
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 346 Session of
2017

INTRODUCED BY DeLUCA, ROZZI, D. COSTA, CALTAGIRONE, BARRAR,
MILLARD, FRANKEL, McNEILL, THOMAS AND FREEMAN,
FEBRUARY 6, 2017

REFERRED TO COMMITTEE ON HEALTH, FEBRUARY 6, 2017

AN ACT

1 Limiting restrictive covenants in health care practitioner
2 employment agreements.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Definitions.

6 The following words and phrases when used in this act shall
7 have the meanings given to them in this section unless the
8 context clearly indicates otherwise:

9 "Health care practitioner." As defined in section 103 of the
10 act of July 19, 1979 (P.L.130, No.48), known as the Health Care
11 Facilities Act.

12 "Prior patient." A patient to which a health care
13 practitioner rendered professional services in the health care
14 practitioner's scope of practice for which compensation has been
15 received by the health care practitioner, regardless of the
16 source of the compensation, within three years of the separating
17 event.

1 Section 2. Prohibition.

2 Except as provided under section 3, a contract or agreement
3 that creates or establishes the terms of an employment
4 relationship with a health care practitioner that includes a
5 restriction of the right of the health care practitioner to
6 practice in a geographic area for a period of time after the
7 termination of the employment relationship or prohibits a health
8 care practitioner from treating a prior patient shall be void
9 and unenforceable regarding the restriction.

10 Section 3. Exception.

11 Section 2 must not be construed to render void or
12 unenforceable the remaining provisions of a contract or
13 agreement, including a buyout clause that requires a health care
14 practitioner to reimburse the employer for reasonable expenses
15 incurred in recruiting the health care practitioner and
16 establishing the health care practitioner's patient base.

17 Section 4. Buyout clause.

18 A buyout clause otherwise permitted by this section may
19 include an amount for liquidated damages provided the amount is
20 reasonable. A buyout clause shall be void if:

21 (1) the clause contains a term fixing unreasonably large
22 liquidated damages; or

23 (2) the employer terminated the employment relationship
24 actually or constructively.

25 Section 5. Applicability.

26 This act shall apply only to contracts entered into on or
27 after the effective date of this act.

28 Section 6. Effective date.

29 This act shall take effect in 60 days.