

HB270 Healthcare Worker Post Employment Amendments

What the bill does:

- Eliminates non-compete clauses in healthcare contracts
- Voids a prohibition on providing information to a former patient about the healthcare provider's current employment or future employment.

What the bill does NOT do:

- Does not eliminate the ability for an employer to recoup reasonable costs such as sign-on bonuses, and relocation costs
- Does not eliminate the ability for an employer to recoup costs associated with required training, such as fellowships, specialty training, etc.
- Does not apply to noncompete and nondisclosure agreements entered into before May 6, 2026

Important Considerations:

- Non-compete clauses are antithetical to a free market system in a right-to-work state such as Utah
- Utah is 49 out of 50 for primary care physicians – we must recruit physicians and residents to train and stay in Utah. Non-compete clauses discourage them from moving to or remaining in Utah.
- Non-compete agreements in physician employment contracts prevent physicians and other providers from continuing to practice in their communities when they change employers.
- Burnout among the healthcare community is at an all-time high with primary care physicians reporting the highest level of burnout at over 57%.
- These restrictive agreements have forced physicians to stay in jobs that no longer work for their life circumstances and to even move out of state, disrupting continuity of care and limiting patient access to their trusted physicians.
- The average physician trains for 11+ years and incur \$200-500,000 of debt. Non-compete contracts impede their ability to practice where they choose and to pursue employment that may be financially beneficial for their families.
- Several new (less than 7 years) family physicians have left or are planning to leave Utah due to their restrictive non-compete clauses—physicians that have several decades of practice ahead of them—further reducing the primary care physicians available to our ever-growing population. The average primary care physician will see 15-20,000 patients throughout their career.
- 10 states have banned or significantly limited healthcare non-compete contracts, with 11 additional states proposing bans in 2026.