

REPORT OF THE COUNCIL ON ETHICAL AND JUDICIAL AFFAIRS

CEJA Report 8-A-07

Subject: Restrictive Covenants

Presented by: Robert M. Sade, MD, Chair

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1 At the 2006 Annual Meeting of the AMA House of Delegates, the Council on Ethical and Judicial  
2 Affairs presented Report 5-A-06, "Restrictive Covenants," which set forth revisions to Opinion E-  
3 9.02, "Restrictive Covenants and the Practice of Medicine."  
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5 The Opinion revisions retained guidelines providing that restrictive covenants are unethical if  
6 excessive in geographic scope or duration, or if they fail to make reasonable accommodation of  
7 patients' choice of physicians, but clarified the terms restrictive covenant and covenant-not-to-  
8 compete. Additionally, the revisions noted that such agreements must not compromise the welfare  
9 of patients and that parties should establish equitable terms of severance, in part to facilitate patient  
10 choice of physicians. There was much resistance to the proposed amendments to Opinion E-9.02  
11 and the report was referred back to CEJA for further consideration.  
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13 After discussion by CEJA, as well as input from interested constituencies, including representatives  
14 from the Advisory Committee on Group Practice Physicians, the Council has decided to withdraw  
15 the report. Withdrawal of CEJA Report 5-A-06 does not mean that CEJA will not reconsider  
16 Opinion E-9.02 in the future, only that the Opinion will remain unchanged at this time.  
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18 The Council would like to thank all those providing testimony at the 2006 Annual Meeting, and the  
19 constituencies that provided additional comments as CEJA was deliberating on a course of action.