

## **Academy Backs Ending Non-compete Agreements, Urges More Action**

In response to the Federal Trade Commission's proposed rule banning non-compete clauses in employment contracts, American Academy of Family Physicians and [Michigan Academy of Family Physicians submitted letters](#) in support of the proposed rule.

"MAFP strongly supports the NPRM [notice of proposed rulemaking to ban non-compete clauses], which is consistent with AAFP's policy opposing restrictive covenants. We urge the Commission to ensure that organizations employing physicians and other healthcare workers are included in the final rule to protect patient access and continuity of care with their family physician, and to support our nation's healthcare workforce."

MAFP President Glenn Dregansky, DO, FAAFP went on to explain how "limiting the flexibility and mobility of healthcare workers, non-compete clauses can harm individual workers, patients, and the broader healthcare system" and "lead to suboptimal working conditions, worsen clinician burnout and healthcare worker shortages, jeopardize patient safety, impede timely access to care, and accelerate consolidation in the healthcare industry."

### **Suggestions for Improvement**

AAFP's and MAFP's letters also call for changes that would further boost the proposed rule's positive impact on the primary care workforce and family medicine patients, namely:

- Urging the FTC to explore mechanisms to include enforcement of the rule banning non-compete clauses with non-profit employers, given that 58% of hospitals in American in 2022 were non-profits
- In the face of increasing healthcare consolidation, protecting physician-owned practices—the majority of which employ fewer than 50 physicians—from restrictive employment contracts to preserve patient access and choice
- Expanding the definition of a "de facto" non-compete clause to include any contractual term that requires an employee to repay an employer or a third-party entity upon termination of the employment (e.g., sign-on bonuses, student loan reimbursement, stipends)

### **Congressional Action is Needed**

Now that the public comment on the FTC's proposed rule has ended, it's time for Congress to act by passing legislation to prohibit the use of unreasonably restrictive non-compete clauses because they can:

- Impede patient access to care
- Disrupt care continuity
- Limit physicians' ability to choose their employer
- Exacerbate burnout
- Stifle competition

### **Speak Out: Contact Congress Today**

U.S. Senators Debbie Stabenow and Gary Peters and your U.S. Representative need to hear from you! [Click here](#) to ask them to work with their Congressional colleagues to pass legislation prohibiting unreasonably restrictive non-compete clauses in physician employment arrangements. This is essential for ensuring that physicians can practice freely in their communities and continue serving patients.