

SUPREME COURT OF ALABAMA

Kindred Nursing Centers East, LLC v. Jones

201 So. 3d 1146 (Ala. 2016) · Decided February 26, 2016

SUMMARY

The Alabama Supreme Court considers whether a nursing-home resident was bound by an arbitration agreement signed by her daughter during admission. The court analyzes apparent authority and the distinction between arbitration agreements signed on behalf of competent versus mentally incompetent residents. The opinion reverses the denial of the nursing facility's motion to compel arbitration and remands the case.

CASE DETAILS

COURT	Supreme Court of Alabama
WRITING FOR THE COURT	Main, Justice; Main; Stuart; Bolin; Parker; Shaw; Wise; Bryan; Moore; Murdock
JURISDICTION	Alabama
DECIDED	February 26, 2016
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Interlocutory appeal from the Madison Circuit Court's denial of a nursing facility's motion to compel arbitration of a resident's negligence, wantonness, breach-of-contract, and fraudulent-concealment claims.
STANDARD OF REVIEW	The denial of a motion to compel arbitration is reviewed de novo. The motion is analogous to a motion for summary judgment. The party seeking arbitration must prove the existence of a contract calling for arbitration and that the contract evidences a transaction affecting interstate commerce; after that showing, the nonmovant must present evidence that the agreement is invalid or does not apply.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Court of Alabama
PARTIES	Kindred Nursing Centers East, LLC d/b/a 0791-Kindred Transitional Care and Rehabilitation-Whitesburg Gardens v. Lorene S. Jones

TOPICS

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QUESTIONS PRESENTED

1. Whether Whitesburg Gardens proved the existence of a valid contract requiring arbitration of Jones's claims.
2. Whether Jones was mentally competent when the arbitration agreement was executed and during her stay at the facility.
3. Whether Jones's conduct established that Barbour had apparent authority to sign the arbitration agreement on Jones's behalf.

HOLDINGS

1. A competent nursing-home resident may be bound by an arbitration agreement executed by a representative, and the evidence established that Jones was mentally competent when admitted to and during her stay at Whitesburg Gardens.
2. Barbour had apparent authority to bind Jones to the arbitration agreement because Jones passively permitted Barbour to act on her behalf during the admission process and did not object to Barbour's execution of the admission documents.
3. Whitesburg Gardens satisfied its burden of proving the existence of a valid arbitration agreement affecting interstate commerce.

KEY QUOTATIONS

"We conclude that the trial court erred in denying Whitesburg Gardens' motion to compel arbitration in accordance with the ADR agreement." (201 So. 3d at 1157)

"Under these circumstances, Whitesburg Gardens proved the existence of a valid contract calling for arbitration." (201 So. 3d at 1157)

FACTUAL BACKGROUND

Jones was admitted to Whitesburg Gardens after knee-replacement surgery and remained there for six days. Her daughter, Yvonne Barbour, signed the facility's admission documents and an optional alternative-dispute-resolution agreement on a signature line for the resident or legal representative. Jones later alleged that facility employees injured her while moving her and that she received substandard care. Barbour asserted that Jones was mentally incompetent and under the influence of heavy pain medication when the documents were signed, but the facility's records described Jones as alert, communicative, and free of cognitive defects during her stay.

PROCEDURAL HISTORY

Lorene Jones sued Whitesburg Gardens and its administrator after allegedly being injured while receiving care at the facility. Whitesburg Gardens moved to compel arbitration based on an arbitration agreement signed by

Jones's daughter, Yvonne Barbour, during the admission process. The Madison Circuit Court denied the motion, and Whitesburg Gardens appealed. The Supreme Court of Alabama reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand for further proceedings consistent with the opinion and enforcement of the ADR agreement through compelled arbitration.

CASES CITED

- Parkway Dodge, Inc. v. Yarbrough, 779 So. 2d 1205 (Ala. 2000)
- TranSouth Fin. Corp. v. Bell, 739 So. 2d 1110 (Ala. 1999)
- Jim Burke Automotive, Inc. v. Beavers, 674 So. 2d 1260 (Ala. 1995)
- Elizabeth Homes, L.L.C. v. Gantt, 882 So. 2d 313 (Ala. 2003)
- Fleetwood Enters., Inc. v. Bruno, 784 So. 2d 277 (Ala. 2000)
- Cook's Pest Control, Inc. v. Boykin, 807 So. 2d 524 (Ala. 2001)
- SSC Montgomery Cedar Crest Operating Co. v. Bolding, 130 So. 3d 1194 (Ala. 2013)
- Diversicare Leasing Corp. v. Hubbard, 189 So. 3d 24 (Ala. 2015)
- Tennessee Health Mgmt., Inc. v. Johnson, 49 So. 3d 175 (Ala. 2010)
- Carraway v. Beverly Enters. Alabama, Inc., 978 So. 2d 27 (Ala. 2007)
- Noland Health Servs., Inc. v. Wright, 971 So. 2d 681 (Ala. 2007)
- Briarcliff Nursing Home, Inc. v. Turcotte, 894 So. 2d 661 (Ala. 2004)
- Owens v. Coosa Valley Health Care, Inc., 890 So. 2d 983 (Ala. 2004)
- Ex parte E.R.G., 73 So. 3d 634 (Ala. 2011)
- Ex parte Achenbach, 783 So. 2d 4 (Ala. 2000)
- Treadwell Ford, Inc. v. Courtesy Auto Brokers, Inc., 426 So. 2d 859 (Ala. Civ. App. 1983)
- Wood Chevrolet Co. v. Bank of the Southeast, 352 So. 2d 1350 (Ala. 1977)
- Northington v. Dairyland Ins. Co., 445 So. 2d 283 (Ala. 1984)

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