



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0046 Introduced on January 14, 2025
Subject: Healthcare Contracts
Requestor: Senate Labor, Commerce, and Industry
RFA Analyst(s): Welsh
Impact Date: February 13, 2025

Fiscal Impact Summary

This bill adds Chapter 9 to Title 41, which relates to the corporate practice of medicine and physician employment contracts. This bill declares certain provisions in physician employment impermissible, unenforceable, and void. This bill also creates a legal cause of action for a physician seeking remedy from an employer's violation of the provisions of the bill.

Judicial anticipates this bill may increase the number of cases related to employment contracts filed by physicians. However, Judicial expects any change in caseload to be minimal and managed within current appropriations.

This bill will have no expenditure impact on the Department of Labor, Licensing and Regulation (LLR) or the Board of Medical Examiners as LLR anticipates any additional responsibilities will be managed within existing appropriations.

Explanation of Fiscal Impact

Introduced on January 14, 2025

State Expenditure

This bill adds Chapter 9 to Title 41, which relates to the corporate practice of medicine and physician employment contracts. This bill declares certain provisions in physician employment impermissible, unenforceable, and void. The impermissible contract provisions identified by this bill include restrictions on a physician's ability to resume the practice of medicine following a separation from employment, restrictions on the independent judgment of physicians, provisions allowing business entities to practice medicine, and restrictions on a physician's ability to notify patients of their departure from employment. This bill also creates a legal cause of action for a physician seeking remedy from an employer's violation of the provisions of the bill.

Judicial anticipates this bill may increase the number of cases related to employment contracts filed by physicians. Cases related to employment contracts filed in the Court of Common Pleas during Fiscal Year 2023-2024 constituted 4.2% of all filings. Judicial expects additional filings from this bill would represent a small percentage of total filings. Therefore, Judicial expects any change in caseload to be minimal and managed within current appropriations.

This bill will have no expenditure impact on LLR or the Board of Medical Examiners as LLR

anticipates any additional responsibilities will be managed within existing appropriations.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director