

STATE OF NEW YORK

5581

2023-2024 Regular Sessions

IN SENATE

March 8, 2023

Introduced by Sen. SCARCELLA-SPANTON -- read twice and ordered printed,
and when printed to be committed to the Committee on Corporations,
Authorities and Commissions

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 article for the purpose of rendering the professional service or services as
10 such professionals are authorized to practice. With respect to a professional service limited liability company formed to provide medical
11 services as such services are defined in article 131 of the education
12 law, each member of such limited liability company must be licensed
13 pursuant to article 131 of the education law to practice medicine in
14 this state.

15 Notwithstanding any other provision of this section, any
16 person licensed pursuant to article 131 of the education law to practice
17 medicine and any person licensed pursuant to articles 132, 137, 140,
18 141, 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of
19 article 139 of the education law may form, or cause to be formed, a
20 professional service limited liability company to provide multidisciplinary
21 services with one or more licensed professionals, subject to the
22

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

LBD00062-01-3

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 article 167 of the education law to practice applied behavior analysis

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

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

16 (b) With respect to a professional service limited liability company
17 formed to provide medical services as such services are defined in arti-
18 cle 131 of the education law, each member of such limited liability
19 company must be licensed pursuant to article 131 of the education law to
20 practice medicine in this state. Notwithstanding any other provision of
21 this section, any person licensed pursuant to article 131 of the educa-
22 tion law to practice medicine and any person licensed pursuant to arti-
23 cles 132, 137, 140, 141, 143, 144, 153, 154, 155 or 156 or subdivision 3
24 of section 6902 of article 139 of the education law may form, or cause
25 to be formed, a professional service limited liability company to
26 provide multidisciplinary services with one or more licensed profes-
27 sionals, subject to the following conditions: (i) each member of such
28 limited liability company must be licensed pursuant to title eight of
29 the education law to practice his or her profession in this state; (ii)
30 each member shall only practice his or her profession as specified in
31 his or her respective professional enabling statute under title eight or
32 the education law; and (iii) any clinical integration of professional
33 practices under this section shall not alter, expand or curtail the
34 scope of practice of any of the members; provided further that: (A) no
35 member shall, directly or indirectly, interfere with the clinical judge-
36 ment or legitimate clinical practice of another member; and (B) no
37 member shall order or direct another member to practice beyond the scope

38 of his or her license. With respect to a professional service limited
39 liability company formed to provide dental services as such services are
40 defined in article 133 of the education law, each member of such limited
41 liability company must be licensed pursuant to article 133 of the educa-
42 tion law to practice dentistry in this state. With respect to a profes-
43 sional service limited liability company formed to provide veterinary
44 services as such services are defined in article 135 of the education
45 law, each member of such limited liability company must be licensed
46 pursuant to article 135 of the education law to practice veterinary
47 medicine in this state. With respect to a professional service limited
48 liability company formed to provide professional engineering, land
49 surveying, architectural, landscape architectural and/or geological
50 services as such services are defined in article 145, article 147 and
51 article 148 of the education law, each member of such limited liability
52 company must be licensed pursuant to article 145, article 147 and/or
53 article 148 of the education law to practice one or more of such
54 professions in this state. ~~[With respect to a professional service~~
55 ~~limited liability company formed to provide licensed clinical social~~
56 ~~work services as such services are defined in article 154 of the educa-~~

~~tion 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 service limited liability company shall be licensed pursuant to article

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

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

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

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

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

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

cine and any person licensed pursuant to articles 132, 137, 140, 141, 143, 144, 153, 154, 155 or 156 subdivision 3 of section 6902 of article 139 of the education law may form, or cause to be formed, a registered limited liability partnership to provide multidisciplinary services with one or more licensed professionals, subject to the following conditions: (i) each partner of such limited liability partnership must be licensed pursuant to title eight of the education law to practice his or her profession in this state; (ii) each partner 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 the professional practices under this section shall not alter, expand or curtail the scope of practice of any of the partners; provided further that: (A) no partner shall, directly or indirectly, interfere with the clinical judgment or legitimate clinical practice of another partner; and (B) no partner shall order or direct another partner to practice beyond the scope of his or her license. Each partner of a registered limited liability partnership formed to provide dental services in this state must be licensed pursuant to article 133 of the education law to practice dentistry in this state. Each partner of a registered limited liability partnership formed to provide veterinary services in this state must be licensed pursuant to article 135 of the education law to practice veterinary medicine in this state. Each partner of a registered limited liability partnership formed to provide professional engineering, land surveying, geological services, architectural and/or landscape architectural services in this state must be licensed pursuant to article 145, article 147 and/or article 148 of the education law to practice one or more of such professions in this state. ~~[Each partner of a registered limited liability partnership formed to provide licensed clinical social work services in this state must be licensed pursuant to article 154 of the education law to practice clinical social work in this state.]~~ Each partner of a registered limited liability partnership formed to provide creative arts therapy services in this state must be licensed pursuant to article 163 of the education law to practice creative arts therapy in this state. Each partner of a registered limited liability partnership formed to provide marriage and family therapy services in this state must be licensed pursuant to article 163 of the education law to practice marriage and family therapy in this state. Each partner of a registered limited liability partnership formed to provide mental health counseling services in this state must be licensed pursuant to article 163 of the education law to practice mental health counseling in this state. Each partner of a registered limited liability partnership formed to provide psychoanalysis services in this state must be licensed pursuant to article 163 of the education law to practice psychoanalysis in this state. Each partner of a registered limited liability partnership formed to provide applied behavior analysis service in this state must be licensed or certified pursuant to article 167 of the education law to practice applied behavior analysis in this state.

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

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

cine 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 article 139 of the education law may form, or cause to be formed, a foreign limited liability partnership to provide multidisciplinary services with one or more licensed professionals, subject to the following conditions: (i) each partner of such foreign limited liability partnership must be licensed pursuant to title eight of the education law to practice his or her profession in this state; (ii) each partner 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 partners; provided further that: (A) no partner shall, directly or indirectly, interfere with the clinical judgment or legitimate clinical practice of another partner; and (B) no partner shall order or direct another partner to practice beyond the scope of his or her license. Each partner of a foreign limited liability partnership which provides dental services in the state must be licensed pursuant to article 133 of the education law to practice dentistry in this state. Each partner of a foreign limited liability partnership which provides veterinary service in the state shall be licensed pursuant to article 135 of the education law to practice veterinary medicine in this state. Each partner of a foreign limited liability partnership which provides professional engineering, land surveying, geological services, architectural and/or landscape architectural services in this state must be licensed pursuant to article 145, article 147 and/or article 148 of the education law to practice one or more of such professions. ~~Each partner of a foreign limited liability partnership which provides licensed clinical social work services in this state must be licensed pursuant to article 154 of the education law to practice licensed clinical social work in this state.~~ Each partner of a foreign limited liability partnership which provides creative arts therapy services in this state must be licensed pursuant to article 163 of the education law to practice creative arts therapy in this state. Each partner of a foreign limited liability partnership which provides marriage and family therapy services in this state must be licensed pursuant to article 163 of the education law to practice marriage and family therapy in this state. Each partner of a foreign limited liability partnership which provides mental health counseling services in this state must be licensed pursuant to article 163 of the education law to practice mental health counseling in this state. Each partner of a foreign limited liability partnership which provides psychoanalysis services in this state must be licensed pursuant to article 163 of the education law to practice psychoanalysis in this state. Each partner of a foreign limited liability partnership which provides applied behavior analysis services in this state must be licensed or certified pursuant to article 167 of the education law to practice applied behavior analysis in this state.

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

§ 6509-a. Additional definition of professional misconduct; limited application. Notwithstanding any inconsistent provision of this article or of any other provision of law to the contrary, the license or registration of a person subject to the provisions of articles one hundred thirty-two, one hundred thirty-three, one hundred thirty-six, one hundred thirty-seven, one hundred thirty-nine, one hundred forty-one, one hundred forty-three, one hundred forty-four, one hundred fifty-six,

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

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

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

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

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

24 § 6531. Additional definition of professional misconduct, limited
25 application. Notwithstanding any inconsistent provision of this article
26 or any other provisions of law to the contrary, the license or registra-
27 tion of a person subject to the provisions of this article and article
28 one hundred thirty-one-B of this chapter may be revoked, suspended, or
29 annulled or such person may be subject to any other penalty provided in
30 section two hundred thirty-a of the public health law in accordance with
31 the provisions and procedures of this article for the following:

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

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

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

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

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