professionals shall submit both to the corporation licensed pursuant to article forty-three of the insurance law and to the subscriber statements itemizing the services rendered by each such professional and the charges therefor.

§ 10. 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

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 sion (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 (q) of section 121-1500 of the partnership law, or subdivision (q)
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.