

STATE OF NEW YORK

3526

2021-2022 Regular Sessions

IN ASSEMBLY

January 27, 2021

Introduced by M. of A. PEOPLES-STOKES, BENEDETTO, STECK, O'DONNELL, THIELE, LUPARDO, GOTTFRIED, WOERNER, RODRIGUEZ, STIRPE, BUTTENSCHON, GRIFFIN -- Multi-Sponsored by -- M. of A. FITZPATRICK -- 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 education law and the public health law, in relation to authorizing certain licensed health services professionals to form limited liability companies

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

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

4 (a) Notwithstanding the education law or any other provision of law,
5 one or more professionals each of whom is authorized by law to render a
6 professional service within the state, or one or more professionals, at
7 least one of whom is authorized by law to render a professional service
8 within the state, may form, or cause to be formed, a professional
9 service limited liability company for pecuniary profit under this arti-
10 cle for the purpose of rendering the professional service or services as
11 such professionals are authorized to practice. With respect to a profes-
12 sional service limited liability company formed to provide medical
13 services as such services are defined in article 131 of the education
14 law, each member of such limited liability company must be licensed
15 pursuant to article 131 of the education law to practice medicine in
16 this state. Notwithstanding any other provision of this section, any
17 person licensed pursuant to article 131 of the education law to practice
18 medicine and any person licensed pursuant to articles 132, 137, 140,
19 141, 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of
20 article 139 of the education law may form, or cause to be formed, a
21 professional service limited liability company to provide multidiscipli-

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

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nary services with one or more licensed professionals, subject to the following conditions: (i) each member of such limited liability company must be licensed pursuant to title eight 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 title eight of the education law; and (iii) any clinical integration of professional practices under this section shall not alter, expand or curtail the scope of practice of any of the members; provided further that: (A) no member shall, directly or indirectly, interfere with the clinical judgment or legitimate clinical practice of another member; and (B) no member shall order or direct another member to practice beyond the scope of his or her license.

With respect to a professional service limited liability company formed to provide dental services as such services are defined in article 133 of the education law, each member of such limited liability company must be licensed pursuant to article 133 of the education law to practice dentistry in this state. With respect to a professional service limited liability company formed to provide veterinary services as such services are defined in article 135 of the education law, each member of such limited liability company must be licensed pursuant to article 135 of the education law to practice veterinary medicine in this state. With respect to a professional service limited liability company formed to provide professional engineering, land surveying, architectural, landscape architectural and/or geological services as such services are defined in article 145, article 147 and article 148 of the education law, each member of such limited liability company 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. [~~With respect to a professional service limited liability company formed to provide licensed clinical social work services as such services are defined in article 154 of the education law, each member of such limited liability company shall be licensed pursuant to article 154 of the education law to practice licensed clinical social work in this state.~~]

With respect to a professional service limited liability company formed to provide creative arts therapy services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice creative arts therapy in this state. With respect to a professional service limited liability company formed to provide marriage and family therapy services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice marriage and family therapy in this state. With respect to a professional service limited liability company formed to provide mental health counseling services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice mental health counseling in this state. With respect to a professional service limited liability company formed to provide psychoanalysis services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice psychoanalysis in this state. With respect to a professional service limited liability company formed to provide applied behavior analysis services as such services are defined in article 167 of the education law, each member of such limited liability company must be licensed or certified pursuant to

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

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

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

~~work services as such services are defined in article 154 of the education law, each member of such limited liability company shall be licensed pursuant to article 154 of the education law to practice licensed clinical social work in this state.]~~

With respect to a professional service limited liability company formed to provide creative arts therapy services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice creative arts therapy in this state. With respect to a professional service limited liability company formed to provide marriage and family therapy services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice marriage and family therapy in this state. With respect to a professional service limited liability company formed to provide mental health counseling services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice mental health counseling in this state. With respect to a professional service limited liability company formed to provide psychoanalysis services as such services are defined in article 163 of the education law, each member of such limited liability company must be licensed pursuant to article 163 of the education law to practice psychoanalysis in this state. With respect to a professional service limited liability company formed to provide applied behavior analysis services as such services are defined in article 167 of the education law, each member of such limited liability company must be licensed or certified pursuant to article 167 of the education law to practice applied behavior analysis in this state.

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

(a) "Foreign professional service limited liability company" means a professional service limited liability company, whether or not denominated as such, organized under the laws of a jurisdiction other than this state, (i) each of whose members and managers, if any, is a professional authorized by law to render a professional service within this state and who is or has been engaged in the practice of such profession in such professional service limited liability company or a predecessor entity, or will engage in the practice of such profession in the professional service limited liability company within thirty days of the date such professional becomes a member, or each of whose members and managers, if any, is a professional at least one of such members is authorized by law to render a professional service within this state and who is or has been engaged in the practice of such profession in such professional service limited liability company or a predecessor entity, or will engage in the practice of such profession in the professional service limited liability company within thirty days of the date such professional becomes a member, or (ii) authorized by, or holding a license, certificate, registration or permit issued by the licensing authority pursuant to, the education law to render a professional service within this state; except that all members and managers, if any, of a foreign professional service limited liability company that provides health services in this state shall be licensed in this state. With respect to a foreign professional service limited liability company which provides veterinary services as such services are defined in article 135 of the education law, each member of such foreign professional

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

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

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

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

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

53 (q) Each partner of a registered limited liability partnership formed
54 to provide medical services in this state must be licensed pursuant to
55 article 131 of the education law to practice medicine in this state [~~and~~
56 ~~each~~]. Notwithstanding any other provision of this section, any person

1 licensed pursuant to article 131 of the education law to practice medi-
2 cine and any person licensed pursuant to articles 132, 137, 140, 141,
3 143, 144, 153, 154, 155 or 156 subdivision 3 of section 6902 of article
4 139 of the education law may form, or cause to be formed, a registered
5 limited liability partnership to provide multidisciplinary services with
6 one or more licensed professionals, subject to the following conditions:
7 (i) each partner of such limited liability partnership must be licensed
8 pursuant to title eight of the education law to practice his or her
9 profession in this state; (ii) each partner shall only practice his or
10 her profession as specified in his or her respective professional enab-
11 ling statute under title eight of the education law; and (iii) any clin-
12 ical integration of the professional practices under this section shall
13 not alter, expand or curtail the scope of practice of any of the part-
14 ners; provided further that: (A) no partner shall, directly or indirect-
15 ly, interfere with the clinical judgment or legitimate clinical practice
16 of another partner; and (B) no partner shall order or direct another
17 partner to practice beyond the scope of his or her license. Each part-

18 ner of a registered limited liability partnership formed to provide
19 dental services in this state must be licensed pursuant to article 133
20 of the education law to practice dentistry in this state. Each partner
21 of a registered limited liability partnership formed to provide veteri-
22 nary services in this state must be licensed pursuant to article 135 of
23 the education law to practice veterinary medicine in this state. Each
24 partner of a registered limited liability partnership formed to provide
25 professional engineering, land surveying, geological services, architec-
26 tural and/or landscape architectural services in this state must be
27 licensed pursuant to article 145, article 147 and/or article 148 of the
28 education law to practice one or more of such professions in this state.

29 ~~[Each partner of a registered limited liability partnership formed to~~
30 ~~provide licensed clinical social work services in this state must be~~
31 ~~licensed pursuant to article 154 of the education law to practice clin-~~
32 ~~ical social work in this state.]~~

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

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

54 (q) Each partner of a foreign limited liability partnership which
55 provides medical services in this state must be licensed pursuant to
56 article 131 of the education law to practice medicine in the state ~~[and~~
~~each]~~. Notwithstanding any other provision of this section, any person

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

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

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

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

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

1 subscriber statements itemizing the services rendered by each such
2 professional and the charges therefor.

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

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

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

26 § 6531. Additional definition of professional misconduct, limited
27 application. Notwithstanding any inconsistent provision of this article
28 or any other provisions of law to the contrary, the license or registra-
29 tion of a person subject to the provisions of this article and article
30 one hundred thirty-one-B of this chapter may be revoked, suspended, or
31 annulled or such person may be subject to any other penalty provided in
32 section two hundred thirty-a of the public health law in accordance with
33 the provisions and procedures of this article for the following:

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

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

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

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

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