State and Federal Updates on Restrictive Covenants



June 30, 2023

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Assembly Bill A2003, introduced in the New Jersey General Assembly on January 11, 2022, was reviewed by the Assembly Health Committee on June 5, 2023. The Bill, if enacted, would render void and unenforceable any contract or agreement that limits a licensed physician's right to practice medicine in a specific geographic area after the termination of a partnership, employment, or professional relationship, with limited exceptions.

At the federal level, on May 30, 2023, the National Labor Relations Board Office of the General Counsel declared that noncompete agreements generally violate federal labor law. Earlier this year, the Federal Trade Commission (FTC) proposed a broad ban on all noncompete agreements with only one narrow exception for agreements made in connection with the sale of a business. Public comment on the proposed FTC rule closed on April 19, 2023.

Click Here to read the entire June 2023 Healthcare Law Update now!

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