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S.230

Senators [Brock, Chittenden, Clarkson, Ram Hinsdale and Weeks] move that the Senate concur in the House proposal of amendment with further proposal of amendment by striking out Sec. 3b, 21 V.S.A. § 495q, in its entirety and inserting in lieu thereof a new Sec. 3b to read as follows:

Sec. 3b. 21 V.S.A. § 495q is added to read:

§ 495q. AGREEMENTS WITH HEALTH CARE PROVIDERS

(a) Any provision in a contract or agreement that creates or establishes the terms of a partnership, employment, or any other form of professional relationship with a health care provider regarding the health care provider’s provision of health care services in Vermont shall be void and unenforceable if the provision:

(1) includes a restriction on the right of the health care provider to provide health care services in any geographical area for any period of time after the termination of such partnership, agreement, or professional relationship;

(2) limits the ability of a separating health care provider to provide notice of the provider’s change of employment to individuals to whom the separating provider provided direct health care services;

1 (3) restricts a health care provider from making disparaging statements
2 about another party to the contract or agreement or about another person
3 specified in the agreement as a third-party beneficiary of the agreement;

4 (4) is inconsistent with Vermont law; or

5 (5) requires litigation arising from the performance of the contract or
6 agreement in Vermont to be conducted in another state.

7 (b) The notice provided in subdivision (a)(2) of this section may include
8 the following information:

9 (1) that the health care provider is continuing to practice the provider’s
10 profession;

11 (2) the health care provider’s new professional contact information; and

12 (3) the recipient’s right to choose a health care provider.

13 (c) The provisions in subsection (a) of this section do not apply to
14 restrictions that limit a health care provider who contracts with a third-party
15 company for nonclinical business support services from opening a business
16 within a specific territory supported by a different third-party company
17 providing nonclinical services.

18 (d) An employer shall not discharge or in any other manner retaliate against
19 an employee who exercises or attempts to exercise the employee’s rights under
20 this section. The provisions against retaliation in subdivision 495(a)(8) of this

1 subchapter and the penalty and enforcement provisions of section 495b of this
2 subchapter shall apply to this section.
3 (e) This section shall apply to contracts and agreements entered into on or
4 after July 1, 2026.