
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 171 Session of
2021

INTRODUCED BY DeLUCA, FREEMAN, CIRESI AND McCLINTON,
JANUARY 14, 2021

REFERRED TO COMMITTEE ON HEALTH, JANUARY 14, 2021

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. Short title.

6 This act shall be known and may be cited as the Health Care
7 Practitioner Employment Agreement Act.

8 Section 2. Definitions.

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

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

15 "Prior patient." A patient to which a health care
16 practitioner rendered professional services in the health care
17 practitioner's scope of practice for which compensation has been
18 received by the health care practitioner, regardless of the

1 source of the compensation, within the last three years.

2 Section 3. Prohibition.

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

11 Section 4. Exception.

12 Section 3 shall not be construed to render void or
13 unenforceable the remaining provisions of a contract or
14 agreement, including a buyout clause that requires a health care
15 practitioner to reimburse the employer for reasonable expenses
16 incurred in recruiting the health care practitioner and
17 establishing the health care practitioner's patient base.

18 Section 5. Buyout clause.

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

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

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

26 Section 6. Applicability.

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

29 Section 7. Effective date.

30 This act shall take effect in 60 days.