

HB 1388 / SB 1182 - Labor and Employment – Noncompete and Conflict of Interest (COI) Clauses – Veterinary and Health Care Professionals

On behalf of the Maryland Hospital Association’s (MHA) and UPMC Western Maryland, we appreciate the opportunity to comment on House Bill 1388. Like MHA and many of its members, we are concerned about the detrimental impact banning noncompete agreements will have on the hospital workforce, hospitals, and Marylanders – particularly those living in rural and underserved areas.

Executive Summary: Ending Noncompete and COI clauses exacerbate problems of health care labor scarcity, especially for medically underserved areas like rural communities.

Banning non-compete agreements would jeopardize access to care.

- Competition for physicians—especially in high-demand specialties—is already high and is increasing. Non-compete agreements help ensure that hospitals can continue to safely provide care to their communities without interruption.
- Significant time and resources go into recruiting and onboarding skilled health care practitioners and rural hospitals cannot always quickly find and hire new staff to fill vacancies.
- Particularly in rural and underserved communities served by UPMC Western Maryland, there may be very few physicians practicing a particular specialty. **Keeping those providers is vital to maintaining access to care.** UPMC Western Maryland invests significant resources in recruiting, and in capital expenditures to build the programs. If physicians are “cherry-picked” and we cannot recruit a replacement, the hospital could not only lose both the specialty service, but also investments made.

Hospitals need to protect investments in skilled physicians.

- Non-compete agreements protect hospitals that incur significant up-front costs for onboarding new physicians, such as securing liability coverage and credentialing with insurers.
- This is particularly important in rural and other medically underserved areas like Western Maryland.
 - This shortage will only worsen in the coming years because the rural physician population is disproportionately older. [\[1\]](#)
 - Shortages among one profession or specialty have a domino effect on others, with severe adverse consequences for rural hospitals. [\[2\]](#)
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For example, lack of access to a general surgeon as backup could severely limit the availability of other hospital services such as trauma care, cardiology, and oncology treatments. For example, the following are neighboring trauma centers and the shortest distance by ground from UPMC Western Maryland:

- Winchester Medical Center (Level 2) – Winchester, VA – 60 miles
- Conemaugh Memorial Medical Center (Level 1) – Johnstown, PA – 65 miles
- UPMC Altoona (Level 2) – Altoona, PA – 70 miles
- Meritus Medical Center (Level 3) – Hagerstown, MD – 70 miles
- WVU Ruby Memorial (Level 1) – Morgantown, WV – 75 miles

Moreover, our facility is the only hospital in Maryland west of Baltimore that provides cardiac surgery. The nearest hospital that provides services like the TAVR treatment is 60 miles away and across state lines in West Virginia. Our Schwab Cancer Center is the only radiation oncology within 60 miles between Hagerstown, MD and Morgantown, WV.

On behalf of the patients and employees at UPMC Western Maryland, we appreciate your consideration of our serious concerns around HB 1388 / SB 1182.

Respectfully submitted,

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¹ See Lucy Skinner, et al., Implications of an Aging Rural Physician Workforce, N Engl J Med 2019; 381:299-301.

² Council on Graduate Medical Education, Strengthening the Rural Health Workforce to Improve Health Outcomes in Rural Communities (Apr. 2022), at <https://www.hrsa.gov/sites/default/files/hrsa/advisorycommittees/graduate-medical-edu/reports/cogme-april-2022-report.pdf>.