

Senate Bill 957

Sponsored by Senators BROADMAN, MCLANE, REYNOLDS; Senator PATTERSON, Representative BOWMAN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would ban noncompetes for certain medical providers. The Act would create exceptions to the ban. (Flesch Readability Score: 68.8).

VOIDS noncompetition agreements between a licensed health care provider and another person, with specified exceptions.

A BILL FOR AN ACT

Relating to restrictive covenants in health care provider agreements.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) As used in this section:

(a) **"Licensee" means an individual holding a valid license issued by the Oregon Medical Board.**

(b) **"Noncompetition agreement" means a written agreement between a licensee and another person under which the licensee agrees that the licensee, either alone or as an employee, associate or affiliate of a third person, will not compete with the other person in providing products, processes or services that are similar to the other person's products, processes or services for a period of time or within a specified geographic area after termination of employment or termination of a contract under which the licensee supplied goods to or performed services for the other person.**

(2)(a) **Notwithstanding ORS 653.295 (1) and (2), and except as provided in paragraph (b) of this subsection, a noncompetition agreement between a licensee and another person is void and unenforceable.**

(b) **A noncompetition agreement between a licensee and another person is valid and enforceable under the terms provided in ORS 653.295 and to the extent that the noncompetition agreement is between a licensee and a business entity:**

(A) **For which the licensee provides direct patient care services; and**

(B) **In which the licensee controls an ownership interest that is equivalent to at least five percent of the entire ownership interest that exists in the business entity.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.