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Client Alert

Utah Voids Non-Competes for Healthcare Workers

WHAT'S NEW: Utah recently added language to an existing non-compete law, ultimately voiding non-compete clauses in healthcare contracts and certain non-solicitation agreements. The new law is effective **May 6, 2026**.

WHY IT MATTERS: On or after May 6, 2026, an employer may not enter into a non-compete agreement with a healthcare worker. Further, an employer may not enter into a non-solicitation agreement that prevents a healthcare worker from informing a patient of the healthcare worker's current place of employment or the healthcare worker's future place of employment.

The law includes a long list of positions which are included within the Healthcare Worker definition. The list includes, but is not limited to, advanced practice registered nurse, advanced practice registered nurse intern, clinical social worker, dentist, behavioral health coach, physician, psychologist, optometrist, physical therapist, marriage and family therapist, clinical mental health counselor, nurse midwife, and more.

The law does not prohibit non-compete agreements that are included in reasonable severance agreements mutually and freely agreed upon at or after the time of termination. And the law does not prohibit non-compete agreements related to or arising out the sale of the business, if the individual subject to the non-compete receives value related to the sale.

If an employer seeks to enforce a healthcare non-complete agreement and it is found to be unenforceable, the employer is liable for the employee's costs associated with the arbitration or the attorney fees and court costs as well as actual damages.

WHAT EMPLOYERS SHOULD DO: While the law does not automatically invalidate non-compete provisions in contracts that were signed before May 6, 2026, healthcare employers should review all onboarding documents and contracts to determine if any non-compete or non-solicitation provisions are included. Healthcare employers should work with counsel to amend any relevant provisions to ensure compliance with the new law beginning on May 6, 2026.

If you have any questions, please contact your HR Business Partner/Consultant.