

Application Processing

Complete the application and submit it to the Texas Medical Board (TMB) with the required documents and application fee. The application fee is **\$2,500.00**. A checklist is included at the end of these instructions for your use in gathering the required documents.

The application must be reviewed by the individual authorized by the organization's bylaws to act as the Chief Executive Officer. Please note that the CEO need not be a physician.

Required supplemental documentation:

- Copy of the Certificate of Incorporation from the Texas Secretary of State. For instructions on obtaining copies of the Certificate of Incorporation for your Nonprofit Corporation go to the Secretary of State's website at <http://www.sos.state.tx.us>.
- Copy of the Articles of Incorporation
- Copy of the Bylaws
- Index of the Bylaws referencing TMB Rules
The index should give the page numbers for each section of the rules that is covered in the bylaws. You may use the enclosed checklist to create the index. For example:

Pg. 13 177.4(2)(C) Sole authority to physicians to engage in the practice of medicine

Make as many copies of the blank Director's Statement form as needed. A Director's Statement must be completed by each active director. The director's signature must be original; copies or stamps will not be accepted.

Financial relationships between a Director and any of the following must be indicated:

- the nonprofit organization
- the member
- any supplier
- other Directors

Financial relationships include services, benefits, etc. that are **rendered** as well as those that are received. Amounts of compensation are **not** requested. **However, if "No Financial Relationships" is selected, and TMB discovers that financial relationships do exist, the Director may be subject to disciplinary action by TMB.**

TMB Contact Information

(Mailing)

Texas Medical Board
P. O. Box 2029
Austin, Texas 78768-2029

(Physical)

Texas Medical Board
1801 Congress Ave, Ste 9-200
Austin, Texas 78701

CHECKLIST/WORKLIST FOR INITIAL 162.001(b) NON-PROFIT CERTIFICATION
(with references to Board Rules)

Qualifications for Certification

- _____ 177.3(1) Formed solely by persons licensed by the TMB
- _____ 177.3(2) Non-profit corporation under the Texas Non-profit Corporation Act
- _____ 177.3(3) Board of Directors consists solely of persons licensed by the TMB and are actively engaged in the practice of medicine
- _____ 177.3(4) Organization is not established or organized or operated in contravention to or with the intent to circumvent any of the provisions of the Act

Completed Application, Documents, and Fee

- _____ 177.4(1) Initial Identification Statement/Compliance Statement
- _____ 177.4(2), Initial Document Statement/Document Compliance Statement
- _____ 177.4(2) Copy of Certificate of Incorporation
- _____ 177.4(2) Copy of Bylaws
- _____ 177.4(5) Initial Fee of \$2,500

Directors' Statements

- _____ 177.4(3) Initial Directors' Statements signed and verified by each current Director
 - _____ 177.4(3)(A) Licensed by the TMB
 - _____ 177.4(3)(B) Actively engaged in the practice of medicine
 - _____ 177.4(3)(C) Director will exercise independent judgment
 - _____ 177.4(3)(D) Health Organization to comply with all relevant provisions of the Act and the Rules
 - _____ 177.4(3)(E) Director will report violation to TMB
 - _____ 177.4(3)(F) Director must report financial relationships

Articles of Incorporation

- _____ 177.4(2)(A) Organized for any or all purposes (i through v)
- _____ 177.4(2)(B) Initial Board of Directors selected consistent with organization's mission

Bylaws

- _____ 177.4(2)(C) Sole authority to physicians to engage in the practice of medicine
- _____ 177.4(2)(D) Director must report violation to TMB
- _____ 177.4(2)(E) Director must report financial relationships (or "NONE")
- _____ 177.4(2)(F) Termination of physician employees

Special Requirements - If a Member is not a practicing physician or an entity or organization is not wholly owned and controlled by physicians

Bylaws must include:

- _____ 177.5(a)(1) All credentialing, quality assurance, utilization review and peer review policies shall be made exclusively by the Board of Directors
- _____ 177.5(a)(2) A majority of the Board of Directors is required to appoint or elect a new Director by a Member unless required by law
- _____ 177.5(a)(3) A majority of the Board of Directors is required to amend the bylaws of the Health Organization unless required by law
- _____ 177.5(d) Requirements in Tex. Occ. Code Chapter 162, Subchapter A, may not be voided or waived by contract, but member of health organization may establish ethical and religious directives and a physician may contractually agree to comply with those directives

Policies required (effective 1/1/2012):

- _____ 177.5 The board of directors has developed policies of the health organization for the following areas:
 - _____ 177.5(b)(1) credentialing
 - _____ 177,5(b)(2) quality assurance
 - _____ 177.5(b)(3) utilization review
 - _____ 177.5(b)(4) peer review
- _____ 177.5(c) The health organization's policies must reserve the sole authority to engage in the practice of medicine to a physician participating in the health organization, regardless of the physician's employment status with the health organization