

ASSEMBLY, No. 2003

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

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District 32 (Bergen and Hudson)

Co-Sponsored by:

Assemblywoman Speight

SYNOPSIS

Restricts use of restrictive employment covenants for physicians and nurses.

CURRENT VERSION OF TEXT

As reported by the Assembly Health Committee with technical review.



(Sponsorship Updated As Of: 6/8/2023)

1 AN ACT concerning health care professionals and supplementing
2 Title 45 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. a. Except as provided in subsection b. of this section, any
8 contract or agreement that creates or establishes the terms of a
9 partnership, employment, or other form of professional relationship
10 with a licensed physician, which includes any restriction of the right
11 of the physician to practice medicine in any geographic area for any
12 period of time after termination of the partnership, employment, or
13 professional relationship, shall be void and unenforceable with
14 respect to the restriction.

15 b. Nothing in this section shall be construed to render void or
16 unenforceable:

17 (1) a restrictive covenant that prohibits a physician from leaving
18 a hospital system or a group practice comprising 30 or more
19 physicians to join any other hospital system or group practice
20 comprising 30 or more physicians within a given geographic area;

21 (2) a restrictive covenant that prohibits a physician from leaving
22 a hospital system or a group practice comprising 30 or fewer
23 physicians to join any other hospital system or group practice
24 comprising 30 or fewer physicians within a given geographic area;

25 (3) a restrictive covenant that prohibits a physician from leaving
26 a federally qualified health center to practice medicine within a five
27 mile radius of federally qualified health center for a period of time
28 that is no longer than four years;

29 (4) a restrictive covenant that prohibits a physician from leaving
30 a hospital system or a group practice when the hospital system or
31 group practice provided the physician a unique incentive to join the
32 hospital system or group practice, which incentive is expressly
33 identified in the contract between the physician and the hospital
34 system or group practice; or

35 (5) any remaining provisions of the contract or agreement that do
36 not establish a restriction on the right to practice medicine in a
37 geographic area.

38 c. For the purposes of paragraph (2) of subsection b. of this
39 section, the term “unique incentive” may include, but shall not be
40 limited to, commencing a new program or service, opening a new
41 laboratory, providing a signing bonus of more than \$50,000, or, in
42 the case of a hospital system, opening a new practice group.

43

44 2. This act shall take effect immediately, and shall apply to
45 contracts and agreements entered into by physicians on or after the
46 effective date of this act.