

2010 Tennessee Code

Title 63 - Professions Of The Healing Arts

Chapter 1 - Division of Health Related Boards

Part 1 - General Provisions

63-1-148 - Covenants to compete signed by healthcare providers.

63-1-148. Covenants to compete signed by healthcare providers.

(a) (1) A restriction on the right of an employed or contracted healthcare provider to practice the healthcare provider's profession upon termination or conclusion of the employment or contractual relationship shall be deemed reasonable if:

(A) The restriction is set forth in an employment agreement or other written document signed by the healthcare provider and the employing or contracting entity; and

(B) The duration of the restriction is two (2) years or less and either:

(i) The maximum allowable geographic restriction is the greater of:

(a) A ten-mile radius from the primary practice site of the healthcare provider while employed or contracted; or

(b) The county in which the primary practice of the healthcare provider while employed or contracted is located; or

(ii) There is no geographic restriction, but the healthcare provider is restricted from practicing the healthcare provider's profession at any facility at which the employing or contracting entity provided services while the healthcare provider was employed or contracted with the employing or contracting entity.

(2) Any restriction under subdivision (a)(1) shall not be binding on a healthcare provider who has been employed by, or under contract with, the employing or contracting entity for at least six (6) years.

(b) An agreement entered into in conjunction with the purchase or sale of a healthcare provider's practice, or all or substantially all of the assets of the healthcare provider's practice, may restrict the healthcare provider's right to practice the healthcare provider's profession; provided, that the duration of the restriction and the allowable area of the restriction are reasonable under the circumstances. There shall be a rebuttable presumption that the duration and area of restriction agreed upon by the parties in such an agreement are reasonable.

(c) This section shall apply to healthcare providers licensed under chapters 3, 4, 5, 6, 8 and 11 of this title.

(d) This section shall not apply to physicians who specialize in the practice of emergency medicine.

[Acts 2007, ch. 487, § 1; 2008, ch. 891, § 1.]

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