

NON-COMPETE CLAUSE SUGGESTED PARAMETERS

- I. Geographical Restrictions
 - A. Primary Care – 10 miles (30 minutes)
 - B. Specialty Care – 50 miles (60 minutes)
 - C. Subspecialty Care¹ – Frontrange --> statewide

- II. Liquidated Damages² (criteria to be considered in the calculation)
 - A. What are up-front recruitment/investment costs in new faculty member (Dept, AEF, UH)?
 - 1) Moving costs.
 - 2) Seed money.
 - 3) Program/practice development support (e.g., marketing, outreach, ancillary staff support, equipment, etc.).
 - 4) Salary underwrites/cash flow support (e.g., underwrite balance of 80/40 salary support agreements; salary support during A/R collection lag or practice development period [maybe 6-12 months salary support]).
 - B. What are damages if faculty member leaves?
 - 1) Estimated lost clinical revenue.
 - 2) Replacement cost.

- III. Exemptions
 - A. In general, this policy is meant to be prospective and effective for all new faculty recruitments after the date of policy approval. On a case-by-case basis, current faculty may be asked to sign a non-compete clause in conjunction with major new programmatic support commitments or sites of practice requests.
 - B. Exemptions to the non-compete requirement must be approved by the Senior Associate Dean for Clinical Affairs in consultation with the Medical Director of UPI.

Footnotes:

¹For highly specialized services (transplant, IVF, etc.) where department feels that to be viable, a physician's practice must draw from a statewide population base, geographical restrictions beyond a 50-mile radius may be appropriate. In that event, the following language is recommended:

"The Participating Physician understands and agrees that because of the unique medical specialty services which are provided at the University of Colorado Health Sciences Center and which the Participating Physician will be practicing, patients come to the Health Sciences Center from all parts of the State of Colorado and for that reason this geographic restriction is reasonable."

²A worksheet must be attached to the letter of offer and non-compete agreement setting forth the basis for the computation of the liquidated damages figure. We strongly recommend that one also be retained in the faculty member's file.

