



General Assembly

Amendment

January Session, 2023

LCO No. 9444



Offered by:
REP. MCCARTHY VAHEY, 133rd Dist.

To: Subst. Senate Bill No. 9

File No. 507

Cal. No. 598

(As Amended)

"AN ACT CONCERNING HEALTH AND WELLNESS FOR CONNECTICUT RESIDENTS."

1 Strike sections 13 to 15, inclusive, in their entirety and insert the
2 following in lieu thereof:

3 "Sec. 13. Section 20-14p of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2023*):

5 (a) For purposes of this section: (1) "Covenant not to compete" means
6 any provision of an employment or other contract or agreement that
7 creates or establishes a professional relationship with a physician and
8 restricts the right of a physician to practice medicine in any geographic
9 area of the state for any period of time after the termination or cessation
10 of such partnership, employment or other professional relationship; (2)
11 "physician" means an individual licensed to practice medicine under
12 this chapter; and (3) "primary site where such physician practices"
13 means [(A) the office, facility or location where a majority of the revenue

14 derived from such physician's services is generated, or (B) any other]
15 any single office, facility or location where such physician practices,
16 [and] as mutually agreed to by the parties and [identified] defined in the
17 covenant not to compete.

18 (b) (1) A covenant not to compete is valid and enforceable only if it is:
19 (A) Necessary to protect a legitimate business interest; (B) reasonably
20 limited in time, geographic scope and practice restrictions as necessary
21 to protect such business interest; and (C) otherwise consistent with the
22 law and public policy. The party seeking to enforce a covenant not to
23 compete shall have the burden of proof in any 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 fifteen 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 to
33 renew the contract on the same or similar terms and conditions, or (ii)
34 the employment or contractual relationship is terminated by the
35 employer, unless such employment or contractual relationship is
36 terminated for cause.

37 (3) A covenant not to compete that is entered into, amended,
38 extended or renewed on or after October 1, 2023, shall not be enforceable
39 if (A) the physician who is a party to the employment or other contract
40 or agreement does not agree to a proposed material change to the
41 compensation terms of such contract or agreement prior to or at the time
42 of the extension or renewal of such contract or agreement, and (B) the
43 contract or agreement expires and is not renewed by the employer or
44 the employment or contractual relationship is terminated by the
45 employer, unless such employment or contractual relationship is
46 terminated by the employer for cause. The provisions of this subdivision

47 shall not apply to a covenant not to compete that is entered into between
48 a physician and a group practice, as defined in section 19a-486j, of not
49 more than thirty-five physicians the majority ownership of which is
50 comprised of physicians.

51 [(3)] (4) Each covenant not to compete entered into, amended or
52 renewed on and after July 1, 2016, shall be separately and individually
53 signed by the physician.

54 (c) The remaining provisions of any contract or agreement that
55 includes a covenant not to compete that is rendered void and
56 unenforceable, in whole or in part, under the provisions of this section
57 shall remain in full force and effect, including provisions that require
58 the payment of damages resulting from any injury suffered by reason of
59 termination of such contract or agreement.

60 Sec. 14. (NEW) (*Effective July 1, 2023*) (a) For purposes of this section:
61 (1) "Covenant not to compete" means any provision of an employment
62 or other contract or agreement that creates or establishes a professional
63 relationship with an advanced practice registered nurse and restricts the
64 right of an advanced practice registered nurse to practice as an
65 advanced practice registered nurse in any geographic area of the state
66 for any period of time after the termination or cessation of such
67 partnership, employment or other professional relationship; (2)
68 "advanced practice registered nurse" means an individual licensed as an
69 advanced practice registered nurse pursuant to chapter 378 of the
70 general statutes; and (3) "primary site where such advanced practice
71 registered nurse practices" means any single office, facility or location
72 where such advanced practice registered nurse practices, as mutually
73 agreed to by the parties and defined in the covenant not to compete.

74 (b) (1) A covenant not to compete that is entered into, amended,
75 extended or renewed on or after October 1, 2023, shall be valid and
76 enforceable only if it is: (A) Necessary to protect a legitimate business
77 interest; (B) reasonably limited in time, geographic scope and practice
78 restrictions as necessary to protect such business interest; and (C)

79 otherwise consistent with the law and public policy. The party seeking
80 to enforce a covenant not to compete shall have the burden of proof in
81 any proceeding.

82 (2) A covenant not to compete that is entered into, amended,
83 extended or renewed on or after October 1, 2023, shall not: (A) Restrict
84 the advanced practice registered nurse's competitive activities (i) for a
85 period of more than one year, and (ii) in a geographic region of more
86 than fifteen miles from the primary site where such advanced practice
87 registered nurse practices; or (B) be enforceable against an advanced
88 practice registered nurse if (i) such employment contract or agreement
89 was not made in anticipation of, or as part of, a partnership or
90 ownership agreement and such contract or agreement expires and is not
91 renewed, unless, prior to such expiration, the employer makes a bona
92 fide offer to renew the contract on the same or similar terms and
93 conditions, or (ii) the employment or contractual relationship is
94 terminated by the employer, unless such employment or contractual
95 relationship is terminated for cause.

96 (3) A covenant not to compete that is entered into, amended,
97 extended or renewed on or after October 1, 2023, shall not be enforceable
98 if (A) the advanced practice registered nurse who is a party to the
99 employment or other contract or agreement does not agree to a
100 proposed material change to the compensation terms of such contract or
101 agreement prior to or at the time of the extension or renewal of such
102 contract or agreement; and (B) the contract or agreement expires and is
103 not renewed by the employer or the employment or contractual
104 relationship is terminated by the employer, unless such employment or
105 contractual relationship is terminated for cause.

106 (4) Each covenant not to compete entered into, amended or renewed
107 on or after October 1, 2023, shall be separately and individually signed
108 by the advanced practice registered nurse.

109 (c) The remaining provisions of any contract or agreement that
110 includes a covenant not to compete that is rendered void and

111 unenforceable, in whole or in part, under the provisions of this section
112 shall remain in full force and effect, including provisions that require
113 the payment of damages resulting from any injury suffered by reason of
114 termination of such contract or agreement.

115 Sec. 15. (NEW) (*Effective July 1, 2023*) (a) For purposes of this section:
116 (1) "Covenant not to compete" means any provision of an employment
117 or other contract or agreement that creates or establishes a professional
118 relationship with a physician assistant and restricts the right of a
119 physician assistant to practice as a physician assistant in any geographic
120 area of the state for any period of time after the termination or cessation
121 of such partnership, employment or other professional relationship; (2)
122 "physician assistant" means an individual licensed as a physician
123 assistant pursuant to chapter 370 of the general statutes; and (3)
124 "primary site where such physician assistant practices" means any single
125 office, facility or location where such physician assistant practices, as
126 mutually agreed to by the parties and defined in the covenant not to
127 compete.

128 (b) (1) A covenant not to compete that is entered into, amended,
129 extended or renewed on or after October 1, 2023, shall be valid and
130 enforceable only if it is: (A) Necessary to protect a legitimate business
131 interest; (B) reasonably limited in time, geographic scope and practice
132 restrictions as necessary to protect such business interest; and (C)
133 otherwise consistent with the law and public policy. The party seeking
134 to enforce a covenant not to compete shall have the burden of proof in
135 any proceeding.

136 (2) A covenant not to compete that is entered into, amended,
137 extended or renewed on or after October 1, 2023, shall not: (A) Restrict
138 the physician assistant's competitive activities (i) for a period of more
139 than one year, and (ii) in a geographic region of more than fifteen miles
140 from the primary site where such physician assistant practices; or (B) be
141 enforceable against a physician assistant if (i) such employment contract
142 or agreement was not made in anticipation of, or as part of, a
143 partnership or ownership agreement and such contract or agreement

144 expires and is not renewed, unless, prior to such expiration, the
145 employer makes a bona fide offer to renew the contract on the same or
146 similar terms and conditions, or (ii) the employment or contractual
147 relationship is terminated by the employer, unless such employment or
148 contractual relationship is terminated for cause.

149 (3) A covenant not to compete that is entered into, amended,
150 extended or renewed on or after October 1, 2023, shall not be enforceable
151 if (A) the physician assistant who is a party to the employment or other
152 contract or agreement does not agree to a proposed material change to
153 the compensation terms of such contract or agreement prior to or at the
154 time of the extension or renewal of such contract or agreement; and (B)
155 the contract or agreement expires and is not renewed by the employer
156 or the employment or contractual relationship is terminated by the
157 employer, unless such employment or contractual relationship is
158 terminated for cause.

159 (4) Each covenant not to compete entered into, amended or renewed
160 on or after October 1, 2023, shall be separately and individually signed
161 by the physician assistant.

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

168 Strike subsection (d) of section 22 in its entirety and insert the
169 following in lieu thereof:

170 "(d) The pilot program established pursuant to this section shall
171 comply with the relevant provisions of chapter 378 of the general
172 statutes and sections 20-90-45 to 20-90-59, inclusive, of the regulations
173 of Connecticut state agencies. Notwithstanding the provisions of section
174 10a-34 of the general statutes, if such pilot program complies with such
175 provisions for not less than two years, and provides evidence that the

176 program is meeting its educational outcomes, as defined in section 20-
177 90-47 of the regulations of Connecticut state agencies, such pilot
178 program shall be deemed fully approved by the Connecticut State Board
179 of Examiners for Nursing."