

First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 475

AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 25-22.5-5.5-1.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 1.1. As used in section 1.4 of this chapter, "business entity" means a corporation, partnership, sole proprietorship, professional corporation, limited liability company, limited liability partnership, or any other company or organization authorized to do business in Indiana.**

SECTION 2. IC 25-22.5-5.5-1.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 1.2. As used in sections 1.4 and 2.3 of this chapter, "hospital" has the meaning set forth in IC 16-18-2-179(b).**

SECTION 3. IC 25-22.5-5.5-1.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 1.3. As used in sections 1.4 and 2.3 of this chapter, "hospital system" means:**

- (1) a parent corporation of at least one (1) hospital and any entity affiliated with the parent corporation through ownership, governance, or membership; or**
- (2) a hospital and any entity affiliated with the hospital through ownership, governance, or membership.**



SECTION 4. IC 25-22.5-5.5-1.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 1.4. (a) As used in section 2.3 of this chapter, "noncompete agreement" means a contract, or any part of a contract, to which a physician is a party that has the purpose or effect of restricting or penalizing a physician's ability to engage in the practice of medicine in any geographic area, for any period of time, after the physician's employment relationship with a hospital, a parent company of a hospital, an affiliated manager of a hospital, or a hospital system has ended. The term includes any provision that does the following:**

(1) Prohibits the physician from engaging in the practice of medicine with a new employer.

(2) Imposes financial penalties or repayment obligations, or requires reimbursement of bonuses, training expenses, or similar payments that:

(A) apply to a physician that has been employed by:

(i) a hospital;

(ii) a parent company of a hospital;

(iii) an affiliated manager of a hospital; or

(iv) a hospital system;

for at least three (3) years; and

(B) are based solely or primarily on the physician's decision to continue engaging in the practice of medicine with a new employer.

(3) Requires the physician to:

(A) obtain employer consent; or

(B) submit to equitable relief;

to engage in the practice of medicine with a new employer, regardless of geographic area or specialty.

(4) Imposes indirect restrictions that have the effect of limiting or deterring the physician's practice of medicine with a new employer.

(b) The term does not include the following:

(1) A nondisclosure agreement that protects confidential business information or trade secrets.

(2) A nonsolicitation agreement that prohibits solicitation of current employees for a period not exceeding one (1) year after the physician's employment ends. However, the nonsolicitation agreement may not restrict:

(A) patient interactions;

(B) patient referrals;



(C) clinical collaboration; or

(D) the physician's professional relationships.

(3) An agreement made in connection with the bona fide sale of a business entity when the physician owns more than fifty percent (50%) of the business entity at the time of sale.

SECTION 5. IC 25-22.5-5.5-1.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 1.6. (a) As used in section 2.3 of this chapter, "originally entered into" refers to the date on which an agreement is entered into for the first time.**

(b) The term does not refer to the date of:

(1) an amendment to an existing agreement; or

(2) renewal of an existing agreement.

SECTION 6. IC 25-22.5-5.5-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 1.7. (a) As used in section 1.4 of this chapter, "practice of medicine" has the meaning set forth in IC 25-22.5-1-1.1(a)(1) and IC 25-22.5-1-1.1(a)(2).**

(b) The term does not include activities that:

(1) are solely and exclusively executive or managerial; and

(2) do not involve direct patient care.

SECTION 7. IC 25-22.5-5.5-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 2.3. (a) This section does not apply to a noncompete agreement originally entered into before July 1, 2025.**

(b) Notwithstanding any other law, a physician and:

(1) a hospital;

(2) a parent company of a hospital;

(3) an affiliated manager of a hospital; or

(4) a hospital system;

may not enter into a noncompete agreement on or after July 1, 2025.

(c) Any agreement in violation of this section is void and unenforceable.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

