

HOUSE BILL 3104
By Eldridge

AN ACT to amend Tennessee Code Annotated, Title 63,
Chapter 6, Part 2, relative to the practice of
medicine.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 63-6-204(f)(4), is amended by deleting the first sentence of the subdivision in its entirety and by substituting instead the following:

(4) In any event, nothing in this section shall prohibit any of the following from employing physicians and from restricting a physician's right to practice medicine upon termination or conclusion of the employment relationship subject to the restrictions in subdivision (C) herein:

SECTION 2. Tennessee Code Annotated, Section 63-6-204(f)(4)(B)(i), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(i) A medical group practice that is organized and operating in any lawful form, including as a partnership, medical professional corporation or medical professional limited liability company; or

SECTION 3. Tennessee Code Annotated, Section 63-6-204(f)(4), is amended by adding the following new subdivision (C):

(C) A restriction on a physician's right to practice medicine upon termination or conclusion of the employment relationship shall be deemed reasonable if:

(i) The restriction is set forth in an employment agreement or other written document signed by the physician and the employing entity;

(ii) The duration of the restriction is two (2) years or less; and

- (iii) The maximum allowable area of restriction is the greater of:
- (a) The county in which the primary practice is located; or
 - (b) A ten (10) mile radius from the primary practice site of the physician while employed.

SECTION 4. This act shall take effect July 1, 2006, the public welfare requiring it.