



General Assembly

Amendment

February Session, 2016

LCO No. 6067



Offered by:

REP. RITTER M., 1st Dist.

SEN. GERRATANA, 6th Dist.

To: Subst. Senate Bill No. 351

File No. 557

Cal. No. 508

(As Amended by Senate Amendment Schedules "A" and "B")

**"AN ACT CONCERNING MATTERS AFFECTING PHYSICIANS
AND HOSPITALS."**

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- 1 Strike section 1 in its entirety and insert the following in lieu thereof:
- 2 "Section 1. (NEW) (*Effective July 1, 2016*) (a) For purposes of this
- 3 section: (1) "Covenant not to compete" means any provision of an
- 4 employment or other contract or agreement that creates or establishes
- 5 a professional relationship with a physician and restricts the right of a
- 6 physician to practice medicine in any geographic area of the state for
- 7 any period of time after the termination or cessation of such
- 8 partnership, employment or other professional relationship; (2)
- 9 "physician" means an individual licensed to practice medicine under
- 10 chapter 370 of the general statutes; and (3) "primary site where such
- 11 physician practices" means (A) the office, facility or location where a
- 12 majority of the revenue derived from such physician's services is
- 13 generated, or (B) any other office, facility or location where such

14 physician practices and mutually agreed to by the parties and
15 identified in the covenant not to compete.

16 (b) (1) A covenant not to compete is valid and enforceable only if it
17 is: (A) Necessary to protect a legitimate business interest; (B)
18 reasonably limited in time, geographic scope and practice restrictions
19 as necessary to protect such business interest; and (C) otherwise
20 consistent with the law and public policy. The party seeking to enforce
21 a covenant not to compete shall have the burden of proof in any
22 proceeding.

23 (2) A covenant not to compete that is entered into, amended,
24 extended or renewed on or after July 1, 2016, shall not: (A) Restrict the
25 physician's competitive activities (i) for a period of more than one year,
26 and (ii) in a geographic region of more than fifteen miles from the
27 primary site where such physician practices; or (B) be enforceable
28 against a physician if (i) such employment contract or agreement was
29 not made in anticipation of, or as part of, a partnership or ownership
30 agreement and such contract or agreement expires and is not renewed,
31 unless, prior to such expiration, the employer makes a bona fide offer
32 to renew the contract on the same or similar terms and conditions, or
33 (ii) the employment or contractual relationship is terminated by the
34 employer, unless such employment or contractual relationship is
35 terminated for cause.

36 (3) Each covenant not to compete entered into, amended or renewed
37 on and after July 1, 2016, shall be separately and individually signed
38 by the physician.

39 (c) The remaining provisions of any contract or agreement that
40 includes a covenant not to compete that is rendered void and
41 unenforceable, in whole or in part, under the provisions of this section
42 shall remain in full force and effect, including provisions that require
43 the payment of damages resulting from any injury suffered by reason
44 of termination of such contract or agreement."