



General Assembly

Amendment

February Session, 2016

LCO No. 5978



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 the office, facility or other location where a
- 12 physician practices or, if the physician practices in multiple locations,
- 13 the office, facility or other location where a majority of the revenue

14 derived from such physician's services is likely to be generated as
15 determined by the parties to the covenant not to compete and stated in
16 the covenant not to compete.

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

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

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

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