

S 5862 LAVALLE Same as A 8153
Peoples-Stokes
ON FILE: 06/09/15 Limited Liability Company
Law
TITLE....Authorizes certain licensed health
service professionals to form limited liability
companies
06/09/15REFERRED TO RULES

A8153 Peoples-Stokes Same as S 5862
LAVALLE
Limited Liability Company Law
TITLE....Authorizes certain licensed health
service professionals to form limited liability
companies
06/10/15 referred to higher education

STATE OF NEW YORK

8153

2015-2016 Regular Sessions

IN ASSEMBLY

June 10, 2015

Introduced by M. of A. PEOPLES-STOKES -- read once and referred to the
Committee on Higher Education

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

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

1 Section 1. Subdivision (a) of section 1203 of the limited liability
2 company law, as amended by chapter 554 of the laws of 2013, is amended
3 to read as follows:
4 (a) Notwithstanding the education law or any other provision of law,
5 one or more professionals each of whom is authorized by law to render a
6 professional service within the state, or one or more professionals, at
7 least one of whom is authorized by law to render a professional service
8 within the state, may form, or cause to be formed, a professional
9 service limited liability company for pecuniary profit under this arti-
10 cle for the purpose of rendering the professional service or services as
11 such professionals are authorized to practice. With respect to a profes-
12 sional service limited liability company formed to provide medical
13 services as such services are defined in article 131 of the education
14 law, each member of such limited liability company must be licensed
15 pursuant to article 131 of the education law to practice medicine in
16 this state. Notwithstanding any other provision of this section, any
17 person licensed pursuant to article 131 of the education law to practice
18 medicine and any person licensed pursuant to articles 132, 137, 140,
19 141, 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of
20 article 139 of the education law may form, or cause to be formed, a
21 professional service limited liability company to provide multidisciplinary
22 services with one or more licensed professionals, subject to the
23 following conditions: (i) each member of such limited liability company

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

LBD11509-01-5

1 must be licensed pursuant to title eight of the education law to prac-
2 tice his or her profession in this state; (ii) each member shall only
3 practice his or her profession as specified in his or her respective
4 professional enabling statute under title eight of the education law;
5 and (iii) any clinical integration of professional practices under this
6 section shall not alter, expand or curtail the scope of practice of any
7 of the members; provided further that: (A) no member shall, directly or
8 indirectly, interfere with the clinical judgment or legitimate clinical
9 practice of another member; and (B) no member shall order or direct
10 another member to practice beyond the scope of his or her license. With
11 respect to a professional service limited liability company formed to
12 provide dental services as such services are defined in article 133 of
13 the education law, each member of such limited liability company must be
14 licensed pursuant to article 133 of the education law to practice
15 dentistry in this state. With respect to a professional service limited
16 liability company formed to provide veterinary services as such services
17 are defined in article 135 of the education law, each member of such
18 limited liability company must be licensed pursuant to article 135 of
19 the education law to practice veterinary medicine in this state. With
20 respect to a professional service limited liability company formed to
21 provide professional engineering, land surveying, architectural and/or
22 landscape architectural services as such services are defined in article
23 145, article 147 and article 148 of the education law, each member of
24 such limited liability company must be licensed pursuant to article 145,
25 article 147 and/or article 148 of the education law to practice one or
26 more of such professions in this state. With respect to a professional
27 service limited liability company formed to provide licensed clinical
28 social work services as such services are defined in article 154 of the
29 education law, each member of such limited liability company shall be
30 licensed pursuant to article 154 of the education law to practice
31 licensed clinical social work in this state. With respect to a profes-
32 sional service limited liability company formed to provide creative arts
33 therapy services as such services are defined in article 163 of the
34 education law, each member of such limited liability company must be
35 licensed pursuant to article 163 of the education law to practice crea-
36 tive arts therapy in this state. With respect to a professional service
37 limited liability company formed to provide marriage and family therapy
38 services as such services are defined in article 163 of the education
39 law, each member of such limited liability company must be licensed
40 pursuant to article 163 of the education law to practice marriage and
41 family therapy in this state. With respect to a professional service
42 limited liability company formed to provide mental health counseling
43 services as such services are defined in article 163 of the education
44 law, each member of such limited liability company must be licensed
45 pursuant to article 163 of the education law to practice mental health
46 counseling in this state. With respect to a professional service limited
47 liability company formed to provide psychoanalysis services as such
48 services are defined in article 163 of the education law, each member of
49 such limited liability company must be licensed pursuant to article 163
50 of the education law to practice psychoanalysis in this state. With
51 respect to a professional service limited liability company formed to
52 provide applied behavior analysis services as such services are defined
53 in article 167 of the education law, each member of such limited liabil-
54 ity company must be licensed or certified pursuant to article 167 of the
55 education law to practice applied behavior analysis in this state. In
56 addition to engaging in such profession or professions, a professional



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

11 § 2. Subdivision (b) of section 1207 of the limited liability company
12 law, as amended by chapter 554 of the laws of 2013, is amended to read
13 as follows:

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



1 With respect to a professional service limited liability company formed
2 to provide creative arts therapy services as such services are defined
3 in article 163 of the education law, each member of such limited liabil-
4 ity company must be licensed pursuant to article 163 of the education
5 law to practice creative arts therapy in this state. With respect to a
6 professional service limited liability company formed to provide
7 marriage and family therapy services as such services are defined in
8 article 163 of the education law, each member of such limited liability
9 company must be licensed pursuant to article 163 of the education law to
10 practice marriage and family therapy in this state. With respect to a
11 professional service limited liability company formed to provide mental
12 health counseling services as such services are defined in article 163
13 of the education law, each member of such limited liability company must
14 be licensed pursuant to article 163 of the education law to practice
15 mental health counseling in this state. With respect to a professional
16 service limited liability company formed to provide psychoanalysis
17 services as such services are defined in article 163 of the education
18 law, each member of such limited liability company must be licensed
19 pursuant to article 163 of the education law to practice psychoanalysis
20 in this state. With respect to a professional service limited liability
21 company formed to provide applied behavior analysis services as such
22 services are defined in article 167 of the education law, each member of
23 such limited liability company must be licensed or certified pursuant to
24 article 167 of the education law to practice applied behavior analysis
25 in this state.

26 § 3. Subdivision (a) of section 1301 of the limited liability company
27 law, as amended by chapter 554 of the laws of 2013, is amended to read
28 as follows:

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

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



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

11 § 4. Paragraph (a) of section 1503 of the business corporation law, as
12 amended by chapter 550 of the laws of 2011, is amended to read as
13 follows:

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

45 § 5. Subdivision (q) of section 121-1500 of the partnership law, as
46 amended by chapter 554 of the laws of 2013, is amended to read as
47 follows:

48 (q) Each partner of a registered limited liability partnership formed
49 to provide medical services in this state must be licensed pursuant to
50 article 131 of the education law to practice medicine in this state [and
51 each]. Notwithstanding any other provision of this section, any person
52 licensed pursuant to article 131 of the education law to practice medi-
53 cine and any other person licensed pursuant to article 132, 137, 140,
54 141, 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of
55 article 139 of the education law may form, or cause to be formed, a
56 registered limited liability partnership to provide multidisciplinary



1 services with one or more licensed professionals, subject to the follow-
2 ing conditions: (i) each partner of such limited liability partnership
3 must be licensed pursuant to title eight of the education law to prac-
4 tice his or her profession in this state; (ii) each partner shall only
5 practice his or her profession as specified in his or her respective
6 professional enabling statute under title eight of the education law;
7 and (iii) any clinical integration of professional practices under this
8 section shall not alter, expand or curtail the scope of practice of any
9 of the partners; provided further that: (A) no partner shall, directly
10 or indirectly, interfere with the clinical judgment or legitimate clin-
11 ical practice of another partner; and (B) no partner shall order or
12 direct another partner to practice beyond the scope of his or her
13 license. Each partner of a registered limited liability partnership
14 formed to provide dental services in this state must be licensed pursu-
15 ant to article 133 of the education law to practice dentistry in this
16 state. Each partner of a registered limited liability partnership
17 formed to provide veterinary services in this state must be licensed
18 pursuant to article 135 of the education law to practice veterinary
19 medicine in this state. Each partner of a registered limited liability
20 partnership formed to provide professional engineering, land surveying,
21 architectural and/or landscape architectural services in this state must
22 be licensed pursuant to article 145, article 147 and/or article 148 of
23 the education law to practice one or more of such professions in this
24 state. [Each partner of a registered limited liability partnership
25 formed to provide licensed clinical social work services in this state
26 must be licensed pursuant to article 154 of the education law to prac-
27 tice clinical social work in this state.] Each partner of a registered
28 limited liability partnership formed to provide creative arts therapy
29 services in this state must be licensed pursuant to article 163 of the
30 education law to practice creative arts therapy in this state. Each
31 partner of a registered limited liability partnership formed to provide
32 marriage and family therapy services in this state must be licensed
33 pursuant to article 163 of the education law to practice marriage and
34 family therapy in this state. Each partner of a registered limited
35 liability partnership formed to provide mental health counseling
36 services in this state must be licensed pursuant to article 163 of the
37 education law to practice mental health counseling in this state. Each
38 partner of a registered limited liability partnership formed to provide
39 psychoanalysis services in this state must be licensed pursuant to arti-
40 cle 163 of the education law to practice psychoanalysis in this state.
41 Each partner of a registered limited liability partnership formed to
42 provide applied behavior analysis service in this state must be licensed
43 or certified pursuant to article 167 of the education law to practice
44 applied behavior analysis in this state.

45 § 6. Subdivision (q) of section 121-1502 of the partnership law, as
46 amended by chapter 554 of the laws of 2013, is amended to read as
47 follows:

48 (q) Each partner of a foreign limited liability partnership which
49 provides medical services in this state must be licensed pursuant to
50 article 131 of the education law to practice medicine in the state [and
51 each]. Notwithstanding any other provisions of this section, any person
52 licensed pursuant to article 131 of the education law to practice medi-
53 cine and any person licensed pursuant to articles 132, 137, 140, 141,
54 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of arti-
55 cle 139 of the education law may form, or cause to be formed, a foreign
56 limited liability partnership to provide multidisciplinary services with

1 one or more licensed professionals, subject to the following conditions:
2 (i) each partner of such foreign limited liability partnership must be
3 licensed pursuant to title eight of the education law to practice his
4 or her profession in this state; (ii) each partner shall only practice
5 his or her profession as specified in his or her respective professional
6 enabling statute under title eight of the education law; and (iii) any
7 clinical integration of professional practices under this section shall
8 not alter, expand or curtail the scope of practice of any of the part-
9 ners; provided further that: (A) no partner shall, directly or indirect-
10 ly, interfere with the clinical judgment or legitimate clinical practice
11 of another partner; and (B) no partner shall order or direct another
12 partner to practice beyond the scope of his or her license. Each partner
13 of a foreign limited liability partnership which provides dental
14 services in the state must be licensed pursuant to article 133 of the
15 education law to practice dentistry in this state. Each partner of a
16 foreign limited liability partnership which provides veterinary service
17 in the state shall be licensed pursuant to article 135 of the education
18 law to practice veterinary medicine in this state. Each partner of a
19 foreign limited liability partnership which provides professional engi-
20 neering, land surveying, architectural and/or landscape architectural
21 services in this state must be licensed pursuant to article 145, article
22 147 and/or article 148 of the education law to practice one or more of
23 such professions. [Each partner of a foreign limited liability partner-
24 ship which provides licensed clinical social work services in this state
25 must be licensed pursuant to article 154 of the education law to prac-
26 tice licensed clinical social work in this state. Each partner of a
27 foreign limited liability partnership which provides creative arts ther-
28 apy services in this state must be licensed pursuant to article 163 of
29 the education law to practice creative arts therapy in this state.] Each
30 partner of a foreign limited liability partnership which provides
31 marriage and family therapy services in this state must be licensed
32 pursuant to article 163 of the education law to practice marriage and
33 family therapy in this state. Each partner of a foreign limited liabil-
34 ity partnership which provides mental health counseling services in this
35 state must be licensed pursuant to article 163 of the education law to
36 practice mental health counseling in this state. Each partner of a
37 foreign limited liability partnership which provides psychoanalysis
38 services in this state must be licensed pursuant to article 163 of the
39 education law to practice psychoanalysis in this state. Each partner of
40 a foreign limited liability partnership which provides applied behavior
41 analysis services in this state must be licensed or certified pursuant
42 to article 167 of the education law to practice applied behavior analy-
43 sis in this state.

44 § 7. Subdivision (a) of section 1203 of the limited liability company
45 law, as amended by chapter 475 of the laws of 2014, is amended to read
46 as follows:

47 (a) Notwithstanding the education law or any other provision of law,
48 one or more professionals each of whom is authorized by law to render a
49 professional service within the state, or one or more professionals, at
50 least one of whom is authorized by law to render a professional service
51 within the state, may form, or cause to be formed, a professional
52 service limited liability company for pecuniary profit under this arti-
53 cle for the purpose of rendering the professional service or services as
54 such professionals are authorized to practice. With respect to a profes-
55 sional service limited liability company formed to provide medical
56 services as such services are defined in article 131 of the education

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

1 service limited liability company formed to provide psychoanalysis
2 services as such services are defined in article 163 of the education
3 law, each member of such limited liability company must be licensed
4 pursuant to article 163 of the education law to practice psychoanalysis
5 in this state. With respect to a professional service limited liability
6 company formed to provide applied behavior analysis services as such
7 services are defined in article 167 of the education law, each member of
8 such limited liability company must be licensed or certified pursuant to
9 article 167 of the education law to practice applied behavior analysis
10 in this state. In addition to engaging in such profession or
11 professions, a professional service limited liability company may engage
12 in any other business or activities as to which a limited liability
13 company may be formed under section two hundred one of this chapter.
14 Notwithstanding any other provision of this section, a professional
15 service limited liability company (i) authorized to practice law may
16 only engage in another profession or business or activities or (ii)
17 which is engaged in a profession or other business or activities other
18 than law may only engage in the practice of law, to the extent not
19 prohibited by any other law of this state or any rule adopted by the
20 appropriate appellate division of the supreme court or the court of
21 appeals.

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

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

1 liability company formed to provide professional engineering, land
2 surveying, architectural, landscape architectural and/or geological
3 services as such services are defined in article 145, article 147 and
4 article 148 of the education law, each member of such limited liability
5 company must be licensed pursuant to article 145, article 147 and/or
6 article 148 of the education law to practice one or more of such
7 professions in this state. With respect to a professional service limit-
8 ed liability company formed to provide licensed clinical social work
9 services as such services are defined in article 154 of the education
10 law, each member of such limited liability company shall be licensed
11 pursuant to article 154 of the education law to practice licensed clin-
12 ical social work in this state. With respect to a professional service
13 limited liability company formed to provide creative arts therapy
14 services as such services are defined in article 163 of the education
15 law, each member of such limited liability company must be licensed
16 pursuant to article 163 of the education law to practice creative arts
17 therapy in this state. With respect to a professional service limited
18 liability company formed to provide marriage and family therapy services
19 as such services are defined in article 163 of the education law, each
20 member of such limited liability company must be licensed pursuant to
21 article 163 of the education law to practice marriage and family therapy
22 in this state. With respect to a professional service limited liability
23 company formed to provide mental health counseling services as such
24 services are defined in article 163 of the education law, each member of
25 such limited liability company must be licensed pursuant to article 163
26 of the education law to practice mental health counseling in this state.
27 With respect to a professional service limited liability company formed
28 to provide psychoanalysis services as such services are defined in arti-
29 cle 163 of the education law, each member of such limited liability
30 company must be licensed pursuant to article 163 of the education law to
31 practice psychoanalysis in this state. With respect to a professional
32 service limited liability company formed to provide applied behavior
33 analysis services as such services are defined in article 167 of the
34 education law, each member of such limited liability company must be
35 licensed or certified pursuant to article 167 of the education law to
36 practice applied behavior analysis in this state.

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

40 (a) "Foreign professional service limited liability company" means a
41 professional service limited liability company, whether or not denomi-
42 nated as such, organized under the laws of a jurisdiction other than
43 this state, (i) each of whose members and managers, if any, is a profes-
44 sional authorized by law to render a professional service within this
45 state and who is or has been engaged in the practice of such profession
46 in such professional service limited liability company or a predecessor
47 entity, or will engage in the practice of such profession in the profes-
48 sional service limited liability company within thirty days of the date
49 such professional becomes a member, or each of whose members and manag-
50 ers, if any, is a professional at least one of such members is author-
51 ized by law to render a professional service within this state and who
52 is or has been engaged in the practice of such profession in such
53 professional service limited liability company or a predecessor entity,
54 or will engage in the practice of such profession in the professional
55 service limited liability company within thirty days of the date such
56 professional becomes a member, or (ii) authorized by, or holding a



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

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

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

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



1 direct another individual to practice beyond the scope of his or her
2 license.

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

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



1 article 167 of the education law to practice applied behavior analysis
2 in this state.

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

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

1 certified pursuant to article 167 of the education law to practice
2 applied behavior analysis in this state.

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

5 § 6509-a. Additional definition of professional misconduct; limited
6 application. Notwithstanding any inconsistent provision of this article
7 or of any other provision of law to the contrary, the license or regis-
8 tration of a person subject to the provisions of articles one hundred
9 thirty-two, one hundred thirty-three, one hundred thirty-six, one
10 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,
11 one hundred forty-three, one hundred forty-four, one hundred fifty-six,
12 one hundred fifty-nine and one hundred sixty-four of this chapter may be
13 revoked, suspended or annulled or such person may be subject to any
14 other penalty provided in section sixty-five hundred eleven of this
15 article in accordance with the provisions and procedure of this article
16 for the following:

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



1 sion (q) of section 121-1500 of the partnership law, or subdivision (q)
2 of section 121-1502 of the partnership law from pooling fees or monies
3 received. Nothing contained in this chapter shall prohibit a medical or
4 dental expense indemnity corporation pursuant to its contract with the
5 subscriber from prorationing a medical or dental expense indemnity
6 allowance among two or more professionals in proportion to the services
7 rendered by each such professional at the request of the subscriber,
8 provided that prior to payment thereof such professionals shall submit
9 both to the medical or dental expense indemnity corporation and to the
10 subscriber statements itemizing the services rendered by each such
11 professional and the charges therefor.

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

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

33 § 15. Section 6531 of the education law, as amended by chapter 555 of
34 the laws of 1993, is amended to read as follows:

35 § 6531. Additional definition of professional misconduct, limited
36 application. Notwithstanding any inconsistent provision of this article
37 or any other provisions of law to the contrary, the license or registra-
38 tion of a person subject to the provisions of this article and article
39 one hundred thirty-one-B of this chapter may be revoked, suspended, or
40 annulled or such person may be subject to any other penalty provided in
41 section two hundred thirty-a of the public health law in accordance with
42 the provisions and procedures of this article for the following:

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

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

38 § 16. Subdivision 1 of section 2801 of the public health law, as sepa-
39 rately amended by chapters 297 and 416 of the laws of 1983, is amended
40 to read as follows:

41 1. "Hospital" means a facility or institution engaged principally in
42 providing services by or under the supervision of a physician or, in the
43 case of a dental clinic or dental dispensary, of a dentist, for the
44 prevention, diagnosis or treatment of human disease, pain, injury,
45 deformity or physical condition, including, but not limited to, a gener-
46 al hospital, public health center, diagnostic center, treatment center,
47 dental clinic, dental dispensary, rehabilitation center other than a
48 facility used solely for vocational rehabilitation, nursing home, tuber-
49 culosis hospital, chronic disease hospital, maternity hospital, lying-
50 in-asylum, out-patient department, out-patient lodge, dispensary and a
51 laboratory or central service facility serving one or more such insti-
52 tutions, but the term hospital shall not include an institution, sani-
53 tarium or other facility engaged principally in providing services for
54 the prevention, diagnosis or treatment of mental disability and which is
55 subject to the powers of visitation, examination, inspection and inves-
56 tigation of the department of mental hygiene except for those distinct



1 parts of such a facility which provide hospital service. The provisions
2 of this article shall not apply to a facility or institution engaged
3 principally in providing services by or under the supervision of the
4 bona fide members and adherents of a recognized religious organization
5 whose teachings include reliance on spiritual means through prayer alone
6 for healing in the practice of the religion of such organization and
7 where services are provided in accordance with those teachings or to a
8 multidisciplinary services practice formed pursuant to subdivision (a)
9 of section twelve hundred three of the limited liability company law,
10 subdivision (b) of section twelve hundred seven of the limited liability
11 company law, subdivision (a) of section thirteen hundred one of the
12 limited liability company law, paragraph (a) of section fifteen hundred
13 three of the business corporation law, subdivision (q) of section
14 121-1500 of the partnership law, or subdivision (q) of section 121-1502
15 of the partnership law.

16 § 17. This act shall take effect on the thirtieth day after it shall
17 have become a law; provided, however that sections seven, eight, nine,
18 ten, eleven and twelve of this act shall take effect on the same date
19 and in the same manner as chapter 475 of the laws of 2014, takes effect.



STATE OF NEW YORK

5862

2015-2016 Regular Sessions

IN SENATE

June 9, 2015

Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

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 554 of the laws of 2013, is amended
3 to read as follows:
4 (a) Notwithstanding the education law or any other provision of law,
5 one or more professionals each of whom is authorized by law to render a
6 professional service within the state, or one or more professionals, at
7 least one of whom is authorized by law to render a professional service
8 within the state, may form, or cause to be formed, a professional
9 service limited liability company for pecuniary profit under this arti-
10 cle for the purpose of rendering the professional service or services as
11 such professionals are authorized to practice. With respect to a profes-
12 sional service limited liability company formed to provide medical
13 services as such services are defined in article 131 of the education
14 law, each member of such limited liability company must be licensed
15 pursuant to article 131 of the education law to practice medicine in
16 this state. Notwithstanding any other provision of this section, any
17 person licensed pursuant to article 131 of the education law to practice
18 medicine and any person licensed pursuant to articles 132, 137, 140,
19 141, 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of
20 article 139 of the education law may form, or cause to be formed, a
21 professional service limited liability company to provide multidiscipli-
22 nary services with one or more licensed professionals, subject to the
23 following conditions: (i) each member of such limited liability company

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

LBD11509-01-5

S. 5862

2

1 must be licensed pursuant to title eight of the education law to prac-
2 tice his or her profession in this state; (ii) each member shall only
3 practice his or her profession as specified in his or her respective
4 professional enabling statute under title eight of the education law;
5 and (iii) any clinical integration of professional practices under this
6 section shall not alter, expand or curtail the scope of practice of any
7 of the members; provided further that: (A) no member shall, directly or
8 indirectly, interfere with the clinical judgment or legitimate clinical
9 practice of another member; and (B) no member shall order or direct
10 another member to practice beyond the scope of his or her license. With
11 respect to a professional service limited liability company formed to
12 provide dental services as such services are defined in article 133 of
13 the education law, each member of such limited liability company must be
14 licensed pursuant to article 133 of the education law to practice
15 dentistry in this state. With respect to a professional service limited
16 liability company formed to provide veterinary services as such services
17 are defined in article 135 of the education law, each member of such
18 limited liability company must be licensed pursuant to article 135 of
19 the education law to practice veterinary medicine in this state. With
20 respect to a professional service limited liability company formed to
21 provide professional engineering, land surveying, architectural and/or
22 landscape architectural services as such services are defined in article
23 145, article 147 and article 148 of the education law, each member of
24 such limited liability company must be licensed pursuant to article 145,
25 article 147 and/or article 148 of the education law to practice one or
26 more of such professions in this state. With respect to a professional
27 service limited liability company formed to provide licensed clinical
28 social work services as such services are defined in article 154 of the
29 education law, each member of such limited liability company shall be
30 licensed pursuant to article 154 of the education law to practice
31 licensed clinical social work in this state. With respect to a profes-
32 sional service limited liability company formed to provide creative arts
33 therapy services as such services are defined in article 163 of the
34 education law, each member of such limited liability company must be
35 licensed pursuant to article 163 of the education law to practice crea-
36 tive arts therapy in this state. With respect to a professional service
37 limited liability company formed to provide marriage and family therapy
38 services as such services are defined in article 163 of the education
39 law, each member of such limited liability company must be licensed
40 pursuant to article 163 of the education law to practice marriage and
41 family therapy in this state. With respect to a professional service
42 limited liability company formed to provide mental health counseling
43 services as such services are defined in article 163 of the education
44 law, each member of such limited liability company must be licensed
45 pursuant to article 163 of the education law to practice mental health
46 counseling in this state. With respect to a professional service limited
47 liability company formed to provide psychoanalysis services as such
48 services are defined in article 163 of the education law, each member of
49 such limited liability company must be licensed pursuant to article 163
50 of the education law to practice psychoanalysis in this state. With
51 respect to a professional service limited liability company formed to
52 provide applied behavior analysis services as such services are defined
53 in article 167 of the education law, each member of such limited liabil-
54 ity company must be licensed or certified pursuant to article 167 of the
55 education law to practice applied behavior analysis in this state. In
56 addition to engaging in such profession or professions, a professional

S. 5862

3

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

11 § 2. Subdivision (b) of section 1207 of the limited liability company
12 law, as amended by chapter 554 of the laws of 2013, is amended to read
13 as follows:

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

S. 5862

4

1 With respect to a professional service limited liability company formed
2 to provide creative arts therapy services as such services are defined
3 in article 163 of the education law, each member of such limited liability
4 company must be licensed pursuant to article 163 of the education
5 law to practice creative arts therapy in this state. With respect to a
6 professional service limited liability company formed to provide
7 marriage and family therapy services as such services are defined in
8 article 163 of the education law, each member of such limited liability
9 company must be licensed pursuant to article 163 of the education law to
10 practice marriage and family therapy in this state. With respect to a
11 professional service limited liability company formed to provide mental
12 health counseling services as such services are defined in article 163
13 of the education law, each member of such limited liability company must
14 be licensed pursuant to article 163 of the education law to practice
15 mental health counseling in this state. With respect to a professional
16 service limited liability company formed to provide psychoanalysis
17 services as such services are defined in article 163 of the education
18 law, each member of such limited liability company must be licensed
19 pursuant to article 163 of the education law to practice psychoanalysis
20 in this state. With respect to a professional service limited liability
21 company formed to provide applied behavior analysis services as such
22 services are defined in article 167 of the education law, each member of
23 such limited liability company must be licensed or certified pursuant to
24 article 167 of the education law to practice applied behavior analysis
25 in this state.

26 § 3. Subdivision (a) of section 1301 of the limited liability company
27 law, as amended by chapter 554 of the laws of 2013, is amended to read
28 as follows:

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

S. 5862

5

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

S. 5862

6

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

11 § 4. Paragraph (a) of section 1503 of the business corporation law, as
12 amended by chapter 550 of the laws of 2011, is amended to read as
13 follows:

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

45 § 5. Subdivision (q) of section 121-1500 of the partnership law, as
46 amended by chapter 554 of the laws of 2013, is amended to read as
47 follows:

48 (q) Each partner of a registered limited liability partnership formed
49 to provide medical services in this state must be licensed pursuant to
50 article 131 of the education law to practice medicine in this state [~~and~~
51 ~~each~~]. Notwithstanding any other provision of this section, any person
52 licensed pursuant to article 131 of the education law to practice medi-
53 cine and any other person licensed pursuant to article 132, 137, 140,
54 141, 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of
55 article 139 of the education law may form, or cause to be formed, a
56 registered limited liability partnership to provide multidisciplinary

S. 5862

7

1 services with one or more licensed professionals, subject to the follow-
2 ing conditions: (i) each partner of such limited liability partnership
3 must be licensed pursuant to title eight of the education law to prac-
4 tice his or her profession in this state; (ii) each partner shall only
5 practice his or her profession as specified in his or her respective
6 professional enabling statute under title eight of the education law;
7 and (iii) any clinical integration of professional practices under this
8 section shall not alter, expand or curtail the scope of practice of any
9 of the partners; provided further that: (A) no partner shall, directly
10 or indirectly, interfere with the clinical judgment or legitimate clin-
11 ical practice of another partner; and (B) no partner shall order or
12 direct another partner to practice beyond the scope of his or her
13 license. Each partner of a registered limited liability partnership
14 formed to provide dental services in this state must be licensed pursu-
15 ant to article 133 of the education law to practice dentistry in this
16 state. Each partner of a registered limited liability partnership
17 formed to provide veterinary services in this state must be licensed
18 pursuant to article 135 of the education law to practice veterinary
19 medicine in this state. Each partner of a registered limited liability
20 partnership formed to provide professional engineering, land surveying,
21 architectural and/or landscape architectural services in this state must
22 be licensed pursuant to article 145, article 147 and/or article 148 of
23 the education law to practice one or more of such professions in this
24 state. [~~Each partner of a registered limited liability partnership~~
25 ~~formed to provide licensed clinical social work services in this state~~
26 ~~must be licensed pursuant to article 154 of the education law to prac-~~
27 ~~tice clinical social work in this state.]~~ Each partner of a registered
28 limited liability partnership formed to provide creative arts therapy
29 services in this state must be licensed pursuant to article 163 of the
30 education law to practice creative arts therapy in this state. Each
31 partner of a registered limited liability partnership formed to provide
32 marriage and family therapy services in this state must be licensed
33 pursuant to article 163 of the education law to practice marriage and
34 family therapy in this state. Each partner of a registered limited
35 liability partnership formed to provide mental health counseling
36 services in this state must be licensed pursuant to article 163 of the
37 education law to practice mental health counseling in this state. Each
38 partner of a registered limited liability partnership formed to provide
39 psychoanalysis services in this state must be licensed pursuant to arti-
40 cle 163 of the education law to practice psychoanalysis in this state.
41 Each partner of a registered limited liability partnership formed to
42 provide applied behavior analysis service in this state must be licensed
43 or certified pursuant to article 167 of the education law to practice
44 applied behavior analysis in this state.

45 § 6. Subdivision (q) of section 121-1502 of the partnership law, as
46 amended by chapter 554 of the laws of 2013, is amended to read as
47 follows:

48 (q) Each partner of a foreign limited liability partnership which
49 provides medical services in this state must be licensed pursuant to
50 article 131 of the education law to practice medicine in the state [~~and~~
51 ~~each~~]. Notwithstanding any other provisions of this section, any person
52 licensed pursuant to article 131 of the education law to practice medi-
53 cine and any person licensed pursuant to articles 132, 137, 140, 141,
54 143, 144, 153, 154, 155 or 156 or subdivision 3 of section 6902 of arti-
55 cle 139 of the education law may form, or cause to be formed, a foreign
56 limited liability partnership to provide multidisciplinary services with

S. 5862

8

1 one or more licensed professionals, subject to the following conditions:
2 (i) each partner of such foreign limited liability partnership must be
3 licensed pursuant to title eight of the education law to practice his
4 or her profession in this state; (ii) each partner shall only practice
5 his or her profession as specified in his or her respective professional
6 enabling statute under title eight of the education law; and (iii) any
7 clinical integration of professional practices under this section shall
8 not alter, expand or curtail the scope of practice of any of the part-
9 ners; provided further that: (A) no partner shall, directly or indirect-
10 ly, interfere with the clinical judgment or legitimate clinical practice
11 of another partner; and (B) no partner shall order or direct another
12 partner to practice beyond the scope of his or her license. Each partner
13 of a foreign limited liability partnership which provides dental
14 services in the state must be licensed pursuant to article 133 of the
15 education law to practice dentistry in this state. Each partner of a
16 foreign limited liability partnership which provides veterinary service
17 in the state shall be licensed pursuant to article 135 of the education
18 law to practice veterinary medicine in this state. Each partner of a
19 foreign limited liability partnership which provides professional engi-
20 neering, land surveying, architectural and/or landscape architectural
21 services in this state must be licensed pursuant to article 145, article
22 147 and/or article 148 of the education law to practice one or more of
23 such professions. [~~Each partner of a foreign limited liability partner-~~
24 ~~ship which provides licensed clinical social work services in this state~~
25 ~~must be licensed pursuant to article 154 of the education law to prac-~~
26 ~~tice licensed clinical social work in this state. Each partner of a~~
27 ~~foreign limited liability partnership which provides creative arts ther-~~
28 ~~apy services in this state must be licensed pursuant to article 163 of~~
29 ~~the education law to practice creative arts therapy in this state.] Each
30 partner of a foreign limited liability partnership which provides
31 marriage and family therapy services in this state must be licensed
32 pursuant to article 163 of the education law to practice marriage and
33 family therapy in this state. Each partner of a foreign limited liabil-
34 ity partnership which provides mental health counseling services in this
35 state must be licensed pursuant to article 163 of the education law to
36 practice mental health counseling in this state. Each partner of a
37 foreign limited liability partnership which provides psychoanalysis
38 services in this state must be licensed pursuant to article 163 of the
39 education law to practice psychoanalysis in this state. Each partner of
40 a foreign limited liability partnership which provides applied behavior
41 analysis services in this state must be licensed or certified pursuant
42 to article 167 of the education law to practice applied behavior analy-
43 sis in this state.~~

44 § 7. Subdivision (a) of section 1203 of the limited liability company
45 law, as amended by chapter 475 of the laws of 2014, is amended to read
46 as follows:

47 (a) Notwithstanding the education law or any other provision of law,
48 one or more professionals each of whom is authorized by law to render a
49 professional service within the state, or one or more professionals, at
50 least one of whom is authorized by law to render a professional service
51 within the state, may form, or cause to be formed, a professional
52 service limited liability company for pecuniary profit under this arti-
53 cle for the purpose of rendering the professional service or services as
54 such professionals are authorized to practice. With respect to a profes-
55 sional service limited liability company formed to provide medical
56 services as such services are defined in article 131 of the education

S. 5862

9

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

S. 5862

10

1 service limited liability company formed to provide psychoanalysis
2 services as such services are defined in article 163 of the education
3 law, each member of such limited liability company must be licensed
4 pursuant to article 163 of the education law to practice psychoanalysis
5 in this state. With respect to a professional service limited liability
6 company formed to provide applied behavior analysis services as such
7 services are defined in article 167 of the education law, each member of
8 such limited liability company must be licensed or certified pursuant to
9 article 167 of the education law to practice applied behavior analysis
10 in this state. In addition to engaging in such profession or
11 professions, a professional service limited liability company may engage
12 in any other business or activities as to which a limited liability
13 company may be formed under section two hundred one of this chapter.
14 Notwithstanding any other provision of this section, a professional
15 service limited liability company (i) authorized to practice law may
16 only engage in another profession or business or activities or (ii)
17 which is engaged in a profession or other business or activities other
18 than law may only engage in the practice of law, to the extent not
19 prohibited by any other law of this state or any rule adopted by the
20 appropriate appellate division of the supreme court or the court of
21 appeals.

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

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

S. 5862

11

1 liability company formed to provide professional engineering, land
2 surveying, architectural, landscape architectural and/or geological
3 services as such services are defined in article 145, article 147 and
4 article 148 of the education law, each member of such limited liability
5 company must be licensed pursuant to article 145, article 147 and/or
6 article 148 of the education law to practice one or more of such
7 professions in this state. With respect to a professional service limit-
8 ed liability company formed to provide licensed clinical social work
9 services as such services are defined in article 154 of the education
10 law, each member of such limited liability company shall be licensed
11 pursuant to article 154 of the education law to practice licensed clin-
12 ical social work in this state. With respect to a professional service
13 limited liability company formed to provide creative arts therapy
14 services as such services are defined in article 163 of the education
15 law, each member of such limited liability company must be licensed
16 pursuant to article 163 of the education law to practice creative arts
17 therapy in this state. With respect to a professional service limited
18 liability company formed to provide marriage and family therapy services
19 as such services are defined in article 163 of the education law, each
20 member of such limited liability company must be licensed pursuant to
21 article 163 of the education law to practice marriage and family therapy
22 in this state. With respect to a professional service limited liability
23 company formed to provide mental health counseling services as such
24 services are defined in article 163 of the education law, each member of
25 such limited liability company must be licensed pursuant to article 163
26 of the education law to practice mental health counseling in this state.
27 With respect to a professional service limited liability company formed
28 to provide psychoanalysis services as such services are defined in arti-
29 cle 163 of the education law, each member of such limited liability
30 company must be licensed pursuant to article 163 of the education law to
31 practice psychoanalysis in this state. With respect to a professional
32 service limited liability company formed to provide applied behavior
33 analysis services as such services are defined in article 167 of the
34 education law, each member of such limited liability company must be
35 licensed or certified pursuant to article 167 of the education law to
36 practice applied behavior analysis in this state.

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

40 (a) "Foreign professional service limited liability company" means a
41 professional service limited liability company, whether or not denomi-
42 nated as such, organized under the laws of a jurisdiction other than
43 this state, (i) each of whose members and managers, if any, is a profes-
44 sional authorized by law to render a professional service within this
45 state and who is or has been engaged in the practice of such profession
46 in such professional service limited liability company or a predecessor
47 entity, or will engage in the practice of such profession in the profes-
48 sional service limited liability company within thirty days of the date
49 such professional becomes a member, or each of whose members and manag-
50 ers, if any, is a professional at least one of such members is author-
51 ized by law to render a professional service within this state and who
52 is or has been engaged in the practice of such profession in such
53 professional service limited liability company or a predecessor entity,
54 or will engage in the practice of such profession in the professional
55 service limited liability company within thirty days of the date such
56 professional becomes a member, or (ii) authorized by, or holding a

S. 5862

12

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

S. 5862

13

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

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

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

S. 5862

14

1 direct another individual to practice beyond the scope of his or her
2 license.

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

6 (q) Each partner of a registered limited liability partnership formed
7 to provide medical services in this state must be licensed pursuant to
8 article 131 of the education law to practice medicine in this state [~~and~~
9 ~~each~~]. Notwithstanding any other provision of this section, any person
10 licensed pursuant to article 131 of the education law to practice medi-
11 cine and any person licensed pursuant to articles 132, 137, 140, 141,
12 143, 144, 153, 154, 155 or 156 subdivision 3 of section 6902 of article
13 139 of the education law may form, or cause to be formed, a registered
14 limited liability partnership to provide multidisciplinary services with
15 one or more licensed professionals, subject to the following conditions:

16 (i) each partner of such limited liability partnership must be licensed
17 pursuant to title eight of the education law to practice his or her
18 profession in this state; (ii) each partner shall only practice his or
19 her profession as specified in his or her respective professional enabl-
20 ing statute under title eight of the education law; and (iii) any clin-
21 ical integration of the professional practices under this section shall
22 not alter, expand or curtail the scope of practice of any of the part-
23 ners; provided further that: (A) no partner shall, directly or indirect-
24 ly, interfere with the clinical judgment or legitimate clinical practice
25 of another partner; and (B) no partner shall order or direct another
26 partner to practice beyond the scope of his or her license. Each part-

27 ner of a registered limited liability partnership formed to provide
28 dental services in this state must be licensed pursuant to article 133
29 of the education law to practice dentistry in this state. Each partner
30 of a registered limited liability partnership formed to provide veteri-
31 nary services in this state must be licensed pursuant to article 135 of
32 the education law to practice veterinary medicine in this state. Each
33 partner of a registered limited liability partnership formed to provide
34 professional engineering, land surveying, geological services, architec-
35 tural and/or landscape architectural services in this state must be
36 licensed pursuant to article 145, article 147 and/or article 148 of the
37 education law to practice one or more of such professions in this state.

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

42 Each partner of a registered limited liability partnership formed to provide creative arts therapy services
43 in this state must be licensed pursuant to article 163 of the education
44 law to practice creative arts therapy in this state. Each partner of a
45 registered limited liability partnership formed to provide marriage and
46 family therapy services in this state must be licensed pursuant to arti-
47 cle 163 of the education law to practice marriage and family therapy in
48 this state. Each partner of a registered limited liability partnership
49 formed to provide mental health counseling services in this state must
50 be licensed pursuant to article 163 of the education law to practice
51 mental health counseling in this state. Each partner of a registered
52 limited liability partnership formed to provide psychoanalysis services
53 in this state must be licensed pursuant to article 163 of the education
54 law to practice psychoanalysis in this state. Each partner of a regis-
55 tered limited liability partnership formed to provide applied behavior
56 analysis service in this state must be licensed or certified pursuant to

S. 5862

15

1 article 167 of the education law to practice applied behavior analysis
2 in this state.

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

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

S. 5862

16

1 certified pursuant to article 167 of the education law to practice
2 applied behavior analysis in this state.

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

5 § 6509-a. Additional definition of professional misconduct; limited
6 application. Notwithstanding any inconsistent provision of this article
7 or of any other provision of law to the contrary, the license or regis-
8 tration of a person subject to the provisions of articles one hundred
9 thirty-two, one hundred thirty-three, one hundred thirty-six, one
10 hundred thirty-seven, one hundred thirty-nine, one hundred forty-one,
11 one hundred forty-three, one hundred forty-four, one hundred fifty-six,
12 one hundred fifty-nine and one hundred sixty-four of this chapter may be
13 revoked, suspended or annulled or such person may be subject to any
14 other penalty provided in section sixty-five hundred eleven of this
15 article in accordance with the provisions and procedure of this article
16 for the following:

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

S. 5862

17

1 sion (g) of section 121-1500 of the partnership law, or subdivision (g)
2 of section 121-1502 of the partnership law from pooling fees or monies
3 received. Nothing contained in this chapter shall prohibit a medical or
4 dental expense indemnity corporation pursuant to its contract with the
5 subscriber from prorating a medical or dental expense indemnity
6 allowance among two or more professionals in proportion to the services
7 rendered by each such professional at the request of the subscriber,
8 provided that prior to payment thereof such professionals shall submit
9 both to the medical or dental expense indemnity corporation and to the
10 subscriber statements itemizing the services rendered by each such
11 professional and the charges therefor.

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

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

33 § 15. Section 6531 of the education law, as amended by chapter 555 of
34 the laws of 1993, is amended to read as follows:

35 § 6531. Additional definition of professional misconduct, limited
36 application. Notwithstanding any inconsistent provision of this article
37 or any other provisions of law to the contrary, the license or registra-
38 tion of a person subject to the provisions of this article and article
39 one hundred thirty-one-B of this chapter may be revoked, suspended, or
40 annulled or such person may be subject to any other penalty provided in
41 section two hundred thirty-a of the public health law in accordance with
42 the provisions and procedures of this article for the following:

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

S. 5862

18

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

38 § 16. Subdivision 1 of section 2801 of the public health law, as sepa-
39 rately amended by chapters 297 and 416 of the laws of 1983, is amended
40 to read as follows:

41 1. "Hospital" means a facility or institution engaged principally in
42 providing services by or under the supervision of a physician or, in the
43 case of a dental clinic or dental dispensary, of a dentist, for the
44 prevention, diagnosis or treatment of human disease, pain, injury,
45 deformity or physical condition, including, but not limited to, a gener-
46 al hospital, public health center, diagnostic center, treatment center,
47 dental clinic, dental dispensary, rehabilitation center other than a
48 facility used solely for vocational rehabilitation, nursing home, tuber-
49 culosis hospital, chronic disease hospital, maternity hospital, lying-
50 in-asylum, out-patient department, out-patient lodge, dispensary and a
51 laboratory or central service facility serving one or more such insti-
52 tutions, but the term hospital shall not include an institution, sani-
53 tarium or other facility engaged principally in providing services for
54 the prevention, diagnosis or treatment of mental disability and which is
55 subject to the powers of visitation, examination, inspection and inves-
56 tigation of the department of mental hygiene except for those distinct

S. 5862

19

1 parts of such a facility which provide hospital service. The provisions
2 of this article shall not apply to a facility or institution engaged
3 principally in providing services by or under the supervision of the
4 bona fide members and adherents of a recognized religious organization
5 whose teachings include reliance on spiritual means through prayer alone
6 for healing in the practice of the religion of such organization and
7 where services are provided in accordance with those teachings or to a
8 multidisciplinary services practice formed pursuant to subdivision (a)
9 of section twelve hundred three of the limited liability company law,
10 subdivision (b) of section twelve hundred seven of the limited liability
11 company law, subdivision (a) of section thirteen hundred one of the
12 limited liability company law, paragraph (a) of section fifteen hundred
13 three of the business corporation law, subdivision (q) of section
14 121-1500 of the partnership law, or subdivision (q) of section 121-1502
15 of the partnership law.

16 § 17. This act shall take effect on the thirtieth day after it shall
17 have become a law; provided, however that sections seven, eight, nine,
18 ten, eleven and twelve of this act shall take effect on the same date
19 and in the same manner as chapter 475 of the laws of 2014, takes effect.