

FIRST REGULAR SESSION

# HOUSE BILL NO. 913

103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE HARDWICK.

2046H.011

JOSEPH ENGLER, Chief Clerk

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## AN ACT

To amend chapter 191, RSMo, by adding thereto one new section relating to covenants not to compete involving physicians.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 191, RSMo, is amended by adding thereto one new section, to be  
2 known as section 191.260, to read as follows:

**191.260. 1. The provisions of this section shall be known and may be cited as the  
2 "Missouri Rural Doctors Act".**

3 **2. As used in this section, the following terms mean:**

4 **(1) "Covenant not to compete", an agreement or part of a contract of  
5 employment in which the employee agrees to:**

6 **(a) Refrain from competition with an employer for a specific period of time upon  
7 termination or conclusion of the employment;**

8 **(b) Refrain from competition with an employer within a particular geographic  
9 area upon termination or conclusion of the employment; or**

10 **(c) Refrain from competition with an employer for a specific period of time and  
11 within a particular geographic area upon termination or conclusion of the employment;**

12 **(2) "Nonprofit employer", an entity that employs one or more physicians and  
13 that is owned or operated by a nonprofit corporation that is exempt from federal income  
14 tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;**

15 **(3) "Physician", a physician licensed under chapter 334;**

16 **(4) "Research university hospital", a hospital, as defined in section 197.020,  
17 owned or operated by a research university.**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18           **3. A covenant not to compete between a physician and a nonprofit employer**  
19 **shall be valid and enforceable only if:**

20           **(1) The physician is providing health care services in a clinical setting;**

21           **(2) The covenant not to compete does not restrict the physician's competitive**  
22 **activities for a period of more than three hundred sixty-five days; and**

23           **(3) The covenant not to compete does not restrict the physician's competitive**  
24 **activities in a geographic area of more than fifty miles from the address of the office or**  
25 **facility in which the physician provides health care services in a clinical setting.**

26           **4. The provisions of this section shall not apply to any covenant not to compete**  
27 **between a physician and a research university hospital.**

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