

Regular Session, 2012

HOUSE BILL NO. 752

BY REPRESENTATIVE PONTI

LABOR: Prohibits noncompete clauses or restrictive covenants in employment contracts or agreements governing the business relationship between an employee physician and his employer

1 AN ACT

2 To enact R.S. 23:921(M), relative to employment contracts; to prohibit any noncompete
3 contract or restrictive covenant between a physician and his employer; to provide
4 definitions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 23:921(M) is hereby enacted to read as follows:

7 §921. Restraint of business prohibited; restraint on forum prohibited; competing
8 business; contracts against engaging in; provisions for

9 * * *

10 M.(1) There shall be no contract or agreement or provision entered into by
11 a physician and his employer restraining him from practicing medicine.

12 (2) For the purposes of this Subsection:

13 (a) "Employer" shall mean any medical practice, hospital, clinic, physician,
14 or nonphysician that employs or contracts with a physician. "Employer" shall not
15 mean a partner or medical group practice in which the physician has ownership
16 interests.

17 (b) "Physician" shall mean any person holding a valid certificate to practice
18 medicine issued pursuant to R.S. 37:1274.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ponti

HB No. 752

Abstract: Prohibits any noncompete contract between a physician and his employer which may restrict the physician's ability to practice medicine.

Present law provides for the prohibition of contracts that limit a person's ability to exercise a lawful profession, trade, or business of any kind.

Present law provides for exceptions to the prohibition against noncompete agreements.

Proposed law provides that a physician and his employer may not enter into any contract or agreement that would prohibit the physician from practicing medicine.

Proposed law defines "employer" to mean any medical practice, hospital, clinic, physician, or nonphysician that employs or contracts with a physician. Proposed law further provides that "employer" shall not mean a partner or medical group practice in which the physician has ownership interests.

Proposed law defines "physician" as it is defined in present law (R.S. 37:1301(A)(4)).

(Adds R.S. 23:921(M))