

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; to provide for rural hospitals; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

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

11 §1303. Restraint of the practice of medicine prohibited

12 A.(1) Notwithstanding any provision of law to the contrary, no contract,
13 agreement, or provision thereof shall be enforceable to restrict any primary care
14 physician regardless of employer or any physician employed by the state from the
15 practice of medicine.

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

19 B.(1) Notwithstanding any provision of law to the contrary, no contract,
20 agreement, or provision thereof shall be enforceable to restrict any physician

1 specialist not employed by the state from the practice of medicine who has been
2 employed by, or is under contract with, the employing or contracting entity for three
3 years or greater.

4 (2) For purposes of this Subsection, a "physician specialist" means the
5 practice of medicine not included in the definition of primary care physician.

6 (3) Any contract, agreement, or provision thereof with a physician specialist
7 not employed by the state shall contain a buyout provision of no more than one year's
8 salary which diminishes pro rata annually over three years. After the three-year
9 period, the buyout shall be reduced to zero.

10 C. Notwithstanding any provision of law to the contrary, no provision to
11 restrict the practice of a physician specialist not employed by the state shall be
12 enforceable upon a physician who is terminated without cause by the employer.

13 D.(1) No contract, agreement, or provision thereof shall restrict a physician
14 specialist not employed by the state from practicing within a "restricted geographic
15 region" for greater than two years.

16 (2) For purposes of this Section, "restricted geographic region" means the
17 parish of a physician specialist's primary office location and up to two contiguous
18 parishes.

19 E. This Section shall not apply to any hospital that is defined as a rural
20 hospital as provided for in the Rural Hospital Preservation Act, R.S. 40:1189.1 et
21 seq., if the "restricted geographic region" of the physician's practice, through primary
22 employment or under contract, is limited to a rural hospital and its contiguous
23 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 Engrossed

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 physicians, regardless of employer, or any physician employed by the state from the practice of medicine.

Proposed law prohibits noncompete clauses from being enforced upon a physician specialist not employed by the state if he has served under the employer or contractor for three years or greater.

Proposed law requires a reasonable buyout clause be utilized in employment contracts with physician specialists not employed by the state, and provides criteria for the buyout clause.

Proposed law provides no provision to restrict the practice of medicine is enforceable against a physician specialist not employed with the state who was terminated without cause.

Proposed law provides that no contractual provision may prohibit a physician specialist not employed by the state from practicing within a restricted geographical area for more than two years.

Proposed law does not apply to rural hospitals, as that term is defined in present law, if certain geographical conditions are met.

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

(Adds R.S. 37:1303)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Extend the scope of proposed law as it relates to primary care physicians to include primary care physicians, regardless of employer, and any physician employed by the state.
2. Limit the scope of proposed law in relation to physician specialists to apply only to physician specialists who are not employed by the state.
3. Change the definition of "restricted geographic region" to apply to physician specialists.
4. Add an exception for rural hospitals.
5. Make technical changes.