

RÉSUMÉ DIGEST

ACT 273 (SB 165)

2024 Regular Session

McMath

Existing law provides that every contract or agreement by which anyone is restrained from exercising a lawful profession, trade, or business of any kind shall be null and void.

Existing law provides for exceptions from existing law provided that any noncompete provision does not exceed a period of two years from termination of employment.

New law requires any noncompete provisions for primary care physicians specified in new law to terminate after three years from the effective date of the initial contract or agreement. New law further prohibits any subsequent contract or agreement executed between the employer and the primary care physician after the initial three-year term from including noncompete provisions.

New law requires any provision in a contract or agreement that restrains any physician that is not a primary care physician from practicing medicine to terminate after five years from the effective date of the initial contract or agreement. New law further prohibits any subsequent contract or agreement executed between the employer and the physician after the initial five-year term from including noncompete provisions.

New law provides that if the contract or agreement is terminated by the physician prior to the end of their specified term, the physician may be prohibited from carrying on or engaging in a business similar to that of the employer in the parish in which the physician's principal practice is located and no more than two contiguous parishes in which the employer carries on a like business. New law requires the parishes to be specified in the contract or agreement.

New law provides that the prohibition shall not exceed a period of more than two years from termination of employment.

New law provides that provisions of new law shall not apply to any physician employed by a rural hospital or certain federally qualified health centers.

Effective January 1, 2025.

(Adds R.S. 23:921(M), (N), and (O))