

1 Subsection is terminated prior to the initial three year term, the primary care
 2 physician may be prohibited from carrying on or engaging in a business similar
 3 to that of the employer in no more than three contiguous parishes specified in
 4 the contract or agreement, one of which shall be the parish in which the
 5 primary care physician's principal practice is located and no more than two
 6 contiguous parishes in which the employer carries on a like business. The
 7 parishes shall be specified in the contract or agreement. The prohibition
 8 established in this Paragraph shall not exceed a period of more than two years
 9 from termination of employment.

10 (3) For purposes of this Subsection, "primary care physician" means a
 11 physician who predominately practices general family medicine, general
 12 internal medicine, general pediatrics, general obstetrics, or general gynecology.
 13 For any other physician, the provisions of Subsections C, J, K, or L of this
 14 Section shall apply.

15 (4) The provisions of this Subsection shall not apply to any physician
 16 employed by or under contract with a rural hospital as provided for in the
 17 Rural Hospital Preservation Act, R.S. 40:1189.1 et seq.

18 Section 2. The provisions of this Act shall apply to any contract executed on or after
 19 January 1, 2025.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Amanda Trapp.

DIGEST

SB 165 Reengrossed

2024 Regular Session

McMath

Present 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.

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

Proposed law retains present law for all physicians except primary care physicians as specified in proposed law.

Proposed law requires that any noncompete provisions for primary care physicians specified in proposed law shall terminate after three years. Proposed law further requires that if the contract is terminated by the primary care physician prior to three years, the noncompete provision can only apply to the parish where the physician's principal practice is located and

no more than two contiguous parishes in which the employer carries on a like business.

Proposed law applies to contracts executed on or after January 1, 2025.

Effective August 1, 2024.

(Adds R.S. 23:921(M))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Health and Welfare to the original bill

1. Removes technical changes.
2. Adds provisions relative to contracts and agreements that restrain certain physicians from practicing medicine.
3. Adds a provision regarding effectiveness.

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Clarify physician types and geographic limitations included in proposed law.
2. Make technical changes.