



## Bill Summary

### Labor and Employment – Non-compete and Conflict of Interest Clauses for Veterinary and Health Care Professionals and Study of the Health Care Market

#### House Bill 1388

#### BILL SUMMARY

HB 1388 limits non-compete agreements for providers who are licensed under the Health Occupations article who are employed in a position that provides patient care and earning more than \$350,000 in total compensation. The agreements are limited to one year from the last day of employment and may not exceed 10 miles from the primary place of employment. The bill requires employers to provide patients, upon request, with notice of the new location where a former employee will be practicing. These requirements apply to agreements executed on or after July 1, 2025. The bill also requires the Maryland Health Care Commission to contract with a private consultant to conduct a study and submit a report to the Maryland General Assembly by Jan. 1, 2025.

#### WHAT'S NEXT

- The bill goes into effect June 1, 2024
- The limit on non-compete agreements for health care providers applies to agreements executed on or after July 1, 2025
- The Maryland Health Care Commission will hire a private consultant to report findings and recommendations to the Senate Finance and House Health and Government Operations Committee by Jan. 1, 2025

#### WHAT YOU CAN DO

Inform your general counsel, physician recruitment office, and chief medical officer. Review the conditions of your contracts including language allowing for non-competes. Participate in MHA convenings on this topic. For more information, contact [Jake Whitaker](#), Director, Government Affairs.

#### KEY TAKEAWAYS

- Allows non-compete agreements for providers licensed under the health occupations article who are employed in a position providing patient care and earning more than \$350,000 in total compensation. These agreements are limited in duration to one year from the last day of employment and may not exceed 10 miles from the primary place of employment.
- The bill only applies to agreements executed on or after July 1, 2025
- Upon request, employers must provide patients with a notice of the new location where a former employee will be practicing
- The Maryland Health Care Commission must contract with a private consultant to study, in consultation with stakeholders, the following:
  - Effect of private equity firms on the health care market in the state:
    - Impact on the state's ability to meet the goals and objectives of the Total Cost of Care Model and impact on efforts to address health disparities and social determinants of health
  - Payer mix for physician practices and groups with private equity ownership
  - Impact of hospital consolidations on physician practices
  - Acquisition of physician practices
  - Impact on the ability of nonprofit hospitals and health systems to maintain access to care, including the ability to hire and retain physicians