

STATE OF NEW YORK

5581--A

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 -- recommitted to the Committee on Corporations, Authorities and Commissions in accordance with Senate Rule 6, sec. 8 -- 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:

1 Section 1. Subdivision (a) of section 1203 of the limited liability
2 company law, as amended by chapter 475 of the laws of 2014, is amended
3 to read as follows:
4 (a) Notwithstanding the education law or any other provision of law,
5 one or more professionals each of whom is authorized by law to render a
6 professional service within the state, or one or more professionals, at
7 least one of whom is authorized by law to render a professional service
8 within the state, may form, or cause to be formed, a professional
9 service limited liability company for pecuniary profit under this arti-
10 cle for the purpose of rendering the professional service or services as
11 such professionals are authorized to practice. With respect to a profes-
12 sional service limited liability company formed to provide medical
13 services as such services are defined in article 131 of the education
14 law, each member of such limited liability company must be licensed
15 pursuant to article 131 of the education law to practice medicine in
16 this state. Notwithstanding any other provision of this section, any
17 person licensed pursuant to article 131 of the education law to practice
18 medicine and any person licensed pursuant to articles 132, 137, 140,
19 141, 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section

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

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1 6902 of article 139 of the education law may form, or cause to be
2 formed, a professional service limited liability company to provide
3 multidisciplinary services with one or more licensed professionals,
4 subject to the following conditions: (i) each member of such limited
5 liability company must be licensed pursuant to title eight of the educa-
6 tion law to practice such member's profession in this state; (ii) each
7 member shall only practice such member's profession as specified in such
8 member's respective professional enabling statute under title eight of
9 the education law; and (iii) any clinical integration of professional
10 practices under this section shall not alter, expand or curtail the
11 scope of practice of any of the members; provided further that: (A) no
12 member shall, directly or indirectly, interfere with the clinical judg-
13 ment or legitimate clinical practice of another member; and (B) no
14 member shall order or direct another member to practice beyond the scope
15 of such member's license.

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

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

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

~~1 provide applied behavior analysis services as such services are defined
2 in article 167 of the education law, each member of such limited liabil-
3 ity company must be licensed or certified pursuant to article 167 of the
4 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 such member's profession in this state; (ii) each member shall only practice such member's profession as specified in such member's 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 judgement or legitimate clinical practice of another member; and (B) no member shall order or direct another member to practice beyond the scope of such member's 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

1 practice one or more of such professions in this state. [~~With respect to~~
2 ~~a professional service limited liability company formed to provide~~
3 ~~licensed clinical social work services as such services are defined in~~
4 ~~article 154 of the education law, each member of such limited liability~~
5 ~~company shall be licensed pursuant to article 154 of the education law~~
6 ~~to practice licensed clinical social work in this state.~~] With respect
7 to a professional service limited liability company formed to provide
8 creative arts therapy services as such services are defined in article
9 163 of the education law, each member of such limited liability company
10 must be licensed pursuant to article 163 of the education law to prac-
11 tice creative arts therapy in this state. With respect to a professional
12 service limited liability company formed to provide marriage and family
13 therapy services as such services are defined in article 163 of the
14 education law, each member of such limited liability company must be
15 licensed pursuant to article 163 of the education law to practice
16 marriage and family therapy in this state. With respect to a profes-
17 sional service limited liability company formed to provide mental health
18 counseling services as such services are defined in article 163 of the
19 education law, each member of such limited liability company must be
20 licensed pursuant to article 163 of the education law to practice mental
21 health counseling in this state. With respect to a professional service
22 limited liability company formed to provide psychoanalysis services as
23 such services are defined in article 163 of the education law, each
24 member of such limited liability company must be licensed pursuant to
25 article 163 of the education law to practice psychoanalysis in this
26 state. [~~With respect to a professional service limited liability company~~
27 ~~formed to provide applied behavior analysis services as such services~~
28 ~~are defined in article 167 of the education law, each member of such~~
29 ~~limited liability company must be licensed or certified pursuant to~~
30 ~~article 167 of the education law to practice applied behavior analysis~~
31 ~~in this state.~~]

32 § 3. Subdivision (b) of section 1207 of the limited liability company
33 law, as amended by chapter 701 of the laws of 2023, is amended to read
34 as follows:

35 (b) With respect to a professional service limited liability company
36 formed to provide medical services as such services are defined in arti-
37 cle 131 of the education law, each member of such limited liability
38 company must be licensed pursuant to article 131 of the education law to
39 practice medicine in this state. Notwithstanding any other provision of
40 this section, any person licensed pursuant to article 131 of the educa-
41 tion law to practice medicine and any person licensed pursuant to arti-
42 cles 132, 137, 140, 141, 143, 144, 153, 154, 155, 156, or 167 or subdi-
43 vision 3 of section 6902 of article 139 of the education law may form,
44 or cause to be formed, a professional service limited liability company
45 to provide multidisciplinary services with one or more licensed profes-
46 sionals, subject to the following conditions: (i) each member of such
47 limited liability company must be licensed pursuant to title eight of
48 the education law to practice such member's profession in this state;
49 (ii) each member shall only practice such member's profession as spec-
50 ified in such member's respective professional enabling statute under
51 title eight of the education law; and (iii) any clinical integration
52 of professional practices under this section shall not alter, expand or
53 curtail the scope of practice of any of the members; provided further
54 that: (A) no member shall, directly or indirectly, interfere with the
55 clinical judgement or legitimate clinical practice of another member;
56 and (B) no member shall order or direct another member to practice

1 beyond the scope of such member's license. With respect to a profes-
2 sional service limited liability company formed to provide dental
3 services as such services are defined in article 133 of the education
4 law, each member of such limited liability company must be licensed
5 pursuant to article 133 of the education law to practice dentistry in
6 this state. With respect to a professional service limited liability
7 company formed to provide veterinary services as such services are
8 defined in article 135 of the education law, each member of such limited
9 liability company must be licensed pursuant to article 135 of the educa-
10 tion law to practice veterinary medicine in this state. With respect to
11 a professional service limited liability company formed to provide
12 professional engineering, land surveying, architectural, landscape
13 architectural and/or geological services as such services are defined in
14 article 145, article 147 and article 148 of the education law, each
15 member of such limited liability company must be licensed pursuant to
16 article 145, article 147 and/or article 148 of the education law to
17 practice one or more of such professions in this state. With respect to
18 a professional service limited liability company formed to provide
19 public accountancy services as such services are defined in article 149
20 of the education law each member of such limited liability company whose
21 principal place of business is in this state and who provides public
22 accountancy services, must be licensed pursuant to article 149 of the
23 education law to practice public accountancy in this state. [~~With
24 respect to a professional service limited liability company formed to
25 provide licensed clinical social work services as such services are
26 defined in article 154 of the education law, each member of such limited
27 liability company shall be licensed pursuant to article 154 of the
28 education law to practice licensed clinical social work in this state.~~]
29 With respect to a professional service limited liability company formed
30 to provide creative arts therapy services as such services are defined
31 in article 163 of the education law, each member of such limited liabil-
32 ity company must be licensed pursuant to article 163 of the education
33 law to practice creative arts therapy in this state. With respect to a
34 professional service limited liability company formed to provide
35 marriage and family therapy services as such services are defined in
36 article 163 of the education law, each member of such limited liability
37 company must be licensed pursuant to article 163 of the education law to
38 practice marriage and family therapy in this state. With respect to a
39 professional service limited liability company formed to provide mental
40 health counseling services as such services are defined in article 163
41 of the education law, each member of such limited liability company must
42 be licensed pursuant to article 163 of the education law to practice
43 mental health counseling in this state. With respect to a professional
44 service limited liability company formed to provide psychoanalysis
45 services as such services are defined in article 163 of the education
46 law, each member of such limited liability company must be licensed
47 pursuant to article 163 of the education law to practice psychoanalysis
48 in this state. [~~With respect to a professional service limited liability
49 company formed to provide applied behavior analysis services as such
50 services are defined in article 167 of the education law, each member of
51 such limited liability company must be licensed or certified pursuant to
52 article 167 of the education law to practice applied behavior analysis
53 in this state.~~] A professional service limited liability company formed
54 to lawfully engage in the practice of public accountancy as a firm, as
55 such practice is defined under article 149 of the education law shall be
56 required to show (1) that a simple majority of the ownership of the

1 firm, in terms of financial interests and voting rights held by the
2 firm's owners, belongs to individuals licensed to practice public
3 accountancy in some state, and (2) that all members of a limited profes-
4 sional service limited liability company, whose principal place of busi-
5 ness is in this state, and who are engaged in the practice of public
6 accountancy in this state, hold a valid license issued under section
7 seventy-four hundred four of the education law. For purposes of this
8 subdivision, "financial interest" means capital stock, capital accounts,
9 capital contributions, capital interest, or interest in undistributed
10 earnings of a business entity. Although firms registered with the educa-
11 tion department may include non-licensee owners, a registered firm and
12 its owners must comply with rules promulgated by the state board of
13 regents. Notwithstanding the foregoing, a firm registered with the
14 education department may not have non-licensee owners if the firm's name
15 includes the words "certified public accountant," or "certified public
16 accountants," or the abbreviations "CPA" or "CPAs". Each non-licensee
17 owner of a firm that is registered under this section shall be (1) a
18 natural person who actively participates in the business of the firm or
19 its affiliated entities, or (2) an entity, including, but not limited
20 to, a partnership or professional corporation, provided each beneficial
21 owner of an equity interest in such entity is a natural person who
22 actively participates in the business conducted by the firm or its
23 affiliated entities. For purposes of this subdivision, "actively partic-
24 ipate" means to provide services to clients or to otherwise individually
25 take part in the day-to-day business or management of the firm or an
26 affiliated entity.

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

30 (a) "Foreign professional service limited liability company" means a
31 professional service limited liability company, whether or not denomi-
32 nated as such, organized under the laws of a jurisdiction other than
33 this state, (i) each of whose members and managers, if any, is a profes-
34 sional authorized by law to render a professional service within this
35 state and who is or has been engaged in the practice of such profession
36 in such professional service limited liability company or a predecessor
37 entity, or will engage in the practice of such profession in the profes-
38 sional service limited liability company within thirty days of the date
39 such professional becomes a member, or each of whose members and manag-
40 ers, if any, is a professional at least one of such members is author-
41 ized by law to render a professional service within this state and who
42 is or has been engaged in the practice of such profession in such
43 professional service limited liability company or a predecessor entity,
44 or will engage in the practice of such profession in the professional
45 service limited liability company within thirty days of the date such
46 professional becomes a member, or (ii) authorized by, or holding a
47 license, certificate, registration or permit issued by the licensing
48 authority pursuant to, the education law to render a professional
49 service within this state; except that all members and managers, if any,
50 of a foreign professional service limited liability company that
51 provides health services in this state shall be licensed in this state.
52 With respect to a foreign professional service limited liability company
53 which provides veterinary services as such services are defined in arti-
54 cle 135 of the education law, each member of such foreign professional
55 service limited liability company shall be licensed pursuant to article
56 135 of the education law to practice veterinary medicine. With respect

1 to a foreign professional service limited liability company which
2 provides medical services as such services are defined in article 131 of
3 the education law, each member of such foreign professional service
4 limited liability company must be licensed pursuant to article 131 of
5 the education law to practice medicine in this state.

6 Notwithstanding any other provision of this section, any person licensed pursuant to
7 article 131 of the education law to practice medicine and any person
8 licensed pursuant to articles 132, 137, 140, 141, 143, 144, 153, 154,
9 155, 156, or 167 or subdivision 3 of section 6902 of article 139 of the
10 education law may form, or cause to be formed, a foreign professional
11 service limited liability company to provide multidisciplinary services
12 with one or more licensed professionals, subject to the following condi-
13 tions: (i) each member of such limited liability company must be
14 licensed pursuant to title eight of the education law to practice such
15 member's profession in this state; (ii) each member shall only practice
16 such member's profession as specified in such member's respective
17 professional enabling statute under title eight of the education law;
18 and (iii) any clinical integration of professional practices under this
19 section shall not alter, expand or curtail the scope of practice of any
20 of the members; provided further that: (A) no member shall, directly or
21 indirectly, interfere with the clinical judgment or legitimate clinical
22 practice of another member; and (B) no member shall order or direct
23 another member to practice beyond the scope of such member's license.

24 With respect to a foreign professional service limited liability company
25 which provides dental services as such services are defined in article
26 133 of the education law, each member of such foreign professional
27 service limited liability company must be licensed pursuant to article
28 133 of the education law to practice dentistry in this state. With
29 respect to a foreign professional service limited liability company
30 which provides professional engineering, land surveying, geologic,
31 architectural and/or landscape architectural services as such services
32 are defined in article 145, article 147 and article 148 of the education
33 law, each member of such foreign professional service limited liability
34 company must be licensed pursuant to article 145, article 147 and/or
35 article 148 of the education law to practice one or more of such
36 professions in this state. [~~With respect to a foreign professional~~
37 ~~service limited liability company which provides licensed clinical~~
38 ~~social work services as such services are defined in article 154 of the~~
39 ~~education law, each member of such foreign professional service limited~~
40 ~~liability company shall be licensed pursuant to article 154 of the~~
41 ~~education law to practice clinical social work in this state.]~~

42 With respect to a foreign professional service limited liability company
43 which provides creative arts therapy services as such services are
44 defined in article 163 of the education law, each member of such foreign
45 professional service limited liability company must be licensed pursuant
46 to article 163 of the education law to practice creative arts therapy in
47 this state. With respect to a foreign professional service limited
48 liability company which provides marriage and family therapy services as
49 such services are defined in article 163 of the education law, each
50 member of such foreign professional service limited liability company
51 must be licensed pursuant to article 163 of the education law to prac-
52 tice marriage and family therapy in this state. With respect to a
53 foreign professional service limited liability company which provides
54 mental health counseling services as such services are defined in arti-
55 cle 163 of the education law, each member of such foreign professional
56 service limited liability company must be licensed pursuant to article

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

13 § 5. Subdivision (a) of section 1301 of the limited liability company
14 law, as amended by chapter 701 of the laws of 2023, is amended to read
15 as follows:

16 (a) "Foreign professional service limited liability company" means a
17 professional service limited liability company, whether or not denomi-
18 nated as such, organized under the laws of a jurisdiction other than
19 this state, (i) each of whose members and managers, if any, is a profes-
20 sional authorized by law to render a professional service within this
21 state and who is or has been engaged in the practice of such profession
22 in such professional service limited liability company or a predecessor
23 entity, or will engage in the practice of such profession in the profes-
24 sional service limited liability company within thirty days of the date
25 such professional becomes a member, or each of whose members and manag-
26 ers, if any, is a professional at least one of such members is author-
27 ized by law to render a professional service within this state and who
28 is or has been engaged in the practice of such profession in such
29 professional service limited liability company or a predecessor entity,
30 or will engage in the practice of such profession in the professional
31 service limited liability company within thirty days of the date such
32 professional becomes a member, or (ii) authorized by, or holding a
33 license, certificate, registration or permit issued by the licensing
34 authority pursuant to, the education law to render a professional
35 service within this state; except that all members and managers, if any,
36 of a foreign professional service limited liability company that
37 provides health services in this state shall be licensed in this state.
38 With respect to a foreign professional service limited liability company
39 which provides veterinary services as such services are defined in arti-
40 cle 135 of the education law, each member of such foreign professional
41 service limited liability company shall be licensed pursuant to article
42 135 of the education law to practice veterinary medicine. With respect
43 to a foreign professional service limited liability company which
44 provides medical services as such services are defined in article 131 of
45 the education law, each member of such foreign professional service
46 limited liability company must be licensed pursuant to article 131 of
47 the education law to practice medicine in this state. Notwithstanding
48 any other provision of this section, any person licensed pursuant to
49 article 131 of the education law to practice medicine and any person
50 licensed pursuant to articles 132, 137, 140, 141, 143, 144, 153, 154,
51 155, 156, or 167 or subdivision 3 of section 6902 of article 139 of the
52 education law may form, or cause to be formed, a foreign professional
53 service limited liability company to provide multidisciplinary services
54 with one or more licensed professionals, subject to the following condi-
55 tions: (i) each member of such limited liability company must be
56 licensed pursuant to title eight of the education law to practice such

1 member's profession in this state; (ii) each member shall only practice
2 such member's profession as specified in such member's respective
3 professional enabling statute under title eight of the education law;
4 and (iii) any clinical integration of professional practices under this
5 section shall not alter, expand or curtail the scope of practice of any
6 of the members; provided further that: (A) no member shall, directly or
7 indirectly, interfere with the clinical judgment or legitimate clinical
8 practice of another member; and (B) no member shall order or direct
9 another member to practice beyond the scope of such member's license.

10 With respect to a foreign professional service limited liability company
11 which provides dental services as such services are defined in article
12 133 of the education law, each member of such foreign professional
13 service limited liability company must be licensed pursuant to article
14 133 of the education law to practice dentistry in this state. With
15 respect to a foreign professional service limited liability company
16 which provides professional engineering, land surveying, geologic,
17 architectural and/or landscape architectural services as such services
18 are defined in article 145, article 147 and article 148 of the education
19 law, each member of such foreign professional service limited liability
20 company must be licensed pursuant to article 145, article 147 and/or
21 article 148 of the education law to practice one or more of such
22 professions in this state. With respect to a foreign professional
23 service limited liability company which provides public accountancy
24 services as such services are defined in article 149 of the education
25 law, each member of such foreign professional service limited liability
26 company whose principal place of business is in this state and who
27 provides public accountancy services, shall be licensed pursuant to
28 article 149 of the education law to practice public accountancy in this
29 state. [~~With respect to a foreign professional service limited liability~~
30 ~~company which provides licensed clinical social work services as such~~
31 ~~services are defined in article 154 of the education law, each member of~~
32 ~~such foreign professional service limited liability company shall be~~
33 ~~licensed pursuant to article 154 of the education law to practice clin-~~
34 ~~ical social work in this state.] With respect to a foreign professional
35 service limited liability company which provides creative arts therapy
36 services as such services are defined in article 163 of the education
37 law, each member of such foreign professional service limited liability
38 company must be licensed pursuant to article 163 of the education law to
39 practice creative arts therapy in this state. With respect to a foreign
40 professional service limited liability company which provides marriage
41 and family therapy services as such services are defined in article 163
42 of the education law, each member of such foreign professional service
43 limited liability company must be licensed pursuant to article 163 of
44 the education law to practice marriage and family therapy in this state.
45 With respect to a foreign professional service limited liability company
46 which provides mental health counseling services as such services are
47 defined in article 163 of the education law, each member of such foreign
48 professional service limited liability company must be licensed pursuant
49 to article 163 of the education law to practice mental health counseling
50 in this state. With respect to a foreign professional service limited
51 liability company which provides psychoanalysis services as such
52 services are defined in article 163 of the education law, each member of
53 such foreign professional service limited liability company must be
54 licensed pursuant to article 163 of the education law to practice
55 psychoanalysis in this state. [~~With respect to a foreign professional~~
56 ~~service limited liability company which provides applied behavior analy-~~~~

~~1 sis services as such services are defined in article 167 of the educa-
2 tion law, each member of such foreign professional service limited
3 liability company must be licensed or certified pursuant to article 167
4 of the education law to practice applied behavior analysis in this
5 state.]~~

A foreign professional service limited liability company formed to lawfully engage in the practice of public accountancy as a firm, as such practice is defined under article 149 of the education law shall be required to show (1) that a simple majority of the ownership of the firm, in terms of financial interests and voting rights held by the firm's owners, belongs to individuals licensed to practice public accountancy in some state, and (2) that all members of a foreign limited professional service limited liability company, whose principal place of business is in this state, and who are engaged in the practice of public accountancy in this state, hold a valid license issued under section seventy-four hundred four of the education law. For purposes of this subdivision, "financial interest" means capital stock, capital accounts, capital contributions, capital interest, or interest in undistributed earnings of a business entity. Although firms registered with the education department may include non-licensee owners, a registered firm and its owners must comply with rules promulgated by the state board of regents. Notwithstanding the foregoing, a firm registered with the education department may not have non-licensee owners if the firm's name includes the words "certified public accountant," or "certified public accountants," or the abbreviations "CPA" or "CPAs". Each non-licensee owner of a firm that is registered under this section shall be (1) a natural person who actively participates in the business of the firm or its affiliated entities, or (2) an entity, including, but not limited to, a partnership or professional corporation, provided each beneficial owner of an equity interest in such entity is a natural person who actively participates in the business conducted by the firm or its affiliated entities. For purposes of this subdivision, "actively participate" means to provide services to clients or to otherwise individually take part in the day-to-day business or management of the firm or an affiliated entity.

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

(a) Notwithstanding any other provision of law, (i) one or more individuals duly authorized by law to render the same professional service within the state may organize, or cause to be organized, a professional service corporation for pecuniary profit under this article for the purpose of rendering the same professional service, except that one or more individuals duly authorized by law to practice professional engineering, architecture, landscape architecture, land surveying or geology within the state may organize, or cause to be organized, a professional service corporation or a design professional service corporation for pecuniary profit under this article for the purpose of rendering such professional services as such individuals are authorized to practice, and (ii) one or more individuals licensed to practice pursuant to article one hundred thirty-one and one or more individuals licensed pursuant to articles one hundred thirty-two, one hundred thirty-seven, one hundred forty, one hundred forty-one, one hundred forty-three, one hundred forty-four, one hundred fifty-three, one hundred fifty-four, one hundred fifty-five, one hundred fifty-six, or one hundred sixty-seven or subdivision three of section six thousand nine hundred two of article one hundred thirty-nine of title eight of the education law may organ-

1 ize, or cause to be organized, for business purposes only, a profes-
2 sional service corporation formed for pecuniary profit under this arti-
3 cle for the purpose of rendering multidisciplinary services within such
4 a corporation as such individuals are authorized to practice individual-
5 ly in such individual's respective professions, subject to the following
6 conditions: (A) individual who organizes, or causes to organize, such
7 corporation must be licensed pursuant to title eight of the education
8 law to practice such individual's profession in this state; (B) each
9 member shall only practice such member's profession as specified in such
10 member's respective professional enabling statute under title eight of
11 the education law; and (C) any clinical integration of professional
12 practices under this section shall not alter, expand or curtail the
13 scope of practice of any of the members; (D) no individual shall,
14 directly or indirectly, interfere with the clinical judgment or legiti-
15 mate clinical practice of another individual; and (E) no individual
16 shall order or direct another individual to practice beyond the scope of
17 such individual's license.

18 § 7. Subdivision (q) of section 121-1500 of the partnership law, as
19 amended by chapter 475 of the laws of 2014, is amended to read as
20 follows:

21 (q) Each partner of a registered limited liability partnership formed
22 to provide medical services in this state must be licensed pursuant to
23 article 131 of the education law to practice medicine in this state [~~and~~
24 ~~each~~]. Notwithstanding any other provision of this section, any person
25 licensed pursuant to article 131 of the education law to practice medi-
26 cine and any person licensed pursuant to articles 132, 137, 140, 141,
27 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of
28 article 139 of the education law may form, or cause to be formed, a
29 registered limited liability partnership to provide multidisciplinary
30 services with one or more licensed professionals, subject to the follow-
31 ing conditions: (i) each partner of such limited liability partnership
32 must be licensed pursuant to title eight of the education law to prac-
33 tice such partner's profession in this state; (ii) each partner shall
34 only practice such partner's profession as specified in such partner's
35 respective professional enabling statute under title eight of the educa-
36 tion law; and (iii) any clinical integration of the professional prac-
37 tices under this section shall not alter, expand or curtail the scope of
38 practice of any of the partners; provided further that: (A) no partner
39 shall, directly or indirectly, interfere with the clinical judgment or
40 legitimate clinical practice of another partner; and (B) no partner
41 shall order or direct another partner to practice beyond the scope of
42 such partner's license. Each partner of a registered limited liability
43 partnership formed to provide dental services in this state must be
44 licensed pursuant to article 133 of the education law to practice
45 dentistry in this state. Each partner of a registered limited liability
46 partnership formed to provide veterinary services in this state must be
47 licensed pursuant to article 135 of the education law to practice veter-
48 inary medicine in this state. Each partner of a registered limited
49 liability partnership formed to provide professional engineering, land
50 surveying, geological services, architectural and/or landscape architec-
51 tural services in this state must be licensed pursuant to article 145,
52 article 147 and/or article 148 of the education law to practice one or
53 more of such professions in this state. [~~Each partner of a registered~~
54 limited liability partnership formed to provide licensed clinical social
55 work services in this state must be licensed pursuant to article 154 of
56 the education law to practice clinical social work in this state.] Each

1 partner of a registered limited liability partnership formed to provide
2 creative arts therapy services in this state must be licensed pursuant
3 to article 163 of the education law to practice creative arts therapy in
4 this state. Each partner of a registered limited liability partnership
5 formed to provide marriage and family therapy services in this state
6 must be licensed pursuant to article 163 of the education law to prac-
7 tice marriage and family therapy in this state. Each partner of a regis-
8 tered limited liability partnership formed to provide mental health
9 counseling services in this state must be licensed pursuant to article
10 163 of the education law to practice mental health counseling in this
11 state. Each partner of a registered limited liability partnership formed
12 to provide psychoanalysis services in this state must be licensed pursu-
13 ant to article 163 of the education law to practice psychoanalysis in
14 this state. [~~Each partner of a registered limited liability partnership
15 formed to provide applied behavior analysis service in this state must
16 be licensed or certified pursuant to article 167 of the education law to
17 practice applied behavior analysis in this state.~~]

18 § 8. Subdivision (q) of section 121-1500 of the partnership law, as
19 amended by chapter 701 of the laws of 2023, is amended to read as
20 follows:

21 (q) Each partner of a registered limited liability partnership formed
22 to provide medical services in this state must be licensed pursuant to
23 article 131 of the education law to practice medicine in this state [~~and~~
24 ~~each~~]. Notwithstanding any other provision of this section, any person
25 licensed pursuant to article 131 of the education law to practice medi-
26 cine and any person licensed pursuant to articles 132, 137, 140, 141,
27 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of
28 article 139 of the education law may form, or cause to be formed, a
29 registered limited liability partnership to provide multidisciplinary
30 services with one or more licensed professionals, subject to the follow-
31 ing conditions: (i) each partner of such limited liability partnership
32 must be licensed pursuant to title eight of the education law to prac-
33 tice such partner's profession in this state; (ii) each partner shall
34 only practice such partner's profession as specified in such partner's
35 respective professional enabling statute under title eight of the educa-
36 tion law; and (iii) any clinical integration of the professional prac-
37 tices under this section shall not alter, expand or curtail the scope of
38 practice of any of the partners; provided further that: (A) no partner
39 shall, directly or indirectly, interfere with the clinical judgment or
40 legitimate clinical practice of another partner; and (B) no partner
41 shall order or direct another partner to practice beyond the scope of
42 such partner's license. Each partner of a registered limited liability
43 partnership formed to provide dental services in this state must be
44 licensed pursuant to article 133 of the education law to practice
45 dentistry in this state. Each partner of a registered limited liability
46 partnership formed to provide veterinary services in this state must be
47 licensed pursuant to article 135 of the education law to practice veter-
48 inary medicine in this state. Each partner of a registered limited
49 liability partnership formed to provide public accountancy services as a
50 firm, whose principal place of business is in this state and who
51 provides public accountancy services, must be licensed pursuant to arti-
52 cle 149 of the education law to practice public accountancy in this
53 state. Each partner of a registered limited liability partnership formed
54 to provide professional engineering, land surveying, geological
55 services, architectural and/or landscape architectural services in this
56 state must be licensed pursuant to article 145, article 147 and/or arti-

1 cle 148 of the education law to practice one or more of such professions
2 in this state. [~~Each partner of a registered limited liability partner-~~
3 ~~ship formed to provide licensed clinical social work services in this~~
4 ~~state must be licensed pursuant to article 154 of the education law to~~
5 ~~practice clinical social work in this state.~~] Each partner of a regis-
6 tered limited liability partnership formed to provide creative arts
7 therapy services in this state must be licensed pursuant to article 163
8 of the education law to practice creative arts therapy in this state.
9 Each partner of a registered limited liability partnership formed to
10 provide marriage and family therapy services in this state must be
11 licensed pursuant to article 163 of the education law to practice
12 marriage and family therapy in this state. Each partner of a registered
13 limited liability partnership formed to provide mental health counseling
14 services in this state must be licensed pursuant to article 163 of the
15 education law to practice mental health counseling in this state. Each
16 partner of a registered limited liability partnership formed to provide
17 psychoanalysis services in this state must be licensed pursuant to arti-
18 cle 163 of the education law to practice psychoanalysis in this state.
19 [~~Each partner of a registered limited liability partnership formed to~~
20 ~~provide applied behavior analysis service in this state must be licensed~~
21 ~~or certified pursuant to article 167 of the education law to practice~~
22 ~~applied behavior analysis in this state.~~] A registered limited liability
23 partnership formed to lawfully engage in the practice of public accoun-
24 tancy as a firm, as such practice is defined under article 149 of the
25 education law, shall be required to show (1) that a simple majority of
26 the ownership of the firm, in terms of financial interests and voting
27 rights held by the firm's owners, belongs to individuals licensed to
28 practice public accountancy in some state, and (2) that all partners of
29 a limited liability partnership whose principal place of business is in
30 this state, and who are engaged in the practice of public accountancy in
31 this state, hold a valid license issued under section seventy-four
32 hundred four of the education law. For purposes of this subdivision,
33 "financial interest" means capital stock, capital accounts, capital
34 contributions, capital interest, or interest in undistributed earnings
35 of a business entity. Although firms registered with the education
36 department may include non-licensee owners, the firm and its owners must
37 comply with rules promulgated by the state board of regents. Notwith-
38 standing the foregoing, a firm registered with the education department
39 may not have non-licensee owners if the firm's name includes the words
40 "certified public accountant," or "certified public accounts," or the
41 abbreviations "CPA" or "CPAs". Each non-licensee owner of a firm that is
42 formed under this section shall be (1) a natural person who actively
43 participates in the business of the firm or its affiliated entities, or
44 (2) an entity, including, but not limited to, a partnership or profes-
45 sional corporation, provided each beneficial owner of an equity interest
46 in such entity is a natural person who actively participates in the
47 business conducted by the firm or its affiliated entities. For purposes
48 of this subdivision, "actively participate" means to provide services to
49 clients or to otherwise individually take part in the day-to-day busi-
50 ness or management of the firm or an affiliated entity.

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

54 (q) Each partner of a foreign limited liability partnership which
55 provides medical services in this state must be licensed pursuant to
56 article 131 of the education law to practice medicine in the state [~~and~~

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

51 § 10. Subdivision (q) of section 121-1502 of the partnership law, as
52 amended by chapter 701 of the laws of 2023, is amended to read as
53 follows:

54 (q) Each partner of a foreign limited liability partnership which
55 provides medical services in this state must be licensed pursuant to
56 article 131 of the education law to practice medicine in the state [~~and~~

1 ~~each~~]. Notwithstanding any other provision of this section, any person
2 licensed pursuant to article 131 of the education law to practice medi-
3 cine and any person licensed pursuant to articles 132, 137, 140, 141,
4 143, 144, 153, 154, 155, 156, or 167 or subdivision 3 of section 6902 of
5 article 139 of the education law may form, or cause to be formed, a
6 registered limited liability partnership to provide multidisciplinary
7 services with one or more licensed professionals, subject to the follow-
8 ing conditions: (i) each partner of such limited liability partnership
9 must be licensed pursuant to title eight of the education law to prac-
10 tice such partner's profession in this state; (ii) each partner shall
11 only practice such partner's profession as specified in such partner's
12 respective professional enabling statute under title eight of the
13 education law; and (iii) any clinical integration of the professional
14 practices under this section shall not alter, expand or curtail the
15 scope of practice of any of the partners; provided further that:
16 (A) no partner shall, directly or indirectly, interfere with the clin-
17 ical judgment or legitimate clinical practice of another partner;
18 and (B) no partner shall order or direct another partner to practice
19 beyond the scope of such partner's license. Each partner of a foreign
20 limited liability partnership which provides dental services in the
21 state must be licensed pursuant to article 133 of the education law to
22 practice dentistry in this state. Each partner of a foreign limited
23 liability partnership which provides veterinary service in the state
24 shall be licensed pursuant to article 135 of the education law to prac-
25 tice veterinary medicine in this state. Each partner of a foreign limit-
26 ed liability partnership which provides professional engineering, land
27 surveying, geological services, architectural and/or landscape architec-
28 tural services in this state must be licensed pursuant to article 145,
29 article 147 and/or article 148 of the education law to practice one or
30 more of such professions. Each partner of a foreign limited liability
31 partnership formed to provide public accountancy services as a firm,
32 whose principal place of business is in this state and who provides
33 public accountancy services, must be licensed pursuant to article 149 of
34 the education law to practice public accountancy in this state. [~~Each~~
35 ~~partner of a foreign limited liability partnership which provides~~
36 ~~licensed clinical social work services in this state must be licensed~~
37 ~~pursuant to article 154 of the education law to practice licensed clin-~~
38 ~~ical social work in this state.] Each partner of a foreign limited
39 liability partnership which provides creative arts therapy services in
40 this state must be licensed pursuant to article 163 of the education law
41 to practice creative arts therapy in this state. Each partner of a
42 foreign limited liability partnership which provides marriage and family
43 therapy services in this state must be licensed pursuant to article 163
44 of the education law to practice marriage and family therapy in this
45 state. Each partner of a foreign limited liability partnership which
46 provides mental health counseling services in this state must be
47 licensed pursuant to article 163 of the education law to practice mental
48 health counseling in this state. Each partner of a foreign limited
49 liability partnership which provides psychoanalysis services in this
50 state must be licensed pursuant to article 163 of the education law to
51 practice psychoanalysis in this state. [~~Each partner of a foreign limit-~~
52 ~~ed liability partnership which provides applied behavior analysis~~
53 ~~services in this state must be licensed or certified pursuant to article~~
54 ~~167 of the education law to practice applied behavior analysis in this~~
55 ~~state.] A foreign limited liability partnership formed to lawfully
56 engage in the practice of public accountancy as a firm, as such practice~~~~

1 is defined under article 149 of the education law, shall be required to
2 show (1) that a simple majority of the ownership of the firm, in terms
3 of financial interests and voting rights held by the firm's owners,
4 belongs to individuals licensed to practice public accountancy in some
5 state, and (2) that all partners of the foreign limited liability part-
6 nership whose principal place of business is in this state, and who are
7 engaged in the practice of public accountancy in this state, hold a
8 valid license issued under section seventy-four hundred four of the
9 education law. For purposes of this subdivision, "financial interest"
10 means capital stock, capital accounts, capital contributions, capital
11 interest, or interest in undistributed earnings of a business entity.
12 Although firms registered with the education department may include
13 non-licensee owners, a registered firm and its owners must comply with
14 rules promulgated by the state board of regents. Notwithstanding the
15 foregoing, a firm registered with the education department may not have
16 non-licensee owners if the firm's name includes the words "certified
17 public accountant," or "certified public accountants," or the abbrevi-
18 ations "CPA" or "CPAs". Each non-licensee owner of a firm that is formed
19 under this section shall be (1) a natural person who actively partic-
20 ipates in the business of the firm or its affiliated entities, or (2) an
21 entity, including, but not limited to, a partnership or professional
22 corporation, provided that each beneficial owner of an equity interest
23 in such entity is a natural person who actively participates in the
24 business conducted by the firm or its affiliated entities. For purposes
25 of this subdivision, "actively participate" means to provide services to
26 clients or to otherwise individually take part in the day-to-day busi-
27 ness or management of the firm or an affiliated entity.

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

30 § 6509-a. Additional definition of professional misconduct; limited
31 application. Notwithstanding any inconsistent provision of this article
32 or of any other provision of law to the contrary, the license or regis-
33 tration of a person subject to the provisions of articles one hundred
34 thirty-two, one hundred thirty-three, one hundred thirty-six, one
35 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,
36 one hundred forty-three, one hundred forty-four, one hundred fifty-six,
37 one hundred fifty-nine and one hundred sixty-four of this chapter may be
38 revoked, suspended or annulled or such person may be subject to any
39 other penalty provided in section sixty-five hundred eleven of this
40 article in accordance with the provisions and procedure of this article
41 for the following:

42 That any person subject to the above enumerated articles, has directly
43 or indirectly requested, received or participated in the division,
44 transference, assignment, rebate, splitting or refunding of a fee for,
45 or has directly requested, received or profited by means of a credit or
46 other valuable consideration as a commission, discount or gratuity in
47 connection with the furnishing of professional care, or service, includ-
48 ing x-ray examination and treatment, or for or in connection with the
49 sale, rental, supplying or furnishing of clinical laboratory services or
50 supplies, x-ray laboratory services or supplies, inhalation therapy
51 service or equipment, ambulance service, hospital or medical supplies,
52 physiotherapy or other therapeutic service or equipment, artificial
53 limbs, teeth or eyes, orthopedic or surgical appliances or supplies,
54 optical appliances, supplies or equipment, devices for aid of hearing,
55 drugs, medication or medical supplies or any other goods, services or
56 supplies prescribed for medical diagnosis, care or treatment under this

1 chapter, except payment, not to exceed thirty-three and one-third per
2 centum of any fee received for x-ray examination, diagnosis or treat-
3 ment, to any hospital furnishing facilities for such examination, diag-
4 nosis or treatment. Nothing contained in this section shall prohibit
5 such persons from practicing as partners, in groups or as a professional
6 corporation or as a university faculty practice corporation nor from
7 pooling fees and moneys received, either by the partnerships, profes-
8 sional corporations, university faculty practice corporations or groups
9 by the individual members thereof, for professional services furnished
10 by any individual professional member, or employee of such partnership,
11 corporation or group, nor shall the professionals constituting the part-
12 nerships, corporations or groups be prohibited from sharing, dividing or
13 apportioning the fees and moneys received by them or by the partnership,
14 corporation or group in accordance with a partnership or other agree-
15 ment; provided that no such practice as partners, corporations or in
16 groups or pooling of fees or moneys received or shared, division or
17 apportionment of fees shall be permitted with respect to care and treat-
18 ment under the workers' compensation law except as expressly authorized
19 by the workers' compensation law. Nothing contained in this section
20 shall prohibit a multidisciplinary services practice formed pursuant to
21 subdivision (a) of section twelve hundred three of the limited liability
22 company law, subdivision (b) of section twelve hundred seven of the
23 limited liability company law, subdivision (a) of section thirteen
24 hundred one of the limited liability company law, paragraph (a) of
25 section fifteen hundred three of the business corporation law, subdivi-
26 sion (q) of section 121-1500 of the partnership law, or subdivision (q)
27 of section 121-1502 of the partnership law from pooling fees or monies
28 received. Nothing contained in this chapter shall prohibit a medical or
29 dental expense indemnity corporation pursuant to its contract with the
30 subscriber from prorationing a medical or dental expense indemnity
31 allowance among two or more professionals in proportion to the services
32 rendered by each such professional at the request of the subscriber,
33 provided that prior to payment thereof such professionals shall submit
34 both to the medical or dental expense indemnity corporation and to the
35 subscriber statements itemizing the services rendered by each such
36 professional and the charges therefor.

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

39 19. Permitting any person to share in the fees for professional
40 services, other than: a partner, employee, associate in a professional
41 firm or corporation, professional subcontractor or consultant authorized
42 to practice medicine, [~~or~~] a legally authorized trainee practicing under
43 the supervision of a licensee, or an authorized professional licensed
44 pursuant to article one hundred thirty-one, one hundred thirty-two, one
45 hundred thirty-seven, one hundred forty, one hundred forty-one, one
46 hundred forty-three, one hundred forty-four, one hundred fifty-three,
47 one hundred fifty-four, one hundred fifty-five, one hundred fifty-six,
48 one hundred fifty-nine, or one hundred sixty-seven or subdivision three
49 of section sixty-nine hundred two of article one hundred thirty-nine of
50 this chapter providing professional services in the same practice. This
51 prohibition shall include any arrangement or agreement whereby the
52 amount received in payment for furnishing space, facilities, equipment
53 or personnel services used by a licensee constitutes a percentage of, or
54 is otherwise dependent upon, the income or receipts of the licensee from
55 such practice, except as otherwise provided by law with respect to a

1 facility licensed pursuant to article twenty-eight of the public health
2 law or article thirteen of the mental hygiene law;

3 § 13. Section 6531 of the education law, as amended by chapter 555 of
4 the laws of 1993, is amended to read as follows:

5 § 6531. Additional definition of professional misconduct, limited
6 application. Notwithstanding any inconsistent provision of this article
7 or any other provisions of law to the contrary, the license or registra-
8 tion of a person subject to the provisions of this article and article
9 one hundred thirty-one-B of this chapter may be revoked, suspended, or
10 annulled or such person may be subject to any other penalty provided in
11 section two hundred thirty-a of the public health law in accordance with
12 the provisions and procedures of this article for the following:

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

1 tioning a medical or dental expenses indemnity allowance among two or
2 more professionals in proportion to the services rendered by each such
3 professional at the request of the subscriber, provided that prior to
4 payment thereof such professionals shall submit both to the corporation
5 licensed pursuant to article forty-three of the insurance law and to the
6 subscriber statements itemizing the services rendered by each such
7 professional and the charges therefor.

8 § 14. Subdivision 1 of section 2801 of the public health law, as
9 amended by section 2 of part E of chapter 57 of the laws of 2023, is
10 amended to read as follows:

11 1. "Hospital" means a facility or institution engaged principally in
12 providing services by or under the supervision of a physician or, in the
13 case of a dental clinic or dental dispensary, of a dentist, or, in the
14 case of a midwifery birth center, of a midwife, for the prevention,
15 diagnosis or treatment of human disease, pain, injury, deformity or
16 physical condition, including, but not limited to, a general hospital,
17 public health center, diagnostic center, treatment center, a rural emer-
18 gency hospital under 42 USC 1395x(kkk), or successor provisions, dental
19 clinic, dental dispensary, rehabilitation center other than a facility
20 used solely for vocational rehabilitation, nursing home, tuberculosis
21 hospital, chronic disease hospital, maternity hospital, midwifery birth
22 center, lying-in-asylum, out-patient department, out-patient lodge,
23 dispensary and a laboratory or central service facility serving one or
24 more such institutions, but the term hospital shall not include an
25 institution, sanitarium or other facility engaged principally in provid-
26 ing services for the prevention, diagnosis or treatment of mental disa-
27 bility and which is subject to the powers of visitation, examination,
28 inspection and investigation of the department of mental hygiene except
29 for those distinct parts of such a facility which provide hospital
30 service. The provisions of this article shall not apply to a facility or
31 institution engaged principally in providing services by or under the
32 supervision of the bona fide members and adherents of a recognized reli-
33 gious organization whose teachings include reliance on spiritual means
34 through prayer alone for healing in the practice of the religion of such
35 organization and where services are provided in accordance with those
36 teachings or to a multidisciplinary services practice formed pursuant to
37 subdivision (a) of section twelve hundred three of the limited liability
38 company law, subdivision (b) of section twelve hundred seven of the
39 limited liability company law, subdivision (a) of section thirteen
40 hundred one of the limited liability company law, paragraph (a) of
41 section fifteen hundred three of the business corporation law, subdivi-
42 sion (q) of section 121-1500 of the partnership law, or subdivision (q)
43 of section 121-1502 of the partnership law. No provision of this article
44 or any other provision of law shall be construed to: (a) limit the
45 volume of mental health, substance use disorder services or develop-
46 mental disability services that can be provided by a provider of primary
47 care services licensed under this article and authorized to provide
48 integrated services in accordance with regulations issued by the commis-
49 sioner in consultation with the commissioner of the office of mental
50 health, the commissioner of the office of [alcoholism] addiction
51 services and [~~substance abuse services~~] supports and the commissioner of
52 the office for people with developmental disabilities, including regu-
53 lations issued pursuant to subdivision seven of section three hundred
54 sixty-five-1 of the social services law or part L of chapter fifty-six
55 of the laws of two thousand twelve; (b) require a provider licensed
56 pursuant to article thirty-one of the mental hygiene law or certified

1 pursuant to article sixteen or article thirty-two of the mental hygiene
2 law to obtain an operating certificate from the department if such
3 provider has been authorized to provide integrated services in accord-
4 ance with regulations issued by the commissioner in consultation with
5 the commissioner of the office of mental health, the commissioner of the
6 office of [~~alcoholism~~] addiction services and [~~substance abuse services~~]
7 supports and the commissioner of the office for people with develop-
8 mental disabilities, including regulations issued pursuant to subdivi-
9 sion seven of section three hundred sixty-five-1 of the social services
10 law or part L of chapter fifty-six of the laws of two thousand twelve.

11 § 15. This act shall take effect on the thirtieth day after it shall
12 have become a law; provided, however, that sections three, five, eight,
13 and ten of this act shall take effect on the same date and in the same
14 manner as chapter 701 of the laws of 2023, as amended, takes effect.