
HOUSE BILL 1173

State of Washington

64th Legislature

2015 Regular Session

By Representatives Carlyle, Reykdal, and Stanford

Read first time 01/14/15. Referred to Committee on Health Care & Wellness.

1 AN ACT Relating to protecting the physician-patient relationship
2 by limiting the use of unreasonable noncompete agreements; adding a
3 new section to chapter 18.57 RCW; adding a new section to chapter
4 18.71 RCW; and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature intends to limit the
7 use of noncompete agreements in the medical field to protect the
8 physician-patient relationship and to ensure reasonable access to
9 care.

10 (a) The American medical association code of medical ethics
11 recognizes that noncompete agreements restrict competition, can
12 disrupt continuity of care, and may limit access to care. The
13 American medical association discourages agreements that unreasonably
14 restrict the right of a physician to practice medicine for a period
15 of time or in a geographic area and that do not make reasonable
16 accommodation for a patient's choice of physician.

17 (b) The relationship between a patient and his or her physician
18 is critical, and in most cases it must take precedence over a medical
19 institution's financial interests. A disruption in the physician-
20 patient relationship is especially harmful in medical specialties
21 that are relationship-based, such as primary care and psychiatry.

1 (c) Unreasonable noncompete agreements effectively remove
2 physicians from the workforce, curtailing patient access to care and
3 exacerbating physician shortages. Because of this effect on access to
4 care, noncompete agreements conflict with the responsibility of
5 medical institutions to train new physicians and to enable those
6 physicians to serve patients in the community.

7 (2) The legislature therefore intends to shift the balance of
8 power by prohibiting restrictions on when and where a physician may
9 practice medicine and by requiring a medical institution to show a
10 specific financial harm in order to disrupt the physician-patient
11 relationship.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 18.57
13 RCW to read as follows:

14 (1) A provision in an employment or other professional contract
15 that restricts the right of a person licensed under this chapter to
16 practice osteopathic medicine in a geographic area for a period of
17 time after the termination of the contract is void and unenforceable.

18 (2) Nothing in this section prohibits an employment or other
19 professional contract from providing for damages in an amount
20 reasonably related to the injury suffered due to termination of the
21 contract. The injured party has the burden of establishing the
22 reasonableness of the damages with clear and convincing
23 evidence. Unreasonably large damages are void as a penalty.

24 (3) For purposes of this section, "employment or other
25 professional contract" means a contract that establishes the terms of
26 a partnership, employment, or other form of professional relationship
27 with a person licensed under this chapter.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 18.71
29 RCW to read as follows:

30 (1) A provision in an employment or other professional contract
31 that restricts the right of a person licensed under this chapter to
32 practice medicine in a geographic area for a period of time after the
33 termination of the contract is void and unenforceable.

34 (2) Nothing in this section prohibits an employment or other
35 professional contract from providing for damages in an amount
36 reasonably related to the injury suffered due to termination of the
37 contract. The injured party has the burden of establishing the

1 reasonableness of the damages with clear and convincing
2 evidence. Unreasonably large damages are void as a penalty.

3 (3) For purposes of this section, "employment or other
4 professional contract" means a contract that establishes the terms of
5 a partnership, employment, or other form of professional relationship
6 with a person licensed under this chapter.

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