



TO: The Honorable Members of the PA Senate Health and Human Services Committee

FROM: Alex Halper, Vice President, Government Affairs

DATE: October 18, 2022

RE: Hold off consideration of S.B. 1358 -- Prohibiting noncompete agreements

The PA Chamber urges you to hold off consideration of S.B. 1358, which would prohibit noncompete agreements in the healthcare industry under certain circumstances. The bill is scheduled to be considered by the committee today.

Employers seek to include restrictive covenants in contracts for a variety of reasons, many of which may be particularly relevant in healthcare. Hospitals and independent practices invest considerably to recruit and provide the infrastructure, operational support, equipment, continuing education and patient base for a provider to establish a practice. These employers should generally not be prohibited from pursuing an agreement in which a hire commits, for a period of time, to refrain from leaving and starting a competing practice. Noncompete agreements already have limits and may be deemed unenforceable if found to be unduly restrictive or impede patients access to care.

We appreciate the sponsor's focus on patient access and continuity of care; and recognize the bill only applies under certain circumstances. However, we urge caution with any proposal to intervene in private contracts or impose additional regulations or notifications requirements on employers.

We respectfully request the committee hold off considering S.B. 1358 and work with impacted employers to understand their concerns and ensure these proposals are feasible and do not trigger unintended consequences.

Please contact Alex Halper at [ahalper@pachamber.org](mailto:ahalper@pachamber.org) or 717-645-8730 with questions or to discuss.