



Maryland
Hospital Association

**House Bill 1388 - Labor and Employment – Noncompete and Conflict of Interest Clauses –
Veterinary and Health Care Professionals**

Position: *Oppose*

March 5, 2024

House Health & Government Operations Committee

MHA Position

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment on House Bill 1388. MHA is concerned about the detrimental impact banning noncompete agreements will have on the hospital workforce, hospitals, and Marylanders.

Noncompete agreements (NCA) are conditions to an employment contract that prohibit an employee from working for a similar company usually within a certain geographic region and for a set time. On average, NCAs last anywhere from two to three years and are as short as six months for health care professionals including physicians. These agreements create necessary assurances for hospitals and their clinicians. They help protect intellectual property, trade secrets, and competitive advantages.

For hospitals, NCAs ensure patients will receive care from the same providers in the same health care setting for a set period. Provider-to-patient relationships are necessary to build healthy communities and improve health outcomes for patients. Often, marginalized communities are less likely to receive health care because of provider distrust, and NCAs can help create consistency and strengthen provider relationships.

Maryland hospitals continue to struggle with adequate staffing. Hospitals have innovative initiatives to yield better health outcomes. At times, these programs require months of training and, in some instances, years to see results. NCAs reduce the risk of employees leaving work for competitors and allow hospitals to develop and grow existing talent.

MHA supports advancing career opportunities for health care workers. However, we believe contractual guardrails should be in place so that hospitals have sufficient experienced staff who can administer care to Marylanders. Furthermore, a revolving door of clinicians does not best serve hospital operations nor patient care.

For these reasons, we request an *unfavorable* report on HB 1388.

For more information, please contact:
Pegeen Townsend, Consultant