March 28, 2024

The Honorable Pamela Beidle Chair, Senate Finance Committee 3 East Miller Senate Office Building Annapolis, Maryland 21401

RE: <u>SUPPORT</u> FOR SB1182/HB1388 LABOR AND EMPLOYMENT – NONCOMPETE AND CONFLICT OF INTEREST CLAUSES – VETERINARY AND HEALTH CARE PROFESSIONALS BILL

Dear Senator Beidle and Honored Committee Members:

I am a cardiologist practicing in Maryland for the past 19 years, as well as the immediate past-president of the Maryland Chapter of the American College of Cardiology (ACC). During my tenure, I have heard from a number of cardiologists in the state who have been adversely affected by non-compete clauses in health system contracts. These are often onerous and non-negotiable terms which limit the ability of doctors to change employment without having to leave the state, contributing to our health care workforce shortage. Non-competes also sever valuable patient-physician relationships often built up over many years. As Chair of the ACC Board of Governors in 2021, I co-led a workgroup which found that the great majority of cardiologists in the US find these clauses to be non-negotiable, harmful to the patient-physician relationship, and contrary to physician well-being and the public interest.^{1,2}

I know one cardiologist who was recruited into a Maryland practice to perform a certain type of complex procedure. When he found that his opportunity to use this procedure was very limited with this group, he was forced to pay a 6-figure buy out to move his practice to a center that could support his specialized skills. I know another cardiologist who moved from one health system to another and was required to practice > 20 miles away to observe a non-compete for nearly 2 years, inconveniencing and in some cases losing patients needing highly specialized care. I know several other cardiologists who were forced to leave their home states to observe onerous health system non-compete terms.

Numerous organizations, including the Federal Trade Commission³, the American Medical Association⁴, and the Maryland State Medical Society (MedChi)⁵ have now recognized that non-compete clauses are an unreasonable restraint of trade that are being abused by large corporations (including health systems) for private advantage at the expense of patients, workers, and the public good.

Opposition to this bill on the grounds that it would cause significant disruption to Maryland's health care market is not supported by the facts. Twelve US states, including California and Massachusetts, have laws barring or severely limiting physician non-competes and retain thriving hospitals, health systems and physician practices¹. Maryland should join them.

I ask for a FAVORABLE report for SB1182. Thank you for your consideration.

Sincerely,

Joseph E. Marina

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References:

- 1. Marshall JJ, et al. Restrictive covenants and non-compete clauses for physicians. JACC Advances 2023; 2(7). <u>https://www.jacc.org/doi/10.1016/j.jacadv.2023.100547</u>
- 2. ACC Submits Comments to FTC on Non-Compete Proposed Rule. April 6, 2023. <u>https://www.acc.org/latest-in-cardiology/articles/2023/04/06/14/02/acc-submits-comments-to-ftc-on-non-compete-proposed-rule</u>
- FTC Proposes Rule to Ban Noncompete Clauses, Which Hurt Workers and Harm Competition. January 5, 2023. <u>https://www.ftc.gov/news-events/news/press-</u> <u>releases/2023/01/ftc-proposes-rule-ban-noncompete-clauses-which-hurt-workers-</u> <u>harm-competition</u>
- 4. AMA backs effort to ban many physician noncompete provisions. June 13, 2023. <u>https://www.ama-assn.org/medical-residents/transition-resident-attending/ama-backs-</u> <u>effort-ban-many-physician-noncompete</u>
- MedChi House of Delegates Final Reports and Resolutions. October 28, 2023. Resolution 22-23 – Restrictive Covenants in Physician Contracts, page 6. <u>https://www.medchi.org/Portals/18/files/Events/2023HOD/Final%20Reports%20and%2</u> <u>OResolutions%20Fall%202023.pdf?ver=2023-11-02-111659-023</u>