

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

FILED SENATE
Mar 25, 2025
S.B. 673
PRINCIPAL CLERK

S

D

SENATE BILL DRS45307-NB-141

Short Title: Protect Physicians Voices/Freedom of Movement. (Public)

Sponsors: Senators Burgin and Mayfield (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO MAKE NONCLINICAL SERVICES SUBJECT TO CONSUMER PROTECTION
LAWS AND TO PROVIDE WHISTLEBLOWER PROTECTION AND EMPLOYMENT
PROTECTIONS FOR HEALTH CARE PROFESSIONALS.

The General Assembly of North Carolina enacts:

**PART I. MAKE NONCLINICAL SERVICES SUBJECT TO CONSUMER
PROTECTION LAWS**

SECTION 1. G.S. 75-1.1 is amended by adding a new subsection to read:

"(c2) The learned profession exception of this section applies to health care providers, as defined in G.S. 90-21.11, only for acts and omissions directly related to the provision of medical, dental, or other health care that are subject to litigation under Article 1B of Chapter 90 of the General Statutes."

**PART II. PROVIDE WHISTLEBLOWER PROTECTION FOR HEALTH CARE
PROFESSIONALS**

SECTION 2.(a) Article 3 of Chapter 95 of the General Statutes is amended by adding a new section to read:

"§ 95-28.1B. Health care professional whistleblower protection.

(a) The following definitions apply in this section:

(1) Health care professional. – An individual who is a licensed physician, physician assistant, advanced practice registered nurse as defined by the North Carolina Board of Nursing, or registered nurse.

(2) Hospital. – Any of the following:

a. A facility that has an organized medical staff and is designed, used, and operated to provide health care, diagnostic and therapeutic services, and continuous nursing care primarily to inpatients where such care and services are rendered under the supervision and direction of physicians licensed under Chapter 90 of the General Statutes, Article 1, to two or more persons over a period in excess of 24 hours.

b. A facility designated by the Centers for Medicare and Medicaid Services as a rural emergency hospital as defined under 42 C.F.R. § 485.502 or under section 125 of Division CC of the Consolidated Appropriations Act of 2021, Public Law 116-260.

c. Any outpatient department including a portion of a hospital operated as an outpatient department, on or off of the hospital's main campus,



* D R S 4 5 3 0 7 - N B - 1 4 1 *

that is operated under the hospital's control or ownership and is classified as a Business Occupancy by the Life Safety Code of the National Fire Protection Association as referenced under 42 C.F.R. § 482.41.

d. Any hospital-owned medical practice.

(3) Medical staff bylaws. – A document that is required by a licensing, accrediting, or regulatory body that governs the organization and operation of a hospital's medical staff by defining the structure, roles, responsibilities, and relationships between the medical staff, stakeholders, hospital administration, and hospital governing board.

(4) Stakeholder. – An incorporator, officer, director, shareholder, or employee of a (i) professional corporation as defined by G.S. 55B-2 or (ii) domestic or foreign entity that provides non-clinical services to a professional corporation as defined by G.S. 55B-2 rendering professional service under Article 1 of Chapter 90 of the General Statutes.

(b) It is the policy of this State that health care professionals have the right to report violations of medical staff bylaws to appropriate authorities and make comments concerning patient care for the protection of the public. Therefore, no person, firm, corporation, or unincorporated association, or a stakeholder, may subject a health care professional to adverse action including but not limited to withdrawal of hospital privileges, termination, demotion, compensation reduction, or hostile work environment for reporting a violation of medical staff bylaws or making comments concerning patient care."

SECTION 2.(b) G.S. 95-241(a)(1) reads as rewritten:

"(a) No person shall discriminate or take any retaliatory action against an employee because the employee in good faith does or threatens to do any of the following:

(1) File a claim or complaint, initiate any inquiry, investigation, inspection, proceeding or other action, or testify or provide information to any person with respect to any of the following:

...

f. ~~G.S. 95-28.1A.~~ G.S. 95-28.1A or G.S. 95-28.1B.

...."

SECTION 2.(c) This Part is effective when it becomes law and applies to employers, employees, and prospective employees on or after that date.

PART III. LIMITATIONS ON AGREEMENTS WITH HEALTH CARE PROFESSIONALS

SECTION 3.(a) Chapter 66 of the General Statutes is amended by adding a new Article to read:

"Article 52.

"Limitations on Agreements With Health Care Professionals.

"§ 66-505. Definitions.

The following definitions apply in this Article:

(1) Health care professional. – An individual who is a licensed physician, physician assistant, advanced practice registered nurse as defined by the North Carolina Board of Nursing, or registered nurse.

(2) Medical staff bylaws. – As defined in G.S. 95-28.1B(a).

(3) Nondisclosure agreement. – An agreement that restricts the ability of a party to disclose information.

(4) Non-compete clause or clause. – An agreement that restricts a party from engaging in certain types of employment or business activities for a specified period of time within a specified geographic area.

"§ 66-506. Nondisclosure agreements limited.

(a) Any nondisclosure agreement entered into with a health care professional must explicitly state that it does not restrict the health care professional from reporting safety concerns, ethical violations, or illegal activities.

(b) No health care professional may be required to enter into a nondisclosure agreement that would do any of the following:

(1) Prevent the health care professional from discussing patient safety concerns with licensing agencies, accrediting bodies, or other regulatory or oversight entities.

(2) Restrict the health care professional's ability to report to the appropriate authorities violations of law, medical ethics, or medical staff bylaws.

"§ 66-507. Certain non-compete clauses prohibited.

An employment contract for a health care professional employed by a hospital, as defined in G.S. 95-28.1B, shall not contain a non-compete clause.

"§ 66-508. Provision of information.

Any policy, nondisclosure agreement, non-compete clause, medical staff bylaw, or any other type of contractual agreement with a health care professional shall not prohibit the provision of new practice information upon request by a patient, and, if available, the recipient of that request shall provide that information upon that request.

"§ 66-509. Remedies.

(a) A nondisclosure agreement or non-compete clause that violates this Article is void and unenforceable.

(b) A health care professional who prevails in an action under this Article challenging the enforceability of a nondisclosure agreement or non-compete clause is entitled to damages plus reasonable attorneys' fees and costs."

SECTION 3.(b) This Part is effective when it becomes law and applies to contracts entered into, modified, or renewed on or after that date.

PART IV. RULEMAKING AND EFFECTIVE DATE

SECTION 4.(a) The North Carolina Board of Medicine may adopt rules to implement Parts II and III of this act.

SECTION 4.(b) Except as otherwise provided, this act is effective when it becomes law.