

Pennsylvania Superior Court Deals a Rare Win to Nursing Homes

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On January 4, 2019, a three-judge panel of the Pennsylvania Superior Court issued a non-precedential opinion finding that a Fayette County trial court erred when denying a nursing home's attempt to compel arbitration.

Plaintiff in this matter is the executor of the estate of the deceased individual. The complaint raised survival and wrongful death claims, blaming the woman's death on the nursing home. The nursing home filed preliminary objections to enforce an Alternative Dispute Resolution agreement signed by the deceased woman's husband upon her admission. The trial court denied the preliminary objections, finding that the husband lacked authority to execute the agreement, the agreement was void due to lack of consideration and unconscionability, and the agreement did not clearly identify the parties.

The Superior Court panel found that the trial court erred in each of these areas. It noted that the record was quite clear that during the admissions process, the nursing home explained the agreement to both the resident and her husband. The resident expressly told her husband to sign the arbitration agreement. The Superior Court found little doubt that the husband had authority to sign the agreement.

The Superior Court further found that the trial court's claims that the ADR agreement was unconscionable because the benefits were grossly disproportionate to the value received by the resident to be contrary to Pennsylvania law and unsupported by the record. Further, the trial court's findings that the husband lacked meaningful choice in signing the agreement is also contrary to the record, as he admitted that he voluntarily signed the agreement and was not pressured to do so. Both the husband and resident understood that signing the agreement meant that the resident waived her right to a jury trial. The Superior Court also noted that "any alleged lack of benefit to [plaintiff] to proceed with the survival claim under the ADR agreement does not void the agreement."

Finally, the Superior Court found that despite the absence of the resident's name on the first page of the agreement, the resident's name was clearly identified at the end of the agreement, and thus properly identified the parties to be bound by the agreement.

What does this mean for facilities?

This is an example of where a skilled nursing facility did everything that it was supposed to do during the execution of an ADR agreement. It clearly explained the terms of the ADR agreement to the resident and her husband, and they made an informed and voluntary decision to sign the ADR agreement. By properly executing the documents, the facility gave the Superior Court the ability to side with the nursing home based on clear existing law.

You can view a copy of the Superior Court opinion here:

<http://www.pacourts.us/assets/opinions/Superior/out/Memorandum%20%20VacatedRemanded%20%2010383155846836378.pdf?>

If you have additional questions, or need assistance with determining best practices for your arbitration agreements, please contact Mike Cassidy.