

# STATE OF NEW YORK

715

2023-2024 Regular Sessions

## IN ASSEMBLY

January 11, 2023

Introduced by M. of A. PEOPLES-STOKES, BENEDETTO, STECK, THIELE, LUPARDO, WOERNER, STIRPE, BUTTENSCHON -- 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:

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 article 139 of the education law may form, or cause to be formed, a professional service limited liability company to provide multidisciplinary

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

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 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 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 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,

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 prorationing 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 clin-  
39 ic, dental dispensary, rehabilitation center other than a facility used  
40 solely for vocational rehabilitation, nursing home, tuberculosis hospi-  
41 tal, 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 (q) of section 121-1500 of the partnership law, or subdivision (q)  
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~~] addiction  
15 services and [~~substance-abuse-services~~] supports and the commissioner of  
16 the office for people with developmental disabilities, including regu-  
17 lations issued pursuant to subdivision seven of section three hundred  
18 sixty-five-1 of the social services law or part L of chapter fifty-six  
19 of the laws of two thousand twelve; (b) require a provider licensed  
20 pursuant to article thirty-one of the mental hygiene law or certified  
21 pursuant to article sixteen or article thirty-two of the mental hygiene  
22 law to obtain an operating certificate from the department if such  
23 provider has been authorized to provide integrated services in accord-  
24 ance with regulations issued by the commissioner in consultation with  
25 the commissioner of the office of mental health, the commissioner of the  
26 office of [~~alcoholism~~] addiction services and [~~substance-abuse-services~~]  
27 supports and the commissioner of the office for people with develop-  
28 mental disabilities, including regulations issued pursuant to subdivi-  
29 sion seven of section three hundred sixty-five-1 of the social services  
30 law or part L of chapter fifty-six of the laws of two thousand twelve.  
31 § 11. This act shall take effect on the thirtieth day after it shall  
32 have become a law.