Dr. Terry Johnson
State Senator
14th District

Sponsor Testimony
Senate Bill 301
Senate General Government Committee
November 4th, 2025

Chairwoman Roegner, Vice Chair Gavarone, Ranking Member Blackshear, and members of the Senate General Government Committee: Thank you for the opportunity to provide sponsor testimony on Senate Bill 301.

This is a reintroduction of SB 126 from the 135th General Assembly. That previous legislation became moot after the 2024 Federal Trade Commission ban on non-compete agreements nationwide. However, earlier this year, the FTC's ban was overturned by the courts. It is apparent to me that the only way to resolve this situation will not be from the federal government, but at the state level.

SB 301 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 across our state. The legislation would codify that any such restrictions shall not exceed a 15 mile radius from the single address of the hospital and is limited to a 6 month minimum employment time period.

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. In fact, it's not uncommon to see some restrictive employment clauses stipulate a radius of up to 50 miles from any affiliated hospital and a minimum employment period reaching as high as 4 years or more.

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, especially constraining rural areas the hardest.

While this legislation would not institute a total ban, SB 301 strikes a fine middle ground between the hospitals and our healthcare professionals. Already, 34 other states have implemented non-compete agreement limitations to some capacity.[1] More specifically, states such as Pennsylvania, Indiana, Massachusetts, Connecticut, Delaware, Alabama, Arkansas, and Colorado have passed similar legislation to this, seeing a great degree of success.

[1] State Non-compete Law Tracker, 2025

In addition, the American Medical Association has made their stance clear, voting back in 2023 to oppose all non-compete contracts clauses for physicians, citing the need for improved patient access to care and removing barriers physicians face in providing patient care.[2]

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.

[2] AMA urge end of non-compete covenants in many physician contracts, 2023