

SUPREME COURT OF VIRGINIA

Sentara Medical Group v. Klena

Sentara Medical Group · No. 250671 · Decided February 26, 2026

SUMMARY

The Supreme Court of Virginia held that Chesapeake Regional Medical Group did not automatically share the sovereign immunity of the Chesapeake Hospital Authority merely because it was the Authority’s subsidiary. The Court explained that a corporate agent’s derivative immunity requires a fact-specific analysis, including the entity’s structure, relationship with the immune governmental entity, governmental control, and role in performing governmental functions. Because CRMG presented no evidence supporting its immunity claim, the Court reversed the circuit court’s dismissal and remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of Virginia
WRITING FOR THE COURT	Justice Wesley G. Russell, Jr.; All the Justices
JURISDICTION	Supreme Court of Virginia
DECIDED	February 26, 2026
DOCKET	250671
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Sentara appealed the circuit court's judgment sustaining Chesapeake Regional Medical Group's plea of sovereign immunity and dismissing Sentara's tortious-interference claim with prejudice. The Supreme Court of Virginia granted Sentara's petition for review.
STANDARD OF REVIEW	Because no evidence was presented in support of the plea of sovereign immunity, the Supreme Court considered solely the pleadings, accepted the complaint's factual allegations as true, granted Sentara the benefit of all reasonable factual inferences, and reviewed de novo whether the circuit court correctly sustained the plea.
PRECEDENTIAL VALUE	Published opinion of the Supreme Court of Virginia; precedential.
PARTIES	Sentara Medical Group v. Chesapeake Regional Medical Group, James W. Klena, M.D., et al.

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QUESTIONS PRESENTED

1. Whether a corporate subsidiary of a governmental entity automatically shares the governmental entity's sovereign immunity merely because the governmental entity created it.
2. What framework governs whether a corporate agent of an immune governmental entity may share in the principal's sovereign immunity.
3. Whether the record was sufficient to determine that Chesapeake Regional Medical Group was entitled to sovereign immunity on Sentara's tortious-interference claim.

HOLDINGS

1. A corporate subsidiary or other agent of an immune governmental entity does not automatically share the entity's sovereign immunity merely because the entity created it or was authorized to create it.
2. Whether a corporate agent shares the sovereign immunity of its governmental principal requires a totality-of-the-circumstances review using the James framework as a starting point.
3. CRMG failed to establish its entitlement to sovereign immunity because it presented no evidence and the pleadings did not provide sufficient facts to apply the totality-of-the-circumstances analysis.

KEY QUOTATIONS

“The fact that a municipal corporation was either chartered or created by the General Assembly does not automatically entitle that entity to the protections of sovereign immunity; rather, such an entity is only entitled to the protection of sovereign immunity if it is engaged in a governmental function.” (at 9)

“Although we reiterate that “no single all-inclusive rule can be enunciated or applied in determining [the] entitlement to sovereign immunity” of individual or corporate agents of immune entities, James, 221 Va. at 53, we believe the use of the James framework by then-Judge Lemons is an appropriate starting point for determining whether a corporate agent shares in the immunity of its principal.” (at 12)

“Because CRMG bore the burden of proving its entitlement to immunity, see Whitley v. Commonwealth, 260 Va. 482, 493 (2000), the circuit court erred in sustaining CRMG’s plea of sovereign immunity.” (at 14)

FACTUAL BACKGROUND

The Chesapeake Hospital Authority is a public body politic and corporate that owns and operates Chesapeake Regional Medical Center and created Chesapeake Regional Medical Group as a subsidiary. CRMG employed physicians working at the Authority-owned hospital and shared a president and chief executive officer with the hospital, but the record contained no further material information about CRMG's structure, governance, operations, or the Authority's control over it. Sentara employed cardiovascular surgeon James Klena under an

agreement containing a one-year, 25-mile noncompete restriction. After Sentara learned Klena intended to join CRMG, Klena left Sentara and began working for CRMG, prompting Sentara's claims.

PROCEDURAL HISTORY

Sentara sued James Klena for breach of an employment agreement and Chesapeake Regional Medical Group for tortious interference with that agreement. CRMG filed a plea of sovereign immunity and relied on the allegations in the complaint without presenting evidence. The Circuit Court of the City of Norfolk sustained the plea and dismissed the action against CRMG with prejudice. The Supreme Court of Virginia reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand for further proceedings consistent with the opinion, including further development of the facts relevant to whether CRMG is entitled to share in the Authority's sovereign immunity.

CASES CITED

- Massenburg v. City of Petersburg, 298 Va. 212, 216 (2019)
- Montalla, LLC v. Commonwealth, 303 Va. 150, 164 (2024)
- Fines v. Rappahannock Area Cmty. Servs. Bd., 301 Va. 305, 312 (2022)
- Plofchan v. Plofchan, 299 Va. 534, 547-48 (2021)
- City of Chesapeake v. Cunningham, 268 Va. 624, 633 (2004)
- City of Virginia Beach v. Carmichael Dev. Co., 259 Va. 493, 499 (2000)
- Gray v. Virginia Secy. of Transp., 276 Va. 93, 101 (2008)
- Board of Public Works v. Gannt, 76 Va. 455, 461 (1882)
- Rector & Visitors of the Univ. of Va. v. Carter, 267 Va. 242, 244 (2004)
- Seabolt v. County of Albemarle, 283 Va. 717, 719 (2012)
- Mann v. County Bd. of Arlington County, 199 Va. 169, 175 (1957)
- Fry v. County of Albemarle, 86 Va. 195, 197-99 (1890)
- Carter v. Chesterfield Cnty. Health Comm'n, 259 Va. 588, 590 (2000)
- Virginia Elec. and Power Co. v. Hampton Redevelopment and Housing Authority, 217 Va. 30, 33 (1976)
- Hampton Roads Sanitation Dist. Com. v. Smith, 193 Va. 371, 377 (1952)
- James v. Jane, 221 Va. 43, 53, 55 (1980)
- Messina v. Burden, 228 Va. 301, 312-13 (1984)
- Stevens v. Hospital Auth. of the City of Petersburg, 45 Va. Cir. 162, 1998 Va. Cir. LEXIS 70 (Cir. Ct. City of Richmond 1998)
- Whitley v. Commonwealth, 260 Va. 482, 493 (2000)

