

June 2, 2021

Carl Lisman
President
Uniform Law Commission
111 N. Wabash Avenue, Suite 1010
Chicago, Illinois 60602

Dear Mr. Lisman:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) writes to express our concerns with your draft uniform law provisions on non-compete agreements for health care providers. We urge the Uniform Law Commission (ULC) to either remove the section prohibiting non-compete agreements with health care providers or follow its normal procedures for developing recommendations and fully consider how to protect reasonable non-compete agreements with health care providers.

The AHA believes your current draft blanket prohibition on non-compete agreements for health care providers goes too far. While we agree that unreasonable non-compete clauses should be prohibited, the draft uniform ULC language would prohibit use of the procompetitive non-compete agreements that benefit patients, providers, hospitals and health systems. We would welcome the opportunity to participate in the full ULC process to draft a uniform law that protects reasonable non-compete agreements.

Non-compete agreements already must protect a legitimate interest to even be enforceable. There are many such reasonable agreements with health care providers that the draft uniform law language would prohibit. Non-compete clauses are used by the hospital field to better serve their communities with high quality accessible care. In addition, hospitals and health systems would be reticent to invest the considerable financial and human resources needed to assure the success of a physician practice if they had no assurance those investments would provide a reasonable benefit to the community. Providing an underserved area with a new general or specialty physician practice, for example, would often not be feasible absent a reasonable non-compete agreement to assure continuity of care. Reasonable non-compete agreements are thus critical to improving access to care, and better integrating and coordinating care for patients.



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This issue is so important to the hospital field's ability to meet its commitments to the communities they serve that we urge the ULC to either eliminate the ban on non-compete agreements with health care providers or fully consider the issue through its normal review process and not rush to judgment. We welcome the opportunity to work with you to protect reasonable non-compete agreements that benefit the patients served by hospitals and health systems.

Sincerely,

/s/

Melinda Reid Hatton
General Counsel