OTLA
OREGON TRIAL LAWYERS ASSOCIATION
In the Service of Justice

319 SW Washington Ave.
Suite 607
Portland, OR 97204

tel. 503-223-5587
fax 503-223-4101
www.oregontriallawyers.org

March 26, 2025

To: Chair Nosse and Members of the House Committee on Behavioral Health and Health Care
From: Dana L. Sullivan
Re: Support for HB 3227

I am an Oregon attorney in private practice who specializes in employment law. I am also a member of the Oregon Trial Lawyers Association (OTLA), and a former president of both OTLA and the Multnomah Bar Association. For 30 years, I have represented individuals who have found themselves having to relocate after resigning or being terminated from a job because they had to agree, as a condition of their employment, that they would not accept a job within the same geographic region with a competitor of their former employer. More than half of these clients have been physicians.

I write in support of HB 3227, which voids noncompetition agreements and other restrictive covenants between physicians and their employers. It is patients who suffer most when doctors are barred from working for another practice in their chosen community. Over the years, I have seen many instances in which a physician client has been terminated by their practice without cause and has been forced, because they were required to sign a noncompetition agreement at the time they were hired, to relocate to another community. In most of these cases, it was not feasible for my client's patients to continue their care because of the increased distance or because my client was no longer within the patient's insurance network.

This trend can hit rural areas particularly hard, diminishing the availability of quality medical providers. I think, for example, of the young doctor I represented who joined a small family practice in a rural part of Oregon after finishing her residency on the east coast. After the practice terminated her employment due to a personality conflict between her and office staff, she opted to relocate back to her home state rather than seek a job in a larger metropolitan area in Oregon where she would have known no one. It is because noncompetition agreements disrupt continuity of care and may limit access to care that the American Medical Association published an ethical opinion disfavoring noncompetition agreements.

Noncompetition agreements can also diminish the quality of patient care by trapping physicians in medical practices that foster unhealthy work environments. If a physician is experiencing burnout or unfair or unlawful treatment their negative work experience can, in turn, contribute to poorer patient care. Removing the burden of noncompetition agreements would allow doctors to find positions that they find professionally fulfilling, ensuring that they are at their best when treating their patients.

These patient-focused considerations outweigh any compelling business interests that medical practices might point to justify restricting physicians' employability. Doctors do not generally have access to the type of competitively sensitive confidential business information that Oregon courts and, more recently, the legislature require to justify restricting a restraint on trade. Most physicians, when treating their patients, rely upon a general body of medical knowledge available to those sharing the same specialty and are not using methods or information unique to their employer.

In sum, the elimination of noncompetition agreements for physicians will contribute to a more safe and patient-centered healthcare system without unfairly compromising the interests of the practices they work for.