

HOUSE BILL No. 1292

DIGEST OF INTRODUCED BILL

Citations Affected: IC 25-22.5-5.5.

Synopsis: Physician noncompete agreements. Specifies that the reasonable price of a noncompete agreement buyout may not exceed \$75,000 under the following circumstances: (1) the physician's employer is a hospital system located in Allen County; (2) the physician has completed a minimum of eight years of employment with the hospital system; and (3) the physician practices primary care and specializes in family medicine.

Effective: July 1, 2023.

VanNatter

January 11, 2023, read first time and referred to Committee on Public Health.



First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1292

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 25-22.5-5.5-2, AS ADDED BY P.L.93-2020,
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 2. To be enforceable, a physician noncompete
4 agreement must include all of the following provisions:
5 (1) A provision that requires the employer of the physician to
6 provide the physician with a copy of any notice that:
7 (A) concerns the physician's departure from the employer; and
8 (B) was sent to any patient seen or treated by the physician
9 during the two (2) year period preceding the termination of the
10 physician's employment or the expiration of the physician's
11 contract. Provided, however, the patient names and contact
12 information be redacted from the copy of the notice provided
13 from the employer of the physician to the physician.
14 (2) A provision that requires the physician's employer to, in good
15 faith, provide the physician's last known or current contact and
16 location information to a patient who:
17 (A) requests updated contact and location information for the



- 1 physician; and
 2 (B) was seen or treated by the physician during the two (2)
 3 year period preceding the termination of the physician's
 4 employment or the expiration of the physician's contract.
 5 (3) A provision that provides the physician with:
 6 (A) access to; or
 7 (B) copies of;
 8 any medical record associated with a patient described in
 9 subdivision (1) or (2) upon receipt of the patient's consent.
 10 (4) **Subject to section 2.5 of this chapter**, a provision that
 11 provides the physician whose employment has terminated or
 12 whose contract has expired with the option to purchase a
 13 complete and final release from the terms of the enforceable
 14 physician noncompete agreement at a reasonable price. However,
 15 in the event the physician elects not to exercise the purchase
 16 option, then the option to purchase provision may not be used in
 17 any manner to restrict, bar, or otherwise limit the employer's
 18 equitable remedies, including the employer's enforcement of the
 19 physician noncompete agreement.
 20 (5) A provision that prohibits the providing of patient medical
 21 records to a requesting physician in a format that materially
 22 differs from the format used to create or store the medical record
 23 during the routine or ordinary course of business, unless a
 24 different format is mutually agreed upon by the parties. Paper or
 25 portable document format copies of the medical records satisfy
 26 the formatting provisions of this chapter.
 27 SECTION 2. IC 25-22.5-5.5-2.5 IS ADDED TO THE INDIANA
 28 CODE AS A NEW SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2023]: **Sec. 2.5. (a) As used in this section,**
 30 **"hospital system" means the following:**
 31 **(1) A parent or subsidiary organization of a hospital.**
 32 **(2) Any entity affiliated through ownership, governance, or**
 33 **membership with a hospital described in subdivision (1).**
 34 **(b) This section applies to:**
 35 **(1) a hospital system located in a county having a population**
 36 **of more than three hundred fifty thousand (350,000) and less**
 37 **than four hundred thousand (400,000); and**
 38 **(2) a physician who practices primary care and specializes in**
 39 **family medicine.**
 40 **(c) If the physician's employer is a hospital system and the**
 41 **physician has completed a minimum of eight (8) years of**
 42 **employment with the hospital system, in a provision that provides**



1 **for a buy out of the physician noncompete agreement the**
2 **reasonable price of the buy out may not exceed seventy-five**
3 **thousand dollars (\$75,000).**
4 **(d) This section expires July 1, 2025.**

