



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
LABOR AND PUBLIC EMPLOYEE COMMITTEE
Thursday, March 4, 2021**

SB 906, An Act Concerning Non-Compete Agreements

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 906, An Act Concerning Non-Compete Agreements**. CHA urges the Committee to leave intact and unchanged section 20-14p of the Connecticut General Statutes, the current Connecticut statute addressing covenants not to compete involving physicians.

Before commenting on this bill, it is important to acknowledge that, since early 2020, Connecticut's hospitals and health systems have been at the center of the global public health emergency, acting as the critical partner in the state's response to COVID-19. Hospitals expanded critical care capacity, stood up countless community COVID-19 testing locations, and are a critical component of the vaccine distribution plan. Through it all, hospitals and health systems have continued to provide high-quality care for everyone, regardless of ability to pay.

SB 906 establishes requirements for certain covenants not to compete. The provisions of Section 2 of SB 906 specifically exempt, among others, covenants not to compete established under section 20-14p. CHA appreciates the Committee including this exemption as the Connecticut General Assembly engaged in a long, arduous, and thorough examination of the use of covenants not to compete in physician contracts a few short years ago. The outcome was a statute that attempts to achieve a balance between the legitimate interests of both the employer and the physician.

For clarity of interpretation and to preserve the balance previously achieved by the Connecticut General Assembly, CHA urges the Committee to amend Section 4 of the bill to also include an exemption for covenants not to compete established under section 20-14p by adding the following:

This section shall not apply to any covenant not to compete as defined in section 20-14p of the general statutes.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.