

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 561** HLS 21RS 940

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 18, 2021	2:29 PM	Author: BAGLEY
Dept./Agy.: LSU		Analyst: Shawn Hotstream
Subject: physician employment contracts		

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Prohibits certain post employment restraints on the practice of medicine on physicians employed by the state

Proposed law provides that no contract or agreement which restricts any physician employed by any entity of state government from the practice of medicine upon termination of employment shall be enforceable. Proposed law provides that no provision to restrict the practice of medicine shall be enforceable upon a physician who is terminated without cause by the employer.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Any fiscal impact to LSU Health Sciences Center - Shreveport is indeterminable. To the extent eliminating non compete contract restrictions would result in an increased pattern of newly recruited physician terminations at LSU HSC, there could be additional expenses (self generated non appropriated restricted funds) associated with physician recruitment. However, such fiscal impact is speculative.

Information provided by LSU indicates there may be additional recruitment costs under this measure, as new clinical faculty are paid a base salary and a supplemental salary (approximately \$100,000 to \$300,000 annually) for two years until the physicians build up their practice. To the extent a physician would leave within the two year term after being recruited, the supplemental payment cycle would start again for another two years, resulting in an extension of the supplemental payment. Any additional recruitment cost is speculative as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

Alan M. Boxberger
Staff Director