

Sally M. Pinkstaff, MD, PhD, FACP

Four Gregoria Court
Baltimore, Maryland 21212

RE: HB1388 – FAV

From: Sally M. Pinkstaff, MD
4 Gregoria Ct, Baltimore, MD 21212

February 29, 2024

Terri Hill, M.D.
House of Delegates
Annapolis, MD 21401

Dear Dr. Hill,

This letter serves as my written testimony in strong support, without any reservations, of HB 1388.

As a retired physician practicing in Illinois and Maryland, I have firsthand experience of restrictive covenants. In Illinois, as a solo endocrinologist, I needed to hire additional physicians for an expanding practice, especially in diabetes. The first physician I hired vehemently balked at the restrictive covenant advised by my attorney. Because my goal was to employ an exceptionally, well trained, and dedicated physician to build a collaborative, respectful practice, I omitted any restrictive covenants from all contracts going forward. Over 15 years, our group expanded to 6 physicians without need for non-compete clauses and we remain friends and colleagues to this day.

When I moved to Baltimore in 2002 for an employee position in a private practice at GBMC, I signed a restrictive covenant stating that I would not see any patients whom I had seen at GBMC for 1 year or within a 5 mile radius. When I was hired by Sinai Hospital as a clinician-educator, I submitted a copy of my contract to the department of medicine. When several patients “found” me and came to the Sinai office, I explained that I could not see them and a colleague filled in. Rumors were spread by the previous group that I had violated my covenant. In fact, I did not violate it, and one of the GBMC physicians obtained permission from the GBMC practice for me to see one of his patients. It makes no sense and may be detrimental for patients that a patient cannot follow a physician to a “competing” practice if they choose to do so. The noncompete clause in the Sinai contract was non-negotiable, stating that one could not practice within a 50 mile radius for 1 year with an automatic annual renewal. After 10 years and already in my mid 60’s, I rewrote my restrict covenant stating that I would not serve as

medical director of diabetes at any other hospital or office going forward. The hospital countered with a clause that I could not work in any medical capacity for one year. This meant I could not volunteer as a clinician seeing patients or even give flu shots at Walgreen's. I refused to sign the noncompete and was fortunately not fired. Until my retirement 8 years later, I repeatedly refused to sign Sinai's noncompete clause every year, but did agree to a restrictive covenant preventing me from serving as a diabetes director at any hospital within Baltimore City or County. Since most of large hospital networks have satellite hospitals, urgent care centers, and offices, this restriction may apply to all the facilities in a given hospital's network, making the mileage restriction even greater.

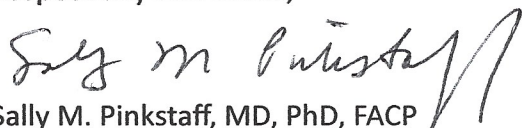
To restrict any health care professional from changing employers because the institution needs to protect their profits, meaning their "patients", their "number of surgeries", and so on, discourages and disrespects both patients and health care professionals, including physicians. Hospitals and corporations do not "treat patients" or "do surgeries" or "work in emergency rooms" or "serve as medical directors of clinical centers". To restrict physicians from earning a living without moving miles away, allows hospitals to essentially "own" the manual, intellectual, experiential, and interpersonal skill sets of their physician employees. Physicians live in the surrounding communities, have children in school, and contribute outside of their work. To force them to move is counterproductive and builds resentment, anger, and stress. There is also an unspoken rule that one does not discuss the details of the noncompete with anyone else. It is a culture of "behind closed doors," often perpetuated by fear of retribution.

When I established my group practice in Illinois, I recognized that to retain a talented physician meant building supportive, transparent, and mentoring relationships where there were few incentives to leave the group. Also, as a medical director of diabetes centers in both states, it was necessary to work with hospital administrators toward our shared goals.

To abolish the restrictive covenant would potentially build better relationships between health care professionals and hospital administrators, thus supporting a culture of working together, problem solving, and respect. We can again, focus on "The Needs of the Patient Come First."

My testimony is intended to provide new and convincing insight to the importance of HB 1388. For the benefit of patients and health care professionals plus hospitals, which want to retain their skilled and talented employees, please pass HB 1388.

Respectfully submitted,



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