

2016 -- S 2578 SUBSTITUTE A

LC004698/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS - BOARD OF MEDICAL LICENSURE
AND DISCIPLINE

Introduced By: Senators Goldin, Satchell, and Miller

Date Introduced: February 25, 2016

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 5-37 of the General Laws entitled "Board of Medical Licensure and
2 Discipline" is hereby amended by adding thereto the following section:

3 **5-37-33. Restrictive covenants.** – (a) Any contract or agreement which creates or
4 establishes the terms of a partnership, employment, or any other form of professional relationship
5 with a physician licensed to practice medicine pursuant to this chapter which includes any
6 restriction of the right of such physician to practice medicine shall be void and unenforceable
7 with respect to said restriction; provided, however, that nothing herein shall render void or
8 unenforceable the remaining provisions of any such contract or agreement.

9 (b) Restrictions rendered void under subsection (a) of this section shall include, but shall
10 not be limited to, the following:

11 (1) The right to practice medicine in any geographic area for any period of time after the
12 termination of such partnership, employment, or professional relationship; and

13 (2) The right of such physician to provide treatment, advise, consult with, or establish a
14 physician/patient relationship, with any current patient of the employer; and

15 (3) The right of such physician to solicit or seek to establish a physician/patient
16 relationship with any current patient of the employer.

17 (c) Notwithstanding the foregoing, the prohibition on physician covenants shall not apply
18 in connection with the purchase and sale of a physician practice, provided the restrictive covenant

1 [and/or non-compete covenant is for a period of a time of no more than five \(5\) years.](#)

2 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would render restrictive covenants in employment agreements with physicians
2 void and unenforceable except where restrictive covenants and non-compete clauses are in the
3 purchase and sales agreement of a physician's practice and they are for a period of no more than
4 five (5) years.

5 This act would take effect upon passage.

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LC004698/SUB A
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