



Physicians Caring for Texans

Senate Health and Human Services Committee
Testimony by Tilden Childs III, MD, Texas Medical Association
Senate Bill 1534 by Sen. Charles Schwertner
April 5, 2023

Thank you, Chair Kolkhorst and committee members, for allowing me to testify today. My name is Dr. Tilden Childs, and I am a Fort Worth radiologist, testifying on behalf of myself and TMA and its more than 57,000 members, in support of Senate Bill 1534.

TMA appreciates the bill author's thoughtful consideration of non-compete agreements in health care, as non-compete agreements must strike a reasonable balance between the employer's interests and the interests of the employee and the public. Importantly, TMA has a large and diverse membership that includes physicians who are employers and owners in physician practices, as well as physicians who are employees of practices, hospitals, and other organizations. We seek to protect a physician's right to practice medicine while respecting an employer's ability to reasonably protect its business interests. TMA believes Senate Bill 1534 strikes that appropriate balance.

- TMA agrees that a time limit of up to one year is a reasonable duration for a non-compete and appreciates this balancing of interests.
- Likewise, TMA supports the buyout cap established in SB 1534 of an amount not greater than the physician's annual salary and wages.
- For geographic limitation, TMA strongly agrees that the area covered should have no more than a five-mile radius. We believe a larger geographic limitation would be unreasonable and place an undue hardship on physicians. Importantly, the five-mile limit allows employers to protect their legitimate business interests reasonably and appropriately.

- For clarification, and to further ensure reasonable geographic restrictions, TMA recommends a couple of related amendments. Particularly, TMA asks:
 - That the five-mile radius be determined from the primary site where the physician practices; and
 - That a physician would not wholly be prevented from practicing in the county of the physician's primary residence.

- Lastly, TMA requests Senate Bill 1534 be amended to provide that a non-compete is not enforceable against a physician who has been terminated without cause. For instance, if an employer eliminated a physician's position as part of downsizing or restructuring efforts, TMA feels the physician should not be restricted in seeking work elsewhere.

Again, thank you, Chair Kolkhorst and committee members, for allowing me the opportunity to testify today in support of SB 1534. I appreciate your work to examine and improve non-competes for physicians. I am happy to answer any questions.