

SB3607



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3607

Introduced 2/5/2026, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

New Act

Amends the Fair Contracting for Health Care Practitioners Act. Provides that, except as otherwise provided, a covenant not to compete entered into on or after the effective date of the Act is deemed contrary to the public policy and is void and unenforceable by an employer. Provides that an employer may enforce a covenant not to compete if the length of the covenant not to compete is no more than one year, provided that the health care practitioner was not dismissed by the employer. Sets forth provisions concerning the scope of the Act. Effective January 1, 2027.

LRB104 18022 SPS 31461 b

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Fair
5 Contracting for Health Care Practitioners Act.

6 Section 5. Definitions. As used in this Act:

7 "Employer" means a person or group of persons that employ
8 a health care practitioner at a health care facility.

9 "Health care facility" means the office, facility, or
10 location where a majority of the revenue derived from a health
11 care practitioner's services is generated.

12 "Health care professional" means a physician licensed to
13 practice medicine in all its branches under the Medical
14 Practice Act of 1987, an advanced practice registered nurse or
15 certified registered nurse anesthetist licensed under the
16 Nurse Practice Act, or a physician assistant licensed under
17 the Physician Assistant Practice Act of 1987.

18 "Covenant not to compete" means an agreement that is
19 entered into between an employer and a health care
20 practitioner in this State that has the effect of impeding the
21 ability of the health care practitioner to continue treating
22 patients or accepting new patients, either practicing
23 independently or in the employment of a competing employer

1 after the term of employment is concluded.

2 "Patient" means an individual to whom a health care
3 practitioner has rendered professional services within the
4 practitioner's scope of practice for which compensation has
5 been received by the health care practitioner, regardless of
6 the source of the compensation.

7 Section 10. Covenants not to compete for health care
8 practitioners.

9 (a) Except as provided under subsection (b), a covenant
10 not to compete entered into on or after the effective date of
11 this Act is deemed contrary to the public policy and is void
12 and unenforceable by an employer.

13 (b) An employer may enforce a covenant not to compete if
14 the length of the covenant not to compete is no more than one
15 year, provided that the health care practitioner was not
16 dismissed by the employer.

17 (c) Nothing in this Section shall be construed to:

18 (1) prohibit the enforcement of a contract provision
19 that allows an employer to recover reasonable expenses
20 from a health care practitioner, if the expenses are:

21 (A) directly attributable to the health care
22 practitioner and accrued within the 3 years prior to
23 separation, unless separation is caused by the
24 dismissal of the health care practitioner;

25 (B) related to relocation, training, and

1 establishment of a patient base; or

2 (C) amortized over a period of up to 5 years from
3 the date of separation by the health care
4 practitioner; or

5 (2) void or render a covenant not to compete entered
6 into with a health care practitioner with an interest in a
7 business entity unenforceable as a direct result of:

8 (A) the sale of an ownership interest in all or
9 substantially all of the assets of the business
10 entity;

11 (B) a transaction resulting in the sale, transfer,
12 or other disposition of control of the business
13 entity, including by merger or consolidation; or

14 (C) the health care practitioner's receipt, by
15 purchase, grant, award, issuance, or otherwise of an
16 ownership interest in the business entity.

17 For purposes of this subsection, "control" means the
18 possession, directly or indirectly, of the power to direct the
19 management and policies of a business entity, whether through
20 the ownership of voting securities, by contract or otherwise.

21 (d) A preexisting covenant not to compete may be rendered
22 void and unenforceable under this Section if a health care
23 practitioner is not a party to the sale, transfer, or other
24 disposition of a business entity as described in subparagraph
25 (A) of paragraph (2) of subsection (c).

26 Section 99. Effective date. This Act takes effect January

SB3607

- 4 -

LRB104 18022 SPS 31461 b

1 1, 2027.