

APPENDIX B AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of May, 1961, by and between the CALIFORNIA MEDICAL ASSOCIATION, an unincorporated association, hereinafter sometimes called the "CMA" and the CALIFORNIA OSTEOPATHIC ASSOCIATION, a California corporation, hereinafter sometimes called the "COA", to be effective at the time, and upon the terms and conditions as hereinafter set forth below.

A. GENERAL.

1. Purposes. This agreement is made and entered into for the primary purposes of improving the health services available to the citizens of the State of California, and expanding medical teaching facilities in the States. The "Governor's Committee on the Study of Medical Aid and Health" has urged immediate expansion of "medical educational capacity in private and public institutions" and the establishment of new medical schools. These purposes are to be further accomplished by the unification, consonant with the desires of individual practicing physicians within the State of California, of the separate organizations which have heretofore existed in parallel structure in the State of California for the practice of medicine and surgery by persons who hold the degree of Doctor of Osteopathy and those who hold the degree of Doctor of Medicine. By accomplishing such unification, the parties hereto intend to remove any distinction among the individuals practicing medicine and surgery that is not related to skill and ability, to make available to the public at large efficient and adequate hospital facilities, and to improve the educational facilities available for those persons engaged in the practice of medicine and surgery. It is also a primary purpose of the parties hereto that upon the students at the present College of Osteopathic Physicians and Surgeons in Los Angeles or its successor becoming eligible to be licensed by the State Board of Medical Examiners, no new or additional physician and surgeon's certificates shall thereafter be issued by the State Board of Osteopathic Examiners, whether applied for under Articles 5, 6 or 11 of Chapter 5, Division 2, of the California Business and Professions Code. It is not the purpose of any party to this agreement to alter or diminish in any way the practice rights of individual physicians, or to limit their opportunity of future practice.

2. Execution and effective date. Upon approval of this agreement by the governing boards of the respective parties hereto, this agreement shall be executed by the Chairman of such board and its Secretary. Said signatures shall indicate the approval of that board only.

This agreement shall become binding and effective when it has been ratified by the House of Delegates of each of the parties hereto, in accordance with the appropriate rules and regulations of each respective organization.

The parties hereto recognize and acknowledge that the consummation of this agreement will require certain amendments to be made to the constitution of the CMA, and that the constitution requires that a proposed amendment, after introduction, lay on the table for a period of one year prior to its final adoption and

effectiveness. This agreement, however, shall become effective upon its initial ratification by both houses as above set forth, subject only to the conditions hereinafter set forth.

3. Reference to COA. As hereinafter provided, the COA agrees to change its name, and may in the course of the transition period change its organic structure. References to COA shall thus include such organization, although its name shall be changed, and its organic structure may be changed.

B. MATTERS RELATED TO THE STRUCTURE OF CALIFORNIA MEDICAL ASSOCIATION.

1. Amendments to Constitution and By-Laws. The Council of the CMA shall propose to its House of Delegates two amendments to the constitution, and one amendment to the by-laws of the CMA, as set forth on Exhibits A, B, and C, respectively, attached hereto and made a part hereof by reference.

The House of Delegates of the CMA shall, as a condition precedent to the effectiveness of this contract, approve and adopt said amendments.

2. Issuance of new charter to component society. Upon said amendments becoming finally effective, the COA agrees (a) to change its name to the Forty-First Medical Society or such other name as may be jointly approved by the Board of Trustees of the COA and the Executive Secretary of CMA, and thereafter, (b) to apply for a charter as a component society of the CMA. The CMA agrees to issue such charter. The terms and conditions of the charter to be applied for, and to be issued, shall be as set forth on Schedule D attached hereto, and made a part hereof by reference.

3. Dissolution of COA. The parties hereto acknowledge that the structure herein agreed upon for the issuance of a charter to a state-wide organization under such new name is intended only as an interim measure. It is the intention of both parties hereto that all persons who are members of such society shall become members of their respective county medical societies as soon as possible. However, such arrangement requires the consent of each of the respective county medical societies. When the county medical societies throughout the State of California agree to take into membership in the respective appropriate county medical society each of the members of such society, it shall be dissolved. Upon such dissolution, all of the assets then remaining of such society shall, so far as is legally possible, be transferred and conveyed to the College of Osteopathic Physicians and Surgeons, or its successor.

C. PRACTICE OF MEDICINE AND USE OF DEGREE.

The parties hereto contemplate that individual members of the COA who hold physicians and surgeons certificates in the State of California will obtain a degree of Doctor of Medicine from the College of Osteopathic Physicians and Surgeons or its successor. The CMA agrees to accept such procedures which may be agreed upon by the Advisory Educational Committee, created by the joint action of the parties hereto, as to the manner in which said degrees shall be granted, provided, however, that the agreed procedures do not jeopardize accreditation of the College. Both parties hereto agree to recognize such degrees as an M.D. degree issued by an accredited medical school.

D. STATUTORY AMENDMENTS.

1. Use of Degree. Both parties hereto agree to use their best efforts to have adopted by the legislature of the State of California statutory amendments as set forth in Exhibit E attached hereto and made a part hereof by reference. The parties hereto contemplate that where persons hold a degree of Doctor of Medicine and a degree of Doctor of Osteopathy, such persons shall be required to elect to practice under one or the other of such degrees, and to advise both the Board of Medical Examiners and the Board of Osteopathic Examiners of such election.

2. Boards of Examiners. Both parties agree to use their best efforts to have adopted by the California Legislature the statutory amendments relating to the structure of the Board of Medical Examiners of the State of California and regarding the reciprocity statutes affecting such board, as set forth on Schedule F, attached hereto and made a part hereof.

3. Initiative Act. Both parties hereto agree to use their best efforts to have adopted by the legislature and by the people of the State of California, the proposal set forth on Exhibit G attached hereto and made a part hereof, regarding the initiative act establishing the Board of Osteopathic Examiners.

E. COLLEGE OF OSTEOPATHIC PHYSICIANS AND SURGEONS.

1. Agreement with College. The COA agrees to negotiate a contract with the College of Osteopathic Physicians and Surgeons covering the matters hereinafter set forth. In the event that the COA is unable to enter into such an agreement, the CMA shall have its option to declare this contract entirely null and void. Said contract shall contain:

(a) A procedure for the issuance of degree of Doctor of Medicine to doctors of Osteopathy presently licensed as physicians and surgeons in the State of California.

(b) An agreement that said College shall use its best efforts to obtain approval by the Council on Medical Education and Hospitals and membership in the Association of American Colleges.

(c) The name of the College shall be changed, so that neither the word "Osteopathic" nor any similar word shall be used therein.

2. Agreements relating to College.

(a) The parties hereto shall jointly use their best efforts to secure appropriate administrative rules or statutory changes to permit students currently enrolled in the College of Osteopathic Physicians and Surgeons to be eligible for examination by the licensing board of their choice; and

(b) The parties hereto shall agree with each other, and with the College of Osteopathic Physicians and Surgeons as follows:

(1) The COA shall continue to contribute to the College fund for its operation at the rate of a minimum of \$225,000.00 per year until one year from the time all conditions set forth in this agreement are met. Thereafter, for an additional four years, COA and its successor shall allocate to the College at least Fifty Dollars

(\$50.00) per regular member per year, payable from the annual dues it charges its members (not including therein dues it pays to the CMA and the American Medical Association). "Regular member" shall not include persons granted reduced rate of dues for any reason. The CMA and the COA shall jointly guarantee to the College that it shall receive funds in at least said amount of \$225,000.00 per year payable quarterly from the sources herein indicated for an additional period of four years thereafter. As between the CMA and the COA, the CMA will agree to supply said funds to said amount during said four year period to the extent that the COA or its successor does not do so. The funds to be supplied under this paragraph may come from said organization directly, or may come from contributions from public or private sources, from funds or foundations, or otherwise, so long as they are arranged directly by the persons associated with and acting for the COA or the CMA.

(ii) In the event that adequate arrangements for the financing of the College have not been concluded after said period, the COA and the CMA jointly declare their intention of seeing that the College has adequate operating funds to make up for the loss of funds which otherwise might have been paid by the COA had this agreement not been entered into. However, this expression of intention is made without binding obligation on the parties hereto at this time.

(c) Accreditation. Both parties hereto shall use their best efforts to see that the College of Osteopathic Physicians and Surgeons, or its successor, is accredited as a medical school as soon as possible.

F. PRACTICE RIGHTS.

1. General. As hereinabove set forth, both parties hereto acknowledge and declare that this agreement is not intended in any way to limit the practice rights of individual physicians.
2. Hospitals. The parties hereto shall join in a joint statement of policy with respect to practice rights and hospital privileges of physicians, to be forwarded to all hospitals in the State of California. A copy of such joint declaration is attached hereto marked "Exhibit H" and made a part hereof by reference.
3. Specialty Rights. The parties hereto shall issue a joint declaration with respect to the specialty privileges of individual physicians, a copy of which joint statement is attached hereto marked "Exhibit I" and made a part hereof by reference. A copy of such declaration shall be forwarded to all hospitals, and to all physicians and surgeons in the State of California.
4. Removal of Distinctions. Both parties hereto shall use their best efforts, on a continuing basis, to remove any distinction between or among persons holding a certificate as physician and surgeon in the State of California and a degree of Doctor of Medicine, where such distinction is based solely upon the ground that any such person previously held or now holds a degree of Doctor of Osteopathy.
5. Evaluation Groups. The CMA agrees that the COA may continue for the purpose of serving its own members, such specialty and other evaluation groups as may have been established by it on or before April 1, 1961, and whose criteria shall

be not less than those shown in a separate document entitled: "Criteria of Evaluation Groups, California Osteopathic Association" heretofore delivered to the CMA by the COA. All records of such evaluation and specialty groups shall be made available to the Commission on Medical Education of the CMA for examination and review.

G. TIME SCHEDULE AND CONDITIONS.

1. Conditions Precedent. As hereinabove set forth, this agreement shall become effective upon ratification by the House of Delegates of both of the parties hereto. However, this agreement shall have no force or effect of any kind, unless the following conditions are met within the time periods hereinafter set forth.

(a) Final adoption of constitutional amendments. The final adoption of the constitutional amendment set forth on Exhibits A and B attached hereto shall take place on or before May 15, 1962.

(b) Approval of College of Osteopathic Physicians and Surgeons. The College of Osteopathic Physicians and Surgeons or its successor shall be approved by the State Board of Medical Examiners on or before May 15, 1962.

(c) Hospitals. On or before May 15, 1962, assurance from the Joint Commission on Accreditation as follows:

(i) That hospitals presently approved by the COA Committee on Hospitals will be evaluated by them upon application.

(ii) That Doctors of Osteopathy who have received a degree of Doctor of Medicine from the College of Osteopathic Physicians and Surgeons, or its successor under the procedure to be determined upon, will be recognized as persons holding degrees of Doctor of Medicine from an approved medical school for all purposes connected with the approval of hospitals.

In the event that any of said conditions have not been met by the time herein set forth, the COA shall have the option of waiving such condition and continuing this agreement in effect, or of terminating this agreement and declaring it to be entirely void and of no effect.

When all of such conditions have been either met, or waived by the COA, whether before or at the time limit set forth herein, each party shall immediately undertake performance of all things to be performed by it herein.

5. Time Table. The parties shall immediately begin their efforts to have those legislative amendments set forth on Schedule E adopted and approved.

The parties shall attempt to have those legislative and initiative measures approved as set forth on Schedules F and G as soon as all of the conditions precedent in this agreement have been met. The parties contemplate that such conditions shall all be met on or before May 15, 1962.

H. MISCELLANEOUS.

1. Phraseology. The phraseology included herein in connection with the proposed amendments to the constitution and by-laws of the CMA, proposed statutory enactments and initiative enactment, is used for the purpose of setting forth the general intention of the parties hereto, and a change in the terminology used shall not be deemed to alter the effect or interfere with the performance of this agreement in any way, so long as it accomplishes the underlying intention of the respective provisions involved.

2. Further documents and acts. Each party hereto agrees to execute such other documents and agreements, and to undertake such other steps as may be necessary, in good faith, to carry out the underlying purpose of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first written above, and ratify it as hereinafter set forth.

THE AGREEMENT IS HEREBY APPROVED by the respective governing boards, subject to ratification as hereinabove set forth.

BOARD OF TRUSTEES,
CALIFORNIA OSTEOPATHIC ASSOCIATION

CALIFORNIA MEDICAL ASSOCIATION
COUNCIL

By _____
President

By _____
Its Chairman

By _____
Secretary

By _____
Secretary

The within agreement has been ratified by the respective Houses of Delegates, on the dates indicated below:

CALIFORNIA OSTEOPATHIC ASSOCIATION

CALIFORNIA MEDICAL ASSOCIATION

Date: _____

Date: _____

By _____
President

By _____
President

By _____
Secretary

By _____
Secretary

SCHEDULE A

Article I, Section 5, of the Constitution of the California Medical Association shall be amended, by adding a new sentence at the end of the present section reading as follows:

"Notwithstanding the foregoing, one charter may be issued to a component society that is not limited as to geographical area or which overlaps the area covered by one or more existing component societies."

SCHEDULE B

Article III, Part B, Section 10, of the Constitution of the CMA shall be amended by adding the following sentence as a separate subparagraph of said section.

"District No. 11, consisting of any society which is not limited as to geographical area, or the area of which overlaps the area covered by one or more existing component societies; such society and its members shall not be considered to be members of any other councilor district."

SCHEDULE C

Chapter II, Section 3(b), of the By-Laws of the California Medical Association shall be amended by inserting after the second sentence of said Section 3(b) a new sentence to read as follows:

"A physician and surgeon licensed by the State Board of Osteopathic Examiners on or before September 30, 1962, who holds a degree of Doctor of Medicine issued to him by the College of Osteopathic Physicians and Surgeons (or its successor), and whose license to practice medicine and surgery is unrevoked and unsuspended, is eligible for election to active membership in a component society. However, in the event that a charter is outstanding to a state-wide component society, none of such persons shall be permitted to join any component society other than the state-wide component society, without the express consent of such state-wide society."

SCHEDULE D

The form of charter shall be as follows:

"California Medical Association

"Know all Men: The California Medical Association, by authority of its Constitution and By-Laws, confers this Charter or Affiliation to its Constituent Unit.

Thereby conferring upon this Affiliated Unit and its Officers and Members all of the honors, rights and benefits of membership in the California Medical Association so long as they conform to this Association's Constitution and By-Laws and the policies of the House of Delegates.

Issued _____

President

Secretary-Treasurer"

SCHEDULE E

The following is proposed as an amendment to Section 2396 of the Business and Professions Code of the State of California:

There shall be added to said section the following provision:

"However, any person holding a physician's and surgeon's certificate issued by the Board of Osteopathic Examiners of the State of California and a degree of Doctor of Medicine issued by a medical school located in the State of California at any time prior to September 30, 1962, and approved either by the Board of Osteopathic Examiners of the State of California or the Board of Medical Examiners of the State of California at the time of the issuance of such degree, shall be authorized to use the term or suffix 'M.D.', and such use shall not be unprofessional conduct, so long as such person, on or before October 31, 1962, advises both the Board of Medical Examiners and the Board of Osteopathic Examiners, in writing, that he has elected to use the term or suffix 'M.D.', and has elected not to use the term or suffix 'D.O.' In the event of such election, the use of the term or suffix 'D.O.' constitutes unprofessional conduct within the meaning of this chapter."

The following is proposed as an amendment to Section 2004 of the Business and Professions Code of the State of California.

There shall be added to said section the following provision:

"However, persons who elect to practice using the term or suffix 'M.D.', as provided in Section 2396, shall not be subject to the provisions of this section, and the Board of Medical Examiners of the State of California shall enforce the provisions of this chapter relating to such persons who make such election. After making such election, each of such persons so electing shall apply for renewal of his certificate to the Board of Medical Examiners of the State of California, and the Board of Medical Examiners shall issue such renewal certificates in the same manner as other renewal certificates are issued by it."

SCHEDULE F

The following is a proposed amendment to Section 2310 of the Business and Professions Code of the State of California:

The following sentence shall be added to said section:

"This section, however, shall apply only to persons who have been granted the degree of Doctor of Medicine after the completion of a full course of study as prescribed by this Chapter in an approved medical school. The 'board' referred to in this Article is the State Board of Medical Examiners."

The following sentence is a proposed amendment to Section 2100 of the Business and Professions Code of the State of California:

The following sentence shall be added to said section:

"Until January 1, 1970, at least one of such members shall be selected from those persons who hold a degree of Doctor of Medicine, and who have elected to practice using the term or suffix 'M.D.', as provided in Section 2396 of this Code."

SCHEDULE G

Section 2 of the present initiative act shall be repealed in its entirety and in its place shall be inserted the following:

" 2. The Board of Osteopathic Examiners shall enforce the provisions of the Medical Practice Act, Chapter 5 of Division 2 of the Business and Professions Code as now existing or hereafter amended, relating to persons who now hold certificates issued by the Board of Osteopathic Examiners, except that such Board shall have no authority or jurisdiction over persons who elect to practice using the term or suffix 'M.D.' as provided in section 2396 of the Business and Professions Code, nor ever the certificates held by such persons."

There shall be added to said initiative act the following, as section 3 thereof:

" 3. This Act, as amended, may be amended or modified by the Legislature. When the number of persons who are subject to the jurisdiction of the Board of Osteopathic Examiners reaches ten or less, the Legislature may repeal said Act, as amended, in its entirety and transfer any or all of its functions to the Board of Medical Examiners. The Legislature shall, from time to time, appropriate to said Board such sums as may be reasonably necessary for the purpose of carrying out its duties and functions."

SCHEDULE H

To all hospitals in the State of California:

The California Medical Association and the California Osteopathic Association are pleased to announce that they have entered into an agreement for the purpose of unifying into a single professional organization those persons who have previously been practicing medicine, either under a degree of Doctor of Medicine or of Doctor of Osteopathy. The agreement is now fully effective, and both parties are undertaking the numerous steps which must be accomplished in order to make the unification effective.

The California Medical Association and the California Osteopathic Association have jointly forwarded this declaration to you, so that you may be aware of their position and desire with respect to the hospital practice rights of the individuals connected with both organizations within the State. It is the desire and the determination of both of these organizations that none of the practice rights or hospital privileges of any of the individuals associated with the COA or with the CMA will be diminished in any way by virtue of our agreements. Both organizations have pledged to use their best efforts, on a continuing basis, to remove any distinction between persons holding a certificate as Physician and Surgeon in the State of California and a degree of Doctor of Medicine, for any reason other than one directly connected with the skill and ability of the person involved.

Both organizations have established committees to review any problems which might arise in this connection. If you do have any question, please feel free to contact either or both organizations.

Very truly yours,

CALIFORNIA MEDICAL ASSOCIATION

By _____
President

CALIFORNIA OSTEOPATHIC ASSOCIATION

By _____
President

SCHEDULE I

To all hospitals and

To all practicing physicians and surgeons in the State of California:

The California Medical Association and the California Osteopathic Association are pleased to announce that they have entered into an agreement for the purpose of unifying into a single professional organization those persons who have been practicing medicine under the degree of Doctor of Medicine, and those persons who have previously practiced under the degree of Doctor of Osteopathy, and wish to join in this unification. The agreement is now fully effective, and both parties are undertaking the numerous steps which must be accomplished in order to make the unification effective.

Many of the problems must be worked out over a period of time. One of these problems is that of making suitable arrangements with various specialty groups and certifying boards. Those persons who have previously practiced as Doctors of Osteopathy, and who are now joining the California Medical Association, in many cases have become diplomats of various specialty groups connected with Osteopathic organizations. In many cases, because of our change, the relationships between such persons and their present specialty groups will be severed.

Both the California Medical Association and the California Osteopathic Association have agreed that the practice rights of individual doctors should not, in any way, be interfered with by our agreements. As a result, both organizations ask that you continue to select and evaluate specialists on the basis of their ability and accomplishment alone, and should not consider in such selection the fact that the prior connection of persons with their specialty groups may have been disarranged or severed because of our recent agreements.

Very truly yours,

CALIFORNIA MEDICAL ASSOCIATION

By _____
President

CALIFORNIA OSTEOPATHIC ASSOCIATION

By _____
President