

MEDICAL SOCIETY
of the
STATE OF NEW YORK

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MEMORANDUM IN SUPPORT

IN CORPORATIONS COMMITTEE

A.7648 (BURKE)

IN CORPORATIONS COMMITTEE

S.4716 (KRUEGER)

AN ACT to amend the limited liability company law and the partnership law, in relation to certain publication requirements and fees; to amend the state finance law, in relation to establishing the department of state modernization fund.

This bill would amend the limited liability company law and the partnership law, to eliminate the requirements for printed public legal notice for the formation of limited liability companies in New York State, which are financial barriers and administrative burdens to physicians opening medical practices. **The Medical Society of the State of New York (MSSNY) supports this bill.**

Physicians who start private practices in New York State may form professional limited liability companies (PLLC), which require a costly, unnecessary, and redundant print legal notice publication fee, not required for the formation of S corporations and C corporations in New York. Additionally, the information contained in the print legal notices is redundant and unnecessary as it duplicates information already available in the online New York State Corporation and Business Entity Database and is available in the Secretary of State's office. It is also a relic of the past as the year the legal notice requirement was enacted, 1994, was prior to wide-spread use of the internet and to creation of the online Corporation and Business Entity Database. New York is one of only a few remaining states to require that legal notices be published in a newspaper for the formation of a PLLC or LLC.

According to WalletHub.com ([Best & Worst States for Doctors \(wallethub.com\)](https://www.wallethub.com)), New York State already has the dubious distinction of being one of the worst states in the country for physicians to practice. The highest medical liability insurance costs in the country, low health insurer reimbursement, incessant health insurer pre-authorization requirements, and excessive practice mandates combine to qualify us for this "distinction." Furthermore, the COVID-19 pandemic took a major economic toll on physicians leading to the closure of many medical practices across the state. In a highly regulated environment, like New York, the print legal notice publication requirement is an additional unnecessary administrative burden on top of being an unnecessary costly burden to the formation of physician PLLC's to deliver care to patients.

Public policy should reduce burdens imposed on physicians and improve patient access to quality care from healthy and focused physicians. The publication requirement is costly for physicians and unnecessary and should be repealed. **For all the reasons stated above, the MSSNY supports this bill and urges its enactment.**

01/22/24
ZDC – support

Respectfully submitted,

MSSNY DIVISION OF GOVERNMENTAL AFFAIRS