



S.B. 16
123rd General Assembly
(As Introduced)

Sen. Gardner

BILL SUMMARY

- Provides that a physician who leaves a group medical practice cannot be prohibited by an agreement entered into on or after the bill's effective date from contacting and continuing to provide health care services to the physician's former patients.

CONTENT AND OPERATION

Under the bill, a physician who enters into an agreement, on or after the bill's effective date, to establish a group medical practice may not be prohibited by the agreement, after leaving the group practice, from performing certain acts relating to persons who were the physician's patients while in the group practice. The bill operates by overriding any "noncompete" clause or other provision included in a contract or agreement that establishes a group medical practice.¹ Specifically, the bill applies to any clause or provision that prohibits a physician from doing any of the following:

(1) Contacting a person who was the physician's patient while the physician was in the group practice and informing the person of the physician's departure from the practice;

(2) Continuing a physician-patient relationship with any person who was the physician's patient while the physician was in the practice;

¹ A "noncompete" clause (often referred to as a "covenant not to compete") is an agreement in which one of the persons making the agreement agrees for a specific period of time and within a particular geographical area to refrain from competing with the other person making the agreement. These clauses are generally part of an employment contract or contract to sell a business. (Black's Law Dictionary, 6th edition.)

(3) Performing or providing any medical, osteopathic, surgical, or other health care service for any person who was the physician's patient while the physician was in the practice.

The bill applies to group medical practices established on or after the bill's effective date. It defines "group medical practice" as a group of two or more physicians legally organized as a partnership, professional corporation or association, limited liability company, foundation, nonprofit corporation, corporation, faculty practice plan, or similar group practice entity for the provision of medical, osteopathic, surgical, or other health care services. "Physician" is defined as the holder of a certificate issued by the State Medical Board.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-20-99	p. 28

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