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Sponsor Testimony
Senate Bill 126
Ohio Senate Health Committee
October 11, 2023

Chairman Huffman, Ranking Member Antonio, and members of the Senate Health Committee: Thank you for the opportunity to provide sponsor testimony on Senate Bill 126.

This bill limits the use of non-compete agreements—also known as restrictive covenants—for physicians, physician assistants (PAs), and advanced practice registered nurses (APRNs) employed at nonprofit hospitals in our state.

This legislation is a variation of Senate Bill 150 from the previous General Assembly, which prohibited noncompetes only for physicians, but in all practice venues. This updated version will simply prohibit nonprofit hospitals from requiring non-compete agreements exceeding a 15 mile radius or 6 months of time for healthcare professional employees, which includes physicians, physician assistants, and advanced practice registered nurses.

Currently, non-compete agreements are common in contracts for health care professionals and are typically used to prevent those professionals from leaving their current employer and seeking competing employment nearby. Non-compete agreements are inherently anti-free enterprise, and impede an individual's ability to earn a living as he or she so chooses.

Non-competes present substantial disadvantages to employees. In order to comply with the regulations of a typical restrictive covenant, the physician, PA, or APRN may be forced to relocate outside of the restricted area. This often leads to healthcare professionals uprooting their families, and

practicing medicine in an entirely different area. The restrictions of non-compete agreements can also present hardships for these individuals when they are not given the option to conduct the practice in their field of expertise. The healthcare market is continuously hindered by the unnecessary limiting of healthcare professionals from moving to a new practice wherever and whenever they choose.

States such as Massachusetts, Delaware, Colorado, Rhode Island, New Hampshire, and West Virginia have passed similar legislation prohibiting the use or limiting the enforceability of physician non-compete agreements like these.

In addition, the American Medical Association voted in June to oppose all non-compete contracts for physicians, citing the need for improved patient access to care and removing barriers physicians face in providing patient care.

Let us be clear: this is a critical workforce issue. Undoubtedly, it will also make Ohio a friendlier place for all healthcare professionals to provide care for patients, which will aid in both the recruitment and retention of these highly educated and trained individuals. That can only be seen as a very good thing for the great state of Ohio and its citizens.

Thank you again for your time and attention. I will be happy to answer any questions you may have.