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For Release

FTC Chairman Ferguson Issues Noncompete Warning Letters to Healthcare Employers and Staffing Companies

September 10, 2025



Tags: Competition | Bureau of Competition | Nonmerger | Health Care | Noncompete

Today, Federal Trade Commission Chairman Andrew N. Ferguson sent letters to several large healthcare employers and staffing firms urging them to conduct a comprehensive review of their employment agreements—including any noncompetes or other restrictive agreements—to ensure they are appropriately tailored and comply with the law.

Many healthcare employers and staffing companies may include unreasonable noncompete agreements in employment contracts for vital roles like nurses, physicians, and other medical professionals. These restrictions can unreasonably limit healthcare professionals' employment options and thereby limit patients' choices over who provides their medical care—including, critically, in rural areas where medical services are already stretched thin, the letters state.

"Enforcement against unreasonable noncompete agreements remains a top priority for the Federal Trade Commission," said Kelse Moen, Deputy Director of the Bureau of Competition and co-chair of the agency's Joint Labor Task Force. "We strongly encourage all employers—not just those receiving letters today—to review their contracts closely, to ensure that any restrictions on employee mobility are in full compliance with the law."

The FTC has authority under Section 5 the FTC Act to investigate unfair methods of competition, including noncompete agreements that are unjustified, overbroad, or otherwise unfair or anticompetitive. The letters follow a Commission vote last week to withdraw from its defense of the Biden-Harris administration's nationwide noncompete ban, which the courts had enjoined on constitutional grounds. In his statement announcing the Commission's withdrawal, Chairman Ferguson made clear that the FTC would stay vigilant "enforcing the antitrust laws aggressively against noncompete agreements" including by "patrolling our markets for specific anticompetitive conduct that hurts American consumers and workers, and taking bad actors to court."

The Chairman's letter today follows several recent FTC actions to protect workers from noncompete agreements, including the <u>launch of a public inquiry</u> to gather input to inform possible future enforcement actions. The FTC also <u>recently ordered</u> the nation's largest pet cremation business to stop enforcing noncompete agreements, freeing nearly 1,800 workers from these restrictive agreements.

The Federal Trade Commission works to <u>promote competition</u>, and to protect and educate consumers. The FTC will never demand money, make threats, tell you to transfer money, or promise you a prize. You can learn more about <u>how competition benefits consumers</u>, <u>file an antitrust complaint</u>, or <u>comment on a proposed merger</u>. For the latest news and resources, <u>follow the FTC on social media</u>, <u>subscribe to press releases</u>, and <u>read our blog</u>.

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