

SUPREME COURT OF MISSISSIPPI

Magnolia Healthcare, Inc. v. Barnes ex rel. Grigsby

994 So. 2d 159 (Miss. 2008) · No. No. 2006-CA-00427-SCT · Decided August 7, 2008

SUMMARY

The Supreme Court of Mississippi affirmed the denial of a nursing home operator's motion to compel arbitration in a suit alleging sexual assaults of a resident. The court held that the arbitration rules incorporated into the admission agreement required a post-injury written agreement for the claims at issue, and no such agreement existed. Separate opinions also addressed whether a health-care surrogate had statutory authority to bind the resident to arbitration.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Randolph, Justice; Smith, C.J.; Carlson, J.; Diaz, P.J.; Lamar, J.; Waller, P.J.; Dickinson, J.; Graves, J.; Easley, J.
JURISDICTION	Mississippi
DECIDED	August 7, 2008
DOCKET	No. 2006-CA-00427-SCT
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the denial of a nursing home's motion to compel arbitration in a nursing-home negligence action.
STANDARD OF REVIEW	De novo review applies to a denial of a motion to compel arbitration.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Magnolia Healthcare, Inc. d/b/a Arnold Avenue Nursing Home, Foundation Health Services, Inc., Diane Oltremari, Administrator v. Barbara Jean Barnes, by and through her relative and next friend, Shirley Grigsby, as conservator of the Estate of Barbara Jean Barnes

TOPICS

- arbitration
- nursing home liability
- contract formation
- statutory interpretation
- appellate procedure

PRACTICE AREAS

- arbitration
- health law
- nursing home liability
- contracts
- appellate procedure

QUESTIONS PRESENTED

1. Whether the admission agreement and its incorporated arbitration rules created a valid agreement to arbitrate Barnes's post-2004 health-care liability claims.
2. Whether a surrogate or conservator had authority under Mississippi law to bind Barnes to the arbitration provision.

HOLDINGS

1. No valid agreement to arbitrate existed because the arbitration rules incorporated into the admission agreement required all parties to agree in writing to arbitrate a consumer health-care liability claim after the injury occurred, and no such post-injury agreement was made.
2. The court could affirm the denial of the motion to compel arbitration because the trial court reached the correct result even though the appellate court relied on a different reason.

KEY QUOTATIONS

“It is undisputed that the parties did not agree to arbitrate the claim after the injury occurred, as required by the rules which were incorporated into the admissions agreement at the behest of Magnolia.” (161-162)

“Finding that no agreement to arbitrate was entered into after January 15, 2005, for this Court to review, the inescapable conclusion is that there was no valid agreement to arbitrate.” (162)

“While the circuit court based its decision to deny arbitration on reasons different from ours, we may on appeal affirm the decision of the trial court where the right result is reached, even though we may disagree with the trial court's reasons for reaching that result.” (162)

FACTUAL BACKGROUND

Barbara Jean Barnes was an incompetent adult with the mental capacity of a three-year-old who could not live alone. After Barnes's prior caregiver became unable to continue providing care, Shirley Grigsby arranged for Barnes's admission to Arnold Avenue Nursing Home and signed an admission agreement containing an arbitration clause on February 19, 2003. Barnes's complaint alleged sexual assaults at the nursing home on January 15, 2005, and June 17, 2005.

PROCEDURAL HISTORY

Shirley Grigsby, acting as Barnes's next friend and conservator, sued Magnolia and related defendants in Washington County Circuit Court alleging that Barnes was sexually assaulted while residing at the nursing home. Magnolia moved to compel arbitration based on an admission agreement signed by Grigsby. The circuit court denied the motion, concluding that Grigsby lacked agency and statutory authority to bind Barnes, and Magnolia appealed.

DISPOSITION

affirmed

CASES CITED

- Covenant Health Rehab of Picayune, L.P. v. Brown, 949 So. 2d 732, 736 (Miss. 2007)
- Vicksburg Partners, L.P. v. Stephens, 911 So. 2d 507, 513 (Miss. 2005)
- Rogers-Dabbs Chevrolet-Hummer, Inc. v. Blakeney, 950 So. 2d 170, 173 (Miss. 2007)
- East Ford, Inc. v. Taylor, 826 So. 2d 709, 713 (Miss. 2002)
- B.C. Rogers Poultry, Inc. v. Wedgeworth, 911 So. 2d 483, 487-88 (Miss. 2005)
- AT&T Technologies, Inc. v. Communications Workers of America, 475 U.S. 643, 648 (1986)
- Pass Termite & Pest Control, Inc. v. Walker, 904 So. 2d 1030, 1032 (Miss. 2004)
- Harrison v. State, 800 So. 2d 1134, 1137 (Miss. 2001)
- Gilmer v. State, 955 So. 2d 829, 833-34 (Miss. 2007)
- Pinkton v. State, 481 So. 2d 306, 309 (Miss. 1985)
- State v. Traylor, 100 Miss. 544, 558-59, 56 So. 521 (1911)
- Mariner Healthcare, Inc. v. Green, 2006 WL 1626581, 2006 U.S. Dist. LEXIS 37479 (N.D. Miss. June 7, 2006)
- Mariner Health Care, Inc. v. Guthrie, 2005 U.S. Dist. LEXIS 42651 (S.D. Miss. Aug. 24, 2005)
- Covenant Health Rehab. of Picayune, L.P. v. Estate of Lambert, 984 So. 2d 283, 8-9 (Miss. Ct. App. 2006)
- Pagarigan v. Libby Care Ctr., Inc., 99 Cal. App. 4th 298, 120 Cal. Rptr. 2d 892 (Cal. Ct. App. 2002)
- Blankfeld v. Richmond Health Care, Inc., 902 So. 2d 296, 301 (Fla. Dist. Ct. App. 2005)
- Covenant Health Rehab of Picayune, L.P. v. Brown, 949 So. 2d 732, 737 (Miss. 2007)