



UNIVERSITY of MARYLAND  
FACULTY PHYSICIANS, INC.

Faculty Practices of the  
University of Maryland School of Medicine

<b>POLICY NAME:</b>  Practice Plan Non-Compete Policy for the Recruitment and Retention of School of Medicine Faculty	
<b>POLICY NO:</b> P10018	<b>ORIGINAL EFFECTIVE DATE:</b> September 2014
<b>DATE LAST REVISED:</b> December 21, 2022	<b>SUPERSEDES POLICY:</b> September 2014
<b>RESPONSIBLE DEPARTMENT:</b> FPI Legal	<b>NEXT REVIEW DATE:</b> December 21, 2023

**PURPOSE:**

The financial success of the University of Maryland School of Medicine (“SOM”) faculty practices (“PAs”) is principally derived from the perceived value of physician faculty members’ special knowledge, skills, experience and accumulated goodwill in a highly competitive industry. In furtherance of that success, the PAs invest significant time, effort, and financial resources toward the development of a physician workforce that is highly specialized and sought-after for their expertise.

The PAs have a legitimate business interest in protecting those investments, including in the event of a physician’s departure from employment.

It is understood that restrictive covenants and physician employment contracts are essential tools to protect the PAs’ legitimate business interests, including but not limited to the protection of confidential information, client and patient relationships, client and patient goodwill, training, and trade secrets, among others.

**POLICY:**

During the term of a physician’s employment and for a period of eighteen (18) months after the termination of physician’s employment, the physician will not, within a radius stated below, of any location where the physician has spent at least twenty percent (20%) of physician’s clinical work time for the PA during the one (1) year immediately preceding the termination of physician’s employment hereunder, directly or indirectly, in any manner or capacity, engage, participate, invest, or become interested in, affiliated or connected with, or render services or advice in any capacity, with or without compensation or remuneration, to any person, corporation, firm, partnership, limited liability company or other organization engaged in the

practice of medicine similar to the type of practice conducted by PA or the related Clinical Department or Clinical Program of the SOM.

<u>Department</u>	<u>Radius Restriction</u>	<u>Term of Noncompete</u>
<p>Hospital-Based and Primary Care:</p> <ul style="list-style-type: none"> <li>• Anesthesiology</li> <li>• Critical Care</li> <li>• Family Medicine</li> <li>• General Internal Medicine</li> <li>• General Pediatrics</li> <li>• Pathology</li> <li>• Radiology</li> <li>• Trauma</li> </ul>	7 miles	During the term of employment and for at least eighteen (18) months after termination.
<p>Specialties and Subspecialties:</p> <ul style="list-style-type: none"> <li>• All Other Specialty Disciplines</li> <li>• All Specialty Disciplines</li> </ul>	20 miles	During the term of employment and for at least eighteen (18) months after termination
<p>“Notice” Departments</p> <ul style="list-style-type: none"> <li>• Emergency Medicine</li> <li>• General Psychiatry</li> </ul>	7 miles	<p>During the term of employment and for at least eighteen (18) months after termination.</p> <p><b><u>ONLY applies if:</u></b></p> <ol style="list-style-type: none"> <li>1) Physician fails to give six (6) months’ notice of termination, OR</li> <li>2) Two (2) or more physicians leave at the same time (within six (6) months) for the same employer</li> </ol>

## **General Policy**

- All  $\geq 0.2$  CFTE physicians must execute a PA employment contract as of:
  - (1) date of hire for a faculty member hired on or after policy adoption date;
  - (2) annual retention for existing faculty members; or
  - (3) promotion or salary increase for existing faculty members.

## **Radius Restriction**

- The non-compete shall be measured in miles (“*as the crow flies*”) from any location(s) that represent at least 20% of the physician’s clinical effort in the twelve (12) months prior to termination.
- The non-compete shall also include the University of Maryland Medical Center (“UMMC”) irrespective of the physician’s level of clinical effort during the twelve (12) months prior to termination.
- [www.gps-coordinates.net](http://www.gps-coordinates.net) shall be used to calculate miles from a relevant location.

## **Exceptions**

- The non-compete shall not apply to a physician who averages less than 0.2 clinical FTE in the twelve (12) months prior to termination.
- The non-compete shall not apply to a physician to the extent that:
  - Physician enters Public Health Service, military, or full-time employment with federal/local agency;
  - Physician’s only relationship with the entity is his/her ownership of up to one percent (1%) of the stock or other securities of the entity provided that the securities of such entity are traded on a public exchange.

## **Discretion**

The President of the PA, with the concurrence of the Dean of the SOM, may waive enforcement of the terms of the non-compete. For example, the President of the PA and the SOM Dean may agree to waive enforcement of the non-compete for a physician who accepts a full-time administrative leadership position at an academic medical center, provided the physician performs little to no clinical practice activities for the first eighteen (18) months of the physician’s departure.

**QUESTIONS / INFORMATION:** FPI Legal Department

**REFERENCES / RESOURCES:** [www.gps-coordinates.net](http://www.gps-coordinates.net)

**APPROVALS:** FPI Board of Trustees – December 21, 2022