

1 AN ACT to amend the Medical Practice Act of 1987 by  
2 adding Section 53.5.

3 Be it enacted by the People of the State of Illinois,  
4 represented in the General Assembly:

5 Section 5. The Medical Practice Act of 1987 is amended  
6 by adding Section 53.5 as follows:

7 (225 ILCS 60/53.5 new)

8 Sec. 53.5. Prohibition on restrictive covenants. No  
9 person shall participate in offering or making an agreement  
10 that solely restricts the rights of a licensed physician to  
11 practice medicine or chiropractic for a specified period of  
12 time or in a specified area after termination of any  
13 relationship. Reasonable geographic or time limits on  
14 restricting practice and financial agreements concerning  
15 liquidated damage payments for terminating any relationship  
16 or any benefits upon retirement are permissible provided the  
17 physician is permitted to choose between restricted practice  
18 or damage payments at the time of termination. Such monetary  
19 agreements may include payment of specified liquidated  
20 damages if the physician terminates the relationship prior to  
21 the end of a specified reasonable period of time not to  
22 exceed 2 years. This Section applies only to relationships  
23 entered into or renewed on or after June 30, 2001. A  
24 violation of this Section is a petty offense punishable by a  
25 fine of up to \$1,000 for the first violation and a business  
26 offense punishable by a fine of up to \$5,000 for a second or  
27 subsequent violation.

28 Section 99. Effective date. This Act takes effect upon  
29 becoming law.