

2021 Regular Session

HOUSE BILL NO. 483

BY REPRESENTATIVE WRIGHT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PHYSICIANS: Provides relative to non-competition agreements for physicians

1 AN ACT

2 To enact R.S. 37:1303, relative to restricting the practice of medicine by physicians; to
3 define terms; to prohibit contractual provisions that restrict the practice of medicine
4 by certain physicians; to provide for primary care physicians; to provide for state-
5 employed physicians; to provide for physician specialists; to require a buyout
6 provision; to provide for a physician terminated without cause; to limit the duration
7 of certain contractual provisions; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 37:1303 is hereby enacted to read as follows:

10 §1303. Restraint of the practice of medicine prohibited

11 A.(1) No contract, agreement or provision thereof shall be enforceable to
12 restrict any primary care physician or physician employed by the state from the
13 practice of medicine.

14 (2) For purposes of this Subsection, "primary care physician" means those
15 practicing family medicine, general internal medicine, general psychiatry, general
16 pediatrics, obstetrics and gynecology.

17 B.(1) No contract, agreement or provision thereof shall be enforceable to
18 restrict any physician specialist from the practice of medicine, who has been
19 employed by, or under contract with, the employing or contracting entity for three
20 years.

1 (2) Any contract, agreement or provision thereof with a physician specialist
2 shall contain a buyout provision equal to no more than one year's salary which
3 diminishes pro rata annually over three years. After the three year period, the buyout
4 shall be reduced to zero.

5 C. No provision to restrict the practice of medicine shall be enforceable upon
6 a physician who is terminated without cause by the employer.

7 D.(1) No contract, agreement, or provision thereof shall restrict a physician
8 from practicing within the "restricted geographic region" for greater than two years.

9 (2) For purposes of this Subsection, "restricted geographic region" means the
10 parish of the physician's primary office location and up to two contiguous parishes.

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)]

HB 483 Original

2021 Regular Session

Wright

Abstract: Prohibits contractual provisions restricting physicians from the practice of medicine.

Present law prohibits contracts or agreements which restrain anyone from exercising a lawful profession, trade, or business of any kind, unless specifically exempt by present law.

Proposed law retains present law and prohibits noncompete contract clauses that restrict "primary care" and "state employed" physicians upon termination of employment.

Proposed law prohibits noncompete clauses from being enforced upon termination of employment after a physician provides 3 years of service to the employer.

Proposed law requires a reasonable buyout clause be utilized in employment contracts with physician specialists.

Proposed law provides no provision to restrict the practice of medicine is enforceable against a physician who was terminated without cause.

Proposed law provides that no contractual provision may prohibit a physician from practicing within a restricted geographical area for more than two years.

Proposed law defines "primary care physician" and "restricted geographic region".

(Adds R.S. 37:1303)