PREAMBLE

Subject: Restrictive Covenants in Physician Contracts

Introduced By: Douglas F. Clough, MD

Author: Douglas F. Clough, MD

County/Specialty Affiliation of Author: Allegheny County Medical County

Endorsed by: Douglas F. Clough, MD

WHEREAS

WHEREAS, many physicians are now employed by corporate entities, including health systems, hospitals, and groups that require employment contracts; and

WHEREAS, such employment contracts often include a "non-compete" or "restrictive covenant" clause that prohibits a physician from continuing to practice in a geographic area for a period of time following termination of the employment relationship; and

WHEREAS, in many cases these clauses impose conditions so limiting that a physician seeking to change their practice setting is faced with the dilemma of not being able to practice for a significant period of time or to relocate at such a distance that they are in essence starting a new practice; and

WHEREAS, such a situation creates a disruption in the provision of patient care and interferes with the relationship between patients and their physicians; and

WHEREAS, such contractual clauses have a negative effect on the ability to retain and attract physicians; therefore be it

Resolved

RESOLVED that the Pennsylvania Medical Society reaffirm that medical care is a special and unique personal service differentiated from a common consumer good or service, and that restrictive clauses interfere with the ability of patients to have access to their physician; and be it further

RESOLVED that the Pennsylvania Medical Society reaffirm that restrictive covenants in physician contracts limit patients’ access to patient care from the physician of their choice; and be it further

RESOLVED that the Pennsylvania Medical Society declare its support for the establishment of a coalition that addresses restrictive covenants at the national level to evaluate and implement multi-pronged efforts that pursue legislative, judicial, and regulatory approaches limiting restrictive covenants in physician contracts

CONCLUSION

Fiscal Note: Minimal
Relevance to Strategic Plan

I am agreeing that I compared the proposed resolution to existing policy in PAMED's Policy Compendium and verified that PAMED does not already have policy on this issue.

Verified Policy

References:
N/A

Name
Douglas Clough, MD