

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2660-01  
Bill No.: SB 713  
Subject: Clarifies the use of non-compete clauses in contracts between physicians and hospitals.  
Type: Original  
Date: December 19, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Highways and Transportation (DHT)** also responded for the **Missouri Highway Patrol (MHP)**. The DHT officials stated they assume the proposed legislation would have no fiscal impact to the DHT or the Highway and Patrol Medical plan.

Officials from the **Department of Social Services (DOS), Department of Insurance (INS), Department of Economic Development (DED), Missouri Consolidated Health Care Plan (HCP), Missouri Department of Conservation (MDC), and the Department of Health and Senior Services (DHSS)** assume the proposed legislation would not fiscally impact their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted to the extent that they would incur additional administrative costs due to the requirements of this proposal.

### DESCRIPTION

This act clarifies the use of non-compete clauses in contracts between physicians and hospitals. A new Section 334.113 is created and makes covenants not to compete enforceable except when they are part of a physician's contract with a not-for-profit health services corporation as defined in section 354.010. Covenants with other health care facilities are enforceable as long as they: 1) Do not deny the physician access to a list of patients the physician had seen within a year of termination; 2) Provide access to patient medical records with the patient's consent and in an accessible format; 3) Provide for a buy out of the covenant by the physician at a reasonable price; and 4) Provide that the physician will not be prohibited from providing continuing treatment to specific acutely ill patients after the contract has terminated.

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development  
Department of Highways and Transportation  
Department of Health and Senior Services  
Department of Social Services  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation  
Department of Public Safety - Missouri Highway Patrol



Jeanne Jarrett, CPA  
Director  
December 19, 2001