



TO: Professional Practice Committee

FROM: Douglas E. Lentivech

SUBJECT: Discussion of Recent Developments in the Organization and Delivery of Professional Services

DATE: November 29, 2018

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SUMMARY

Issue for Discussion

There have been numerous changes to the existing pipeline for delivering professional services, particularly on the national level, that will result in a variety of future policy decisions. Department staff will present on some of these developments and frame a discussion for future decision making.

Background Information

The New York State Education Department, through the Office of the Professions, is responsible for the licensing, discipline and practice of over fifty different professions. The professionals practice in varied settings that can include anything from a solo practitioner, a professional corporation, a large health care organization or even the state or federal government. At times, the entity that is responsible for the delivery of professional services is within the disciplinary jurisdiction of the NYSED, such as is the case for most professional corporations. However, there are circumstances where that entity is not within NYSED's jurisdiction, such as is the case with hospitals.

Additionally, there are numerous "non-professional" enterprises that, while not specifically practicing any profession, nonetheless have an impact upon how professional services are provided. Such is the case when a contractor is involved in the process of completing construction designed by a licensed design professional, or in the case where an insurance carrier pays for the treatments provided by a licensed health care professional. In recent years, there have been instances where these relationships have changed, and those changes can result in concerns over the quality of service that are provided.

In the design professions, NYSED has seen a number of legislative initiatives that permit the use of “design build” methodologies. In those cases, a construction project can be designed and built within the same corporate body. This will typically mean that an unlicensed enterprise has some control over the provision of professional services. While such a model can result in eliminating duplication of costs and some efficiencies, those projects must also find ways to ensure that the design services are provided with the independence needed to protect the public.

In the health care arena, there have been major changes to the landscape of the interface between health care providers, pharmaceutical providers and insurance providers. Specifically, there has been approval at the Federal level of certain corporate acquisitions that would place all three of these under common control. Department staff will explore these newly approved arrangements and the potential issues that result, such as the need for interagency cooperation, conflicts with New York law, and the stresses that may result on practice quality. It is primarily in the health care area that this discussion will focus, beginning with a discussion of the general framework permissible in New York and how that framework developed. Staff will be available to answer questions as may be generated by the Committee.