



Noncompete Agreements: Maintain Flexibility in Clinician Contracts

Background

Hospitals, health systems and physician groups in Washington State may use noncompete clauses in contracting with physicians and certain other staff. Significant investments bring these health care professionals to the community, as well as support practices and advances in care. For the past several years, WSHA has been actively engaged in legislative discussions about the appropriate use of these clauses.

The current proposal would make these clauses unenforceable against all employees making less than \$185,000 and independent contractors making less than \$250,000—capturing many physicians and advance practice clinicians, such as nurse practitioners, particularly those in smaller and more rural communities. The proposed bill would also prohibit employers from restricting workers' moonlighting elsewhere, capturing scheduling and conflicts of interest policies that address workforce shortage and patient safety concerns.

WSHA Position

WSHA supports the use of reasonable noncompete clauses in contracts with physicians and certain other health care professionals, such as nurse practitioners.

Key Messages

- Hospitals big and small, urban and rural, may use noncompete clauses for physicians and other advance practice clinicians. These clauses are an important tool to protect hospital resources.
- Hospitals invest substantial funds to bring health care professionals to the community, often reaching hundreds of thousands of dollars. Investments include student debt relief, income guarantees, moving expenses, licensure and certification costs, administrative support and marketing.
- Reasonable and well-bargained noncompete clauses protect this investment in a highly competitive, workforce-challenged environment.
- Noncompete clauses fortify hospital workforces and enable continuity of care for patients.

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