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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

S.B. 150
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Sens. Johnson and Williams

Prince Senayah, LSC Fellow

SUMMARY

- Prohibits an employer of physicians from requiring a current or prospective physician employee to enter into a post-employment noncompete agreement as a condition of employment.
- Allows a current or prospective physician employee to sue an employer that violates the prohibition for damages and attorney's fees and costs.

DETAILED ANALYSIS

Noncompete agreements

The bill prohibits any employer of physicians from requiring a current or prospective physician employee to enter into certain post-employment noncompete agreements as a condition of employment. Agreements prohibited by the bill are those in which a current or prospective employee agrees to refrain from obtaining employment in a specified geographic area, for a specific period of time, with a particular employer, or in a particular industry or practice specialty, at the conclusion of the employee's employment. Any agreement by an employee to waive the bill's prohibition is void and unenforceable.

The bill does not affect the ability of an employer of physicians to require a current or prospective physician employee to enter into a noncompete agreement covering the term of the employee's contract with the employer.¹

The bill does not apply to an employer's management employees. A "management employee" is an employee who formulates policy on the employer's behalf, who responsibly

¹ R.C. 4113.66(B), (C), and (D).

directs the implementation of policy, or who may reasonably be required to have a major role in personnel administration.²

Remedies

If a current or prospective employee believes that an employer has violated the bill, the employee or prospective employee may sue the employer. An employer that violates the bill is liable to a current or prospective employee for damages, attorney's fees, and costs.³

Definitions

For purposes of the bill:

- "Employer of physicians" means any person or government entity, other than a sole proprietor, that employs a physician to provide medical care or treatment to patients.
- "Physician" means an individual authorized to practice any of the following in Ohio:
 - Medicine and surgery;
 - Osteopathic medicine and surgery;
 - Podiatric medicine and surgery.⁴

HISTORY

Action	Date
Introduced	03-31-21

S0150-I-134/ar

² R.C. 4113.66(A).

³ R.C. 4113.66(E).

⁴ R.C. 4113.66(A).