

# HOUSE BILL No. 1115

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 25-22.5-5.5.

**Synopsis:** Physician noncompete agreements. Requires an enforceable physician noncompete agreement to contain the following provisions: (1) A provision that requires the employer of the physician to provide the physician with a copy of any notice: (A) concerning the physician's departure; and (B) sent to any patient seen or treated by the departing physician during the two year period preceding the termination of the physician's employment or expiration of the departing physician's contract, as applicable. (2) A provision that requires the physician's employer to provide current contact and location information to a patient seen or treated by the physician during the two year period preceding the termination of the physician's employment or expiration of the physician's contract. (3) A provision that provides the physician whose employment has terminated or whose contract has expired with the option to purchase a complete and final release from the terms of an enforceable noncompete agreement at a reasonable price. (4) A provision that permits the physician to provide continuing care or treatment to a patient of the physician during the course of an acute illness. (5) A provision that prohibits medical records from being provided to the physician in a format that differs from the format used to create or store the medical record during the routine and ordinary course of business. Allows the person or entity responsible for copying or transferring a medical record to charge a reasonable fee for the service.

**Effective:** July 1, 2020.

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January 8, 2020, read first time and referred to Committee on Public Health.

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Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

# HOUSE BILL No. 1115

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 25-22.5-5.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]:

4 **Chapter 5.5. Physician Noncompete Agreements**

5 **Sec. 1. This chapter applies to physician noncompete**  
6 **agreements entered into on or after July 1, 2020.**

7 **Sec. 2. To be enforceable, a physician noncompete agreement**  
8 **must include all of the following provisions:**

9 (1) **A provision that requires the employer of the physician to**  
10 **provide the physician with a copy of any notice that:**

11 (A) **concerns the physician's departure from the employer;**  
12 **and**

13 (B) **was sent to any patient seen or treated by the physician**  
14 **during the two (2) year period preceding the termination**  
15 **of the physician's employment or the expiration of the**  
16 **physician's contract.**

17 (2) **A provision that requires the physician's employer to**



1 provide the physician's current contact and location  
2 information to a patient who:

3 (A) requests updated contact and location information for  
4 the physician; and

5 (B) was seen or treated by the physician during the two (2)  
6 year period preceding the termination of the physician's  
7 employment or the expiration of the physician's contract.

8 (3) A provision that provides the physician with:

9 (A) access to; or

10 (B) copies of;

11 any medical record associated with a patient described in  
12 subdivision (1) or (2) upon receipt of the patient's consent.

13 (4) A provision that provides the physician whose employment  
14 has terminated or whose contract has expired with the option  
15 to purchase a complete and final release from the terms of the  
16 enforceable physician noncompete agreement at a reasonable  
17 price that is:

18 (A) agreed upon by the parties; or

19 (B) determined by:

20 (i) an arbitrator that is agreed upon by the parties; or

21 (ii) a court appointed arbitrator whose determination is  
22 binding upon the parties if the parties cannot mutually  
23 agree upon an arbitrator.

24 (5) A provision that permits the departing physician to  
25 provide continuing care or treatment to a patient of the  
26 departing physician during the course of an acute illness that:

27 (A) began or existed prior to the termination of the  
28 departing physician's employment or expiration of the  
29 departing physician's contract, as applicable; and

30 (B) persists after the termination of the departing  
31 physician's employment or expiration of the departing  
32 physician's contract, as applicable.

33 (6) A provision that prohibits the providing of patient medical  
34 records to a requesting physician in a format that differs from  
35 the format used to create or store the medical record during  
36 the routine or ordinary course of business, unless a different  
37 format is mutually agreed upon by the parties.

38 **Sec. 3.** A person or entity required to create, copy, or transfer  
39 a patient medical record for a reason specified in this chapter may  
40 charge a reasonable fee for the service as permitted under  
41 applicable state or federal law.

42 **Sec. 4.** Nothing in this chapter shall be construed to prohibit,



- 1 **limit, impair, or abrogate:**
- 2 **(1) the ability of the parties to negotiate any other term not**
- 3 **specified under this chapter; or**
- 4 **(2) any other right, remedy, or relief permitted by law.**

