

SENATE BILL No. 140

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-21-2-17.

Synopsis: Employment noncompetition clauses by hospitals. Prohibits a hospital from entering into an employment contract with a health care provider that includes a noncompetition agreement clause.

Effective: July 1, 2011.

Randolph

January 5, 2011, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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SENATE BILL No. 140



A BILL FOR AN ACT to amend the Indiana Code concerning health.

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

1 SECTION 1. IC 16-21-2-17 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2011]: **Sec. 17. A hospital that is licensed under this article or a**
4 **hospital's governing board may not enter into an employment**
5 **contract with a health care provider that includes a**
6 **noncompetition agreement clause prohibiting the health care**
7 **provider from working in another hospital or health care setting**
8 **in the area for a certain length of time after the health care**
9 **provider's employment contract with the hospital or the hospital's**
10 **governing board expires or is terminated.**

11 SECTION 2. [EFFECTIVE JULY 1, 2011] (a) **IC 16-21-2-17, as**
12 **added by this act, applies to a contract that is entered into or**
13 **renewed after June 30, 2011.**

14 (b) **This SECTION expires July 1, 2013.**

