



# SENATE BILL 978: Healthcare Competition Reforms.

2025-2026 General Assembly

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<b>Committee:</b>	Senate Judiciary. If favorable, re-refer to Rules and Operations of the Senate	<b>Date:</b>	June 16, 2026
<b>Introduced by:</b>	Sen. Burgin	<b>Prepared by:</b>	Jason Moran-Bates
<b>Analysis of:</b>	Second Edition		Staff Attorney

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**OVERVIEW:** *Senate Bill 978 would prohibit (i) retaliatory actions against healthcare providers who report violations to regulatory authorities, (ii) non-disclosure clauses that restrict healthcare professionals' ability to report violations to regulatory authorities, and (iii) non-compete clauses in many hospital employment contracts. It would also limit the learned profession exemption under Chapter 75 to the direct provision of patient care, and it would cap annual compensation of CEOs at nonprofit hospitals that receive state funds at 400 times the annual compensation of the lowest-paid, full-time hospital employee. Finally, it would eliminate the Department of State Treasurer from Certificate of Need Review.*

## BILL ANALYSIS:

**Part I** of the bill would limit the learned profession exemption in state consumer protection law to only activities that are directly related to patient care.

It would also prohibit anyone from taking adverse or retaliatory action against a healthcare provider who (i) reported medical staff bylaw violations to regulatory authorities or (ii) made comments regarding patient care for the protection of the public. Part I would also prohibit nondisclosure agreements with healthcare professionals from prohibiting the healthcare professionals (i) discussing patient safety concerns with regulatory agencies, (ii) reporting violations of law, ethics, or medical staff bylaws to the appropriate authorities, or (iii) providing new practice information to patients upon the patients' request. Contracts for employment with hospitals could not contain non-compete provisions. Any contract clauses with these prohibited terms would be void.

This part would be effective July 1, 2026, and apply to contracts entered into, modified, or renewed on or after that date.

**Part II** of the bill would prohibit the chief executive officer of any nonprofit hospital that receives state funds from having an annual compensation more than 400 times greater than the annual compensation of the hospital's lowest-paid, full-time employee. Hospitals that violate this provision would be subject to a civil penalty in the amount of the chief executive officer's annual compensation.

**Part III** of the bill would exempt the establishment, development, or acquisition of any new institutional health service from certificate of need review if the service is established, developed, or acquired by an entity working with the Department of State Treasurer.

**EFFECTIVE DATE:** Except as otherwise provided, the bill would be effective when it becomes law.

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