

COURT OF APPEALS OF GEORGIA

CL SNF, LLC et al. v. Fountain

A20A0773 · No. A20A0773 · Decided May 22, 2020

SUMMARY

The Georgia Court of Appeals affirmed the denial of a nursing facility’s motion to compel arbitration in a negligence action brought on behalf of an incapacitated adult. The court held that the ward’s guardian lacked authority under Georgia’s Guardianship Code to sign a voluntary pre-dispute arbitration agreement that was not required for admission or services. Because the arbitration agreement was unenforceable against the ward, the court did not address the parties’ remaining challenges to its validity.

CASE DETAILS

COURT	Court of Appeals of Georgia
WRITING FOR THE COURT	Rickman, Judge; Dillard, P. J.; Rickman, J.; Brown, J.
JURISDICTION	Georgia
DECIDED	May 22, 2020
DOCKET	A20A0773
DISPOSITION	affirmed
PROCEDURAL POSTURE	Interlocutory appeal from the denial of a motion to compel arbitration in a negligence action involving care at a skilled nursing facility.
STANDARD OF REVIEW	De novo review applies to the trial court's order granting or denying a motion to compel arbitration because whether a valid and enforceable arbitration agreement exists is a question of law.
PRECEDENTIAL VALUE	Published opinion; precedential under Georgia appellate practice.
PARTIES	CL SNF, LLC d/b/a Clinch Healthcare Center, RWC Healthcare, LLC, PWW Healthcare, LLC, Beacon Health Management, LLC v. Minnie Fountain, as next friend to Leroy Wiggins

TOPICS

guardianship procedure

contracts

contract formation

statutory interpretation

interlocutory appeal

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the guardian of an incapacitated adult had authority under Georgia's Guardianship Code to bind the ward to a voluntary predispute arbitration agreement that was not required for admission or receipt of services.
2. Whether the trial court properly denied the motion to compel arbitration.

HOLDINGS

1. A guardian's powers to establish the ward's dwelling and provide consents or approvals necessary for medical or other professional care, treatment, or services do not authorize the guardian to sign a voluntary predispute arbitration agreement that is not required for admission or the furnishing of services.
2. A guardian's authority to bring, defend, or participate in legal, equitable, or administrative proceedings, including alternative dispute resolution, does not extend to signing a voluntary predispute arbitration agreement before any claim or proceeding exists.
3. The guardian's power to exercise other powers reasonably necessary to provide for the ward's support, care, education, health, and welfare does not authorize execution of an optional predispute arbitration agreement absent evidence that signing was reasonably necessary for those purposes.
4. The arbitration agreement was not enforceable against Wiggins because Clinch failed to establish that Fountain had authority to sign it on his behalf.

KEY QUOTATIONS

“Clinch has failed to establish that Fountain had the authority to sign the Arbitration Agreement on behalf of Wiggins. Accordingly, the Arbitration Agreement is not enforceable against Wiggins, and the trial court properly denied the motion to compel arbitration.” (15)

“Our conclusion in this regard is consistent with the general duties of a guardian to “at all times act as a fiduciary in the ward’s best interest and exercise reasonable care, diligence, and prudence.”” (13)

FACTUAL BACKGROUND

Leroy Wiggins was a mentally incapacitated adult for whom Minnie Fountain had been appointed guardian. When Wiggins was admitted to Clinch Healthcare Center, Fountain signed a facility admission agreement containing an arbitration clause and a separate arbitration agreement, but Wiggins did not sign and Fountain did not identify the capacity in which she signed. The separate arbitration agreement stated that signing was not a precondition to admission or services. Wiggins later sued through Fountain based on alleged repeated sexual assaults by his roommate and Clinch's alleged failure to protect him.

PROCEDURAL HISTORY

Minnie Fountain filed suit on behalf of Leroy Wiggins, alleging that Wiggins was sexually battered and assaulted by his roommate while residing at Clinch Healthcare Center and that Clinch negligently failed to address the roommate's conduct. Clinch moved to compel arbitration and stay the proceedings. The trial court denied the motion, finding the separate arbitration agreement unconscionable and the arbitration provision in the facility admission agreement unenforceable. The Court of Appeals granted interlocutory review and affirmed on the alternative ground that Fountain lacked authority as Wiggins's guardian to execute the voluntary predispute arbitration agreement.

DISPOSITION

affirmed

CASES CITED

- McKean v. GGNHC Atlanta, 329 Ga. App. 507, 509 (1) (765 SE2d 681) (2014)
- Ashburn Health Care Center v. Poole, 286 Ga. App. 24, 25, 27 (648 SE2d 430) (2007)
- Triad Health Mgmt. of Georgia, III v. Johnson, 298 Ga. App. 204, 206-208 (2) (679 SE2d 785) (2009)
- Lynn v. Lowndes County Health Svcs., ___ Ga. App. ___ (2), n.3 (Case No. A19A2057; decided March 9, 2020)
- Kindred Nursing Centers Ltd. Partnership v. Clark, 137 S.Ct. 1421 (197 L.Ed.2d 806) (2017)
- Life Care Centers v. Smith, 298 Ga. App. 739, 742, 744 (1) (681 SE2d 182) (2009)
- Deal v. Coleman, 294 Ga. 170, 172-173 (1) (a) (751 SE2d 337) (2013)
- Tibbles v. Teachers Retirement System of Georgia, 297 Ga. 557, 558 (1) (775 SE2d 527) (2015)
- Coleman v. United Health Svcs. of Georgia, 344 Ga. App. 682, 683, 685 (1) (812 SE2d 24) (2018)
- United Health Svcs. of Georgia v. Alexander, 342 Ga. App. 1, 5 (2) (b) (802 SE2d 314) (2017)