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TO: Members of the Wisconsin State Legislature

FROM: Abbey Rude, Vice President, Government Relations
Matthew Stanford, General Counsel

DATE: October 30, 2025

RE: Opposition to LRB-3075/1 relating to: noncompete clauses for medical practitioners

LRB-3075/1 unfairly targets only health care employers by establishing a one-size fits all prohibition on non-compete agreement terms only for certain health care professionals. The proposed legislation overlooks negative unintended consequences on the healthcare system as a whole and for employer investments and collaboration with their employed health care professionals.

The Wisconsin Hospital Association respectfully requests that you not co-sponsor LRB-3075/1.

1) Wisconsin law already prohibits non-compete agreements that are not “reasonably necessary for the protection of the employer.”

Under Wisconsin’s long-standing non-compete statute, s. 103.465, Wis. Stats., and its accompanying court decisions, agreements between any employer and employee that include non-compete clauses are “illegal, void and unenforceable” unless the restriction is “reasonably necessary for the protection of the employer or principal.”

Wisconsin’s statutory law has further been interpreted, clarified, and supported by substantial case law in both state and federal courts. Importantly, in applying Wisconsin’s non-compete statute to determine whether the agreement between the employee and employer is an illegal, unreasonable restraint of trade, courts examine the agreement *in the context of the entirety of the agreement between the contracting parties*.

Current Wisconsin law ensures a good balance of the rights of employees and the significant investments employers make and provide to their employees, including sign-on bonuses, retention bonuses, relocation costs, training, and continuing education.

2) A one-size-fits all prohibition on non-compete terms substitutes the will of consenting parties to an agreement that has benefits flowing to both the professional and their employer.

Establishing a blanket, one-size-fits all approach that certain non-compete related terms are unreasonable and illegal substitutes the will of the consenting, contracting employee and employer, to individually determine and effectuate their goals and priorities in their agreed to contract.

The one-size-fits all standard in LRB-3075/1 also replaces Wisconsin’s existing and appropriate approach in s. 103.465, Wis. Stats., and its accompanying court decisions, that determines what is an unreasonable and illegal restraint of trade through an *individualized examination* of the context of the consenting parties to the agreement, the benefits of the agreement flowing to both the employee and employer, and the breadth or narrowness of an alleged unreasonable non-compete related term.

3) For a highly mobile and in demand health care workforce, a prohibition on non-compete agreements would remove incentives for employers to make significant investments in their employees and to share business information mutually beneficial to the employer and employee.

In a highly competitive marketplace for health care professionals, Wisconsin hospitals and health systems make significant investments educating, training and supporting its health care professionals that accrue to individual professionals beyond their current employment, especially for advanced practice providers. Blanket prohibitions on non-compete terms create new questions regarding these investments at the very time Wisconsin is experiencing critical, long-term health care workforce challenges.

Non-compete clauses can also encourage the sharing of proprietary information such as business plans, strategies and research by employers with its professional employees, to achieve outcomes mutually beneficial to the employer and its professional employees. Blanket restrictions on non-compete terms will have a chilling effect on information between employers and health care professionals, encouraging isolation of health care professionals subject to unique non-compete prohibitions from business related communications and information in order to protect proprietary business information.

WHA's team is available to further discuss concerns with LRB-3075/1 with you or your staff. Please feel free to contact Abbey Rude at arude@wha.org or Matthew Stanford at mstanford@wha.org with any questions.