

May 7, 1992

Dear .

This is in response to your letter to me of April 8, 1992 in which you request a written opinion regarding whether two alternative compensation arrangements between a physician and a collection company would be prohibited under §6530 of the Education Law. Both alternatives provided that the collection agency would receive at least a part of its fee as a percentage of the receivables it collects for the physician. The physician may pay the collection agency a percentage of the receivables collected under either of the scenarios proposed without being in violation of §6530.

The provision about which you are concerned, i.e., Education Law §6530(19), prohibits a physician from sharing fees with anyone other than a partner, associate in a professional firm, or employee. Although that provision prohibits a physician from sharing the fees she/he earns for providing professional services with a non-professional or a professional with whom she/he is not in practice, we do not interpret this provision as applying to a person or agency which is helping a physician to collect fees that she/he has earned independent of the collector's assistance.

If you have any further questions, you may call Florence Abrams at (518) 474-7076.

Sincerely,


Peter Allock
General Counsel