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SENATE MEMORIAL 18

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY
Steve Komadina

A MEMORIAL

REQUESTING THE NEW MEXICO HEALTH POLICY COMMISSION TO CONVENE A
TASK FORCE TO STUDY THE EFFECT OF ECONOMIC CREDENTIALING AND
NON-COMPETE CLAUSES ON THE PRACTICE OF MEDICINE AND HEALTH CARE
DELIVERY IN NEW MEXICO.

WHEREAS, in order to have medical staff privileges to a
hospital and to be reimbursed for the provision of care,
physicians are required to undergo a process known as
credentialing; and

WHEREAS, credentialing involves obtaining and reviewing a
health care professional's credentials, practice history and
medical certification to assure professional competence and
quality of care; and

WHEREAS, the economics of health care sometimes provides
an incentive for a hospital, group medical practice or other

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1 health care facilities to establish requirements unrelated to
2 quality or professional competence in awarding medical staff
3 privileges, such as ownership interests in competing medical
4 facilities; and

5 WHEREAS, it has become a common practice among hospitals,
6 group medical practices and other health care facilities to
7 require non-compete clauses in employment and other contracts
8 between physicians and these facilities or practices; and

9 WHEREAS, non-compete clauses commonly prohibit a physician
10 from practicing medicine for the same patients or within a
11 certain geographic area for a certain period of time upon
12 termination of a contractual or employment relationship; and

13 WHEREAS, quality care of patients, access to needed care
14 on a timely basis, continuity and coordination of care needs,
15 and the personal relationship between patients and their
16 physicians is a community value that is imperative to preserve;

17 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
18 OF NEW MEXICO that the New Mexico health policy commission be
19 requested to convene a task force to study the effect of
20 economic credentialing and non-compete clauses on the practice
21 of medicine and health care delivery in New Mexico; and

22 BE IT FURTHER RESOLVED that the task force be comprised of
23 representatives of group medical practices; a statewide
24 association representing the interests of physicians; a
25 statewide association representing the interests of hospitals

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1 and health systems and the university of New Mexico health
2 sciences center; and

3 BE IT FURTHER RESOLVED that the task force study and make
4 recommendations regarding conditions under which a non-compete
5 clause is void, such as termination of a physician's
6 employment; limitations on the duration of non-compete clauses
7 for a period not to exceed two years; limitations on provisions
8 to buy out of a non-compete clause; and the economic impact of
9 other issues that are related to credentialing and non-compete
10 clauses on physicians, group medical practices, hospitals and
11 other health care facilities; and

12 BE IT FURTHER RESOLVED that the findings and
13 recommendations of the task force be presented to the
14 appropriate interim legislative committee by November 2006; and

15 BE IT FURTHER RESOLVED that copies of this memorial be
16 transmitted to the New Mexico health policy commission.