

STATE OF NEW YORK

715--A

2023-2024 Regular Sessions

IN ASSEMBLY

January 11, 2023

Introduced by M. of A. PEOPLES-STOKES, BENEDETTO, STECK, THIELE, LUPARDO, WOERNER, STIRPE, BUTTENSCHON, McDONALD -- Multi-Sponsored by -- M. of A. FITZPATRICK -- read once and referred to the Committee on Higher Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the limited liability company law, the business corporation law, the partnership law, the education law and the public health law, in relation to authorizing certain licensed health services professionals to form limited liability companies

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

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

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

Notwithstanding any other provision of this section, any person licensed pursuant to article 131 of the education law to practice medicine and any person licensed pursuant to articles 132, 137, 140, 141, 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of article 139 of the education law may form, or cause to be

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

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1 formed, a professional service limited liability company to provide
2 multidisciplinary services with one or more licensed professionals,
3 subject to the following conditions: (i) each member of such limited
4 liability company must be licensed pursuant to title eight of the educa-
5 tion law to practice his or her profession in this state; (ii) each
6 member shall only practice his or her profession as specified in his or
7 her respective professional enabling statute under title eight of the
8 education law; and (iii) any clinical integration of professional prac-
9 tices under this section shall not alter, expand or curtail the scope of
10 practice of any of the members; provided further that: (A) no member
11 shall, directly or indirectly, interfere with the clinical judgment or
12 legitimate clinical practice of another member; and (B) no member shall
13 order or direct another member to practice beyond the scope of his or
14 her license. With respect to a professional service limited liability

15 company formed to provide dental services as such services are defined
16 in article 133 of the education law, each member of such limited liabil-
17 ity company must be licensed pursuant to article 133 of the education
18 law to practice dentistry in this state. With respect to a professional
19 service limited liability company formed to provide veterinary services
20 as such services are defined in article 135 of the education law, each
21 member of such limited liability company must be licensed pursuant to
22 article 135 of the education law to practice veterinary medicine in this
23 state. With respect to a professional service limited liability company
24 formed to provide professional engineering, land surveying, architec-
25 tural, landscape architectural and/or geological services as such
26 services are defined in article 145, article 147 and article 148 of the
27 education law, each member of such limited liability company must be
28 licensed pursuant to article 145, article 147 and/or article 148 of the
29 education law to practice one or more of such professions in this state.

30 ~~[With respect to a professional service limited liability company formed~~
31 ~~to provide licensed clinical social work services as such services are~~
32 ~~defined in article 154 of the education law, each member of such limited~~
33 ~~liability company shall be licensed pursuant to article 154 of the~~
34 ~~education law to practice licensed clinical social work in this state.]~~

35 With respect to a professional service limited liability company formed
36 to provide creative arts therapy services as such services are defined
37 in article 163 of the education law, each member of such limited liabil-
38 ity company must be licensed pursuant to article 163 of the education
39 law to practice creative arts therapy in this state. With respect to a
40 professional service limited liability company formed to provide
41 marriage and family therapy services as such services are defined in
42 article 163 of the education law, each member of such limited liability
43 company must be licensed pursuant to article 163 of the education law to
44 practice marriage and family therapy in this state. With respect to a
45 professional service limited liability company formed to provide mental
46 health counseling services as such services are defined in article 163
47 of the education law, each member of such limited liability company must
48 be licensed pursuant to article 163 of the education law to practice
49 mental health counseling in this state. With respect to a professional
50 service limited liability company formed to provide psychoanalysis
51 services as such services are defined in article 163 of the education
52 law, each member of such limited liability company must be licensed
53 pursuant to article 163 of the education law to practice psychoanalysis
54 in this state. ~~[With respect to a professional service limited liability~~

55 ~~company formed to provide applied behavior analysis services as such~~
56 ~~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.~~ In addition to engaging in such profession or professions, a professional service limited liability company may engage in any other business or activities as to which a limited liability company may be formed under section two hundred one of this chapter. Notwithstanding any other provision of this section, a professional service limited liability company (i) authorized to practice law may only engage in another profession or business or activities or (ii) which is engaged in a profession or other business or activities other than law may only engage in the practice of law, to the extent not prohibited by any other law of this state or any rule adopted by the appropriate appellate division of the supreme court or the court of appeals.

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

(b) 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, 156, or 167 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 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 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 arti-

cle 135 of the education law, each member of such foreign professional service limited liability company shall be licensed pursuant to article 135 of the education law to practice veterinary medicine. With respect to a foreign professional service limited liability company which provides medical services as such services are defined in article 131 of the education law, each member of such foreign professional service 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, 156, or 167 or subdivision 3 of section 6902 of article 139 of the education law may form, or cause to be formed, a foreign professional service limited liability company to provide multidisciplinary 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 foreign professional service limited liability company which provides dental services as such services are defined in article 133 of the education law, each member of such foreign professional service limited liability company must be licensed pursuant to article 133 of the education law to practice dentistry in this state. With respect to a foreign professional service limited liability company which provides professional engineering, land surveying, geologic, architectural and/or landscape architectural services as such services are defined in article 145, article 147 and article 148 of the education law, each member of such foreign professional service 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 foreign professional service limited liability company which provides licensed clinical social work services as such services are defined in article 154 of the education law, each member of such foreign professional service limited liability company shall be licensed pursuant to article 154 of the education law to practice clinical social work in this state.]~~ With respect to a foreign professional service limited liability company which provides creative arts therapy services as such services are defined in article 163 of the education law, each member of such foreign professional service limited liability company must be licensed pursuant to article 163 of the education law to practice creative arts therapy in this state. With respect to a foreign professional service limited liability company which provides marriage and family therapy services as such services are defined in article 163 of the education law, each member of such foreign professional service limited liability company must be licensed pursuant to article 163 of the education law to practice marriage and family therapy in this state. With respect to a foreign professional service limited liability company which provides

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

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

19 (a) Notwithstanding any other provision of law, (i) one or more indi-
20 viduals duly authorized by law to render the same professional service
21 within the state may organize, or cause to be organized, a professional
22 service corporation for pecuniary profit under this article for the
23 purpose of rendering the same professional service, except that one or
24 more individuals duly authorized by law to practice professional engi-
25 neering, architecture, landscape architecture, land surveying or geology
26 within the state may organize, or cause to be organized, a professional
27 service corporation or a design professional service corporation for
28 pecuniary profit under this article for the purpose of rendering such
29 professional services as such individuals are authorized to practice,
30 and (ii) one or more individuals licensed to practice pursuant to arti-
31 cle 131 and one or more individuals licensed pursuant to articles 132,
32 137, 140, 141, 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of
33 section 6902 of article 139 of title eight of the education law may
34 organize, or cause to be organized, for business purposes only, a
35 professional service corporation formed for pecuniary profit under this
36 article for the purpose of rendering multidisciplinary services within
37 such a corporation as such individuals are authorized to practice indi-
38 vidually in his or her respective professions, subject to the following
39 conditions: (A) individual who organizes, or causes to organize, such
40 corporation must be licensed pursuant to title eight of the education
41 law to practice his or her profession in this state; (B) each member
42 shall only practice his or her profession as specified in his or her
43 respective professional enabling statute under title eight of the educa-
44 tion law; and (C) any clinical integration of professional practices
45 under this section shall not alter, expand or curtail the scope of prac-
46 tice of any of the members; (D) no individual shall, directly or indi-
47 rectly, interfere with the clinical judgment or legitimate clinical
48 practice of another individual; and (E) no individual shall order or
49 direct another individual to practice beyond the scope of his or her
50 license.

51 § 5. Subdivision (q) of section 121-1500 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 registered limited liability partnership formed
55 to provide medical services in this state must be licensed pursuant to
56 article 131 of the education law to practice medicine in this 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, 156, or 167 or 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, 156, or 167 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

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

8 That any person subject to the above enumerated articles, has directly
9 or indirectly requested, received or participated in the division,
10 transference, assignment, rebate, splitting or refunding of a fee for,
11 or has directly requested, received or profited by means of a credit or
12 other valuable consideration as a commission, discount or gratuity in
13 connection with the furnishing of professional care, or service, includ-
14 ing x-ray examination and treatment, or for or in connection with the
15 sale, rental, supplying or furnishing of clinical laboratory services or
16 supplies, x-ray laboratory services or supplies, inhalation therapy
17 service or equipment, ambulance service, hospital or medical supplies,
18 physiotherapy or other therapeutic service or equipment, artificial
19 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,
20 optical appliances, supplies or equipment, devices for aid of hearing,
21 drugs, medication or medical supplies or any other goods, services or
22 supplies prescribed for medical diagnosis, care or treatment under this
23 chapter, except payment, not to exceed thirty-three and one-third per
24 centum of any fee received for x-ray examination, diagnosis or treat-
25 ment, to any hospital furnishing facilities for such examination, diag-
26 nosis or treatment. Nothing contained in this section shall prohibit
27 such persons from practicing as partners, in groups or as a professional
28 corporation or as a university faculty practice corporation nor from
29 pooling fees and moneys received, either by the partnerships, profes-
30 sional corporations, university faculty practice corporations or groups
31 by the individual members thereof, for professional services furnished
32 by any individual professional member, or employee of such partnership,
33 corporation or group, nor shall the professionals constituting the part-
34 nerships, corporations or groups be prohibited from sharing, dividing or
35 apportioning the fees and moneys received by them or by the partnership,
36 corporation or group in accordance with a partnership or other agree-
37 ment; provided that no such practice as partners, corporations or in
38 groups or pooling of fees or moneys received or shared, division or
39 apportionment of fees shall be permitted with respect to care and treat-
40 ment under the workers' compensation law except as expressly authorized
41 by the workers' compensation law. Nothing contained in this section
42 shall prohibit a multidisciplinary services practice formed pursuant to
43 subdivision (a) of section twelve hundred three of the limited liability
44 company law, subdivision (b) of section twelve hundred seven of the
45 limited liability company law, subdivision (a) of section thirteen
46 hundred one of the limited liability company law, paragraph (a) of
47 section fifteen hundred three of the business corporation law, subdivi-
48 sion (q) of section 121-1500 of the partnership law, or subdivision (q)
49 of section 121-1502 of the partnership law from pooling fees or monies
50 received. Nothing contained in this chapter shall prohibit a medical or
51 dental expense indemnity corporation pursuant to its contract with the
52 subscriber from prorationing a medical or dental expense indemnity
53 allowance among two or more professionals in proportion to the services
54 rendered by each such professional at the request of the subscriber,
55 provided that prior to payment thereof such professionals shall submit
56 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,
14 one hundred fifty-nine, or one hundred sixty-seven or subdivision three
15 of section sixty-nine hundred two of article one hundred thirty-nine of
16 this chapter providing professional services in the same practice. This
17 prohibition shall include any arrangement or agreement whereby the
18 amount received in payment for furnishing space, facilities, equipment
19 or personnel services used by a licensee constitutes a percentage of, or
20 is otherwise dependent upon, the income or receipts of the licensee from
21 such practice, except as otherwise provided by law with respect to a
22 facility licensed pursuant to article twenty-eight of the public health
23 law or 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 2 of part E of chapter 57 of the laws of 2023, 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, a rural emer-
39 gency hospital under 42 USC 1395x(kkk), or successor provisions, dental
40 clinic, dental dispensary, rehabilitation center other than a facility
41 used solely for vocational rehabilitation, nursing home, tuberculosis
42 hospital, chronic disease hospital, maternity hospital, midwifery birth
43 center, lying-in-asylum, out-patient department, out-patient lodge,
44 dispensary and a laboratory or central service facility serving one or
45 more such institutions, but the term hospital shall not include an
46 institution, sanitarium or other facility engaged principally in provid-
47 ing services for the prevention, diagnosis or treatment of mental disa-
48 bility and which is subject to the powers of visitation, examination,
49 inspection and investigation of the department of mental hygiene except
50 for those distinct parts of such a facility which provide hospital
51 service. The provisions of this article shall not apply to a facility or
52 institution engaged principally in providing services by or under the
53 supervision of the bona fide members and adherents of a recognized reli-
54 gious organization whose teachings include reliance on spiritual means
55 through prayer alone for healing in the practice of the religion of such
56 organization and where services are provided in accordance with those

1 teachings or to a multidisciplinary services practice formed pursuant to
2 subdivision (a) of section twelve hundred three of the limited liability
3 company law, subdivision (b) of section twelve hundred seven of the
4 limited liability company law, subdivision (a) of section thirteen
5 hundred one of the limited liability company law, paragraph (a) of
6 section fifteen hundred three of the business corporation law, subdivi-
7 sion (q) of section 121-1500 of the partnership law, or subdivision (q)
8 of section 121-1502 of the partnership law. No provision of this article
9 or any other provision of law shall be construed to: (a) limit the
10 volume of mental health, substance use disorder services or develop-
11 mental disability services that can be provided by a provider of primary
12 care services licensed under this article and authorized to provide
13 integrated services in accordance with regulations issued by the commis-
14 sioner in consultation with the commissioner of the office of mental
15 health, the commissioner of the office of [~~alcoholism~~] addiction
16 services and [~~substance-abuse-services~~] supports and the commissioner of
17 the office for people with developmental disabilities, including regu-
18 lations issued pursuant to subdivision seven of section three hundred
19 sixty-five-1 of the social services law or part L of chapter fifty-six
20 of the laws of two thousand twelve; (b) require a provider licensed
21 pursuant to article thirty-one of the mental hygiene law or certified
22 pursuant to article sixteen or article thirty-two of the mental hygiene
23 law to obtain an operating certificate from the department if such
24 provider has been authorized to provide integrated services in accord-
25 ance with regulations issued by the commissioner in consultation with
26 the commissioner of the office of mental health, the commissioner of the
27 office of [~~alcoholism~~] addiction services and [~~substance-abuse-services~~]
28 supports and the commissioner of the office for people with develop-
29 mental disabilities, including regulations issued pursuant to subdivi-
30 sion seven of section three hundred sixty-five-1 of the social services
31 law or part L of chapter fifty-six of the laws of two thousand twelve.
32 § 11. This act shall take effect on the thirtieth day after it shall
33 have become a law; provided, however that section ten of this act shall
34 take effect on the same date and in the same manner as section 2 of part
35 E of chapter 57 of the laws of 2023, takes effect.