

Tennessee Law Now Permits Hospital Employment of Anesthesiologists, Radiologists, Pathologists, and Emergency Physicians in Most Counties

Today, Governor Bill Lee signed House Bill No. 979 into law. House Bill No. 979, among other unrelated matters, drastically changes certain laws relating to the corporate practice of medicine in Tennessee. Before this new law was enacted, Tennessee prohibited radiologists, anesthesiologists, pathologists, and emergency physicians (together Hospital-Based Physicians) from being directly employed by hospitals. Because of this restriction, Hospital-Based Physicians typically have been employed by outside groups that contract with hospitals to provide services to the hospitals.

House Bill No. 979 ends the restriction on hospitals employing Hospital-Based Physicians in counties with a population of 105,000 people or less as of the 2020 federal census. This means hospitals in most Tennessee counties can now directly employ Hospital-Based Physicians. The counties not affected by this change are Shelby, Davidson, Knox, Hamilton, Rutherford, Williamson, Montgomery, Sumner, Sullivan, Wilson, Blount, Washington, and Bradley.

Additionally, House Bill No. 979 allows children's hospitals to employ Hospital-Based Physicians as long as they are board-certified or board-eligible.

These changes impacting Hospital-Based Physicians become effective on July 1, 2025. Because this law affects a significant portion of Tennessee, it is expected to substantially impact the relationships between hospitals and Hospital-Based Physicians, potentially altering compensation models, staffing structures, and contractual arrangements.

House Bill No. 979 additionally makes specific changes in the field of anesthesiology by adding licensure for anesthesia assistants in the State of Tennessee — Chambliss plans to publish a follow-up article detailing this part of the bill later.

[Chambliss's health care](#) attorneys are closely monitoring these developments and are prepared to assist hospitals and physician groups in navigating these changes. Contact [Louis Metcalfe](#) or your relationship attorney to discuss how House Bill No. 979 may affect your organization.