

SUPREME JUDICIAL COURT OF MASSACHUSETTS

Johnson v. Kindred Healthcare, Inc.

466 Mass. 779 (2014) · Decided January 13, 2014

SUMMARY

The Massachusetts Supreme Judicial Court held that a health care agent acting solely under a Massachusetts health care proxy lacks authority to bind the principal to an arbitration agreement concerning disputes arising from the principal's nursing-facility stay. The court vacated the order compelling mediation or arbitration and remanded the case for further proceedings.

CASE DETAILS

COURT	Supreme Judicial Court of Massachusetts
WRITING FOR THE COURT	Duffly, J.
JURISDICTION	Massachusetts
DECIDED	January 13, 2014
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from an order compelling mediation and arbitration and staying wrongful-death and negligence proceedings against nursing-home defendants. The Supreme Judicial Court reviewed the interlocutory matter after a single justice of the Appeals Court allowed the plaintiffs' petition under G. L. c. 231, § 118, and transferred the case on its own motion.
STANDARD OF REVIEW	Questions of law concerning the validity and enforceability of an arbitration agreement are reviewed de novo. When no material fact is disputed on a motion to compel arbitration, the judge resolves the issue as a matter of law.
PRECEDENTIAL VALUE	Published opinion; precedential decision of the Supreme Judicial Court of Massachusetts.
PARTIES	Administrators of the estate of Dalton Johnson v. Kindred Healthcare, Inc., Kindred Healthcare Operating, Inc., Kindred Nursing Centers East, LLC, Braintree Nursing, LLC, doing business as Braintree Manor Rehabilitation and Nursing Center, Barbara Webster

TOPICS

arbitration

nursing home liability

health law

statutory interpretation

civil procedure

PRACTICE AREAS

health law

nursing home liability

arbitration

contracts

civil procedure

QUESTIONS PRESENTED

1. Whether a health care agent acting solely under a Massachusetts health care proxy has authority under G. L. c. 201D to enter into an arbitration agreement binding the principal.
2. Whether an agreement to arbitrate claims arising from a principal's stay at a nursing facility is a health care decision within the meaning of the Massachusetts health care proxy statute.
3. Whether the Superior Court properly compelled mediation or arbitration and stayed the underlying proceedings.

HOLDINGS

1. A health care agent's decision to enter into an arbitration agreement is not a health care decision under G. L. c. 201D and therefore does not bind the principal when the agreement was executed solely under the authority of a health care proxy.
2. The term health care decision must be construed narrowly so that a health care agent's authority does not encompass business, financial, property, or legal-claim decisions allocated to attorneys in fact, guardians, or conservators.

KEY QUOTATIONS

"We conclude that a health care agent's decision to enter into an arbitration agreement is not a health care decision as that term is defined and used in the health care proxy statute and, therefore, that an agreement to arbitrate all claims arising out of a principal's stay in a nursing facility does not bind the principal where the agreement was entered into solely by a health care agent under the authority of a health care proxy." (466 Mass. at 781)

"Taken together, these definitions appear on their face to limit "health care decisions" to those that directly involve the provision of responsible medical services, procedures, or treatment of the principal's physical or mental condition." (466 Mass. at 784)

"Our health care proxy statute reflects no such intent. The language of G. L. c. 201D, § 5, considered in the context of its purpose and the broader statutory framework, authorizes the agent only to make those decisions requiring a principal's informed consent to a medical treatment, service, or procedure; it does not authorize a health care agent to make all decisions that the principal could have made if competent, even those that might bear some relationship to the receipt of medical services." (466 Mass. at 791-792)

FACTUAL BACKGROUND

Dalton Johnson executed a Massachusetts health care proxy appointing his wife, Barbara Johnson, as his health care agent. After Dalton was admitted to a nursing facility, Barbara signed an agreement requiring mediation

and, if unsuccessful, arbitration of disputes arising between Dalton and the nursing-home defendants. Dalton later suffered burns while residing at the facility and died after being transported to a hospital. The agreement was not a precondition to admission, and the plaintiffs challenged Barbara's authority to bind Dalton to arbitration.

PROCEDURAL HISTORY

The plaintiffs filed Superior Court claims alleging negligence and seeking wrongful-death damages arising from Dalton Johnson's care at a nursing facility. The Superior Court judge held that the health care agent's arbitration agreement bound Dalton, ordered the proceedings stayed pending mediation and arbitration, and denied reconsideration. The Appeals Court permitted an interlocutory appeal, and the Supreme Judicial Court transferred the case.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The order compelling mediation or arbitration and staying the Superior Court proceedings was vacated and set aside. The case was remanded to the Superior Court for further proceedings consistent with the opinion.

CASES CITED

- *McInnes v. LPL Fin., LLC*, 466 Mass. 256, 261 (2013)
- *Deutsche Bank Nat'l Ass'n v. First Am. Title Ins. Co.*, 465 Mass. 741, 744 (2013)
- *Superintendent of Belchertown State Sch. v. Saikewicz*, 373 Mass. 728, 739-740, 746 (1977)
- *Cohen v. Bolduc*, 435 Mass. 608, 616-618 & n.25 (2002)
- *Sullivan v. Chief Justice for Admin. & Mgt. of the Trial Court*, 448 Mass. 15, 24 (2006)
- *Champigny v. Commonwealth*, 422 Mass. 249, 251 (1996)
- *Board of Educ. v. Assessor of Worcester*, 368 Mass. 511, 513 (1975)
- *Industrial Fin. Corp. v. State Tax Comm'n*, 367 Mass. 360, 364 (1975)
- *Commonwealth v. Keefner*, 461 Mass. 507, 511 (2012)
- *Wolfe v. Gormally*, 440 Mass. 699, 704 (2004)
- *Murphy v. Bohn*, 377 Mass. 544, 548 (1979)
- *Miller v. Cotter*, 448 Mass. 671, 672, 674, 676, 678, 682 (2007)
- *Owens v. National Health Corp.*, 263 S.W.3d 876, 883-885 (Tenn. 2007), cert. denied, 555 U.S. 815 (2008)
- *AT&T Mobility LLC v. Concepcion*, *AT&T Mobility LLC v. Concepcion*, 131 S. Ct. 1740, 1745 (2011)
- *Estate of Irons ex rel. Springer v. Arcadia Healthcare, L.C.*, 66 So. 3d 396, 400 (Fla. Dist. Ct. App. 2011)
- *Life Care Ctrs. of Am. v. Smith*, 298 Ga. App. 739, 744 (2009)
- *Ping v. Beverly Enters., Inc.*, 376 S.W.3d 581, 593-594 (Ky. 2012), cert. denied, 133 S. Ct. 1996 (2013)
- *Dickerson v. Longoria*, 414 Md. 419, 445 (2010)

- Texas Cityview Care Ctr., L.P. v. Fryer, 227 S.W.3d 345, 352-353 (Tex. Ct. App. 2007)
- Curto v. Illini Manors, Inc., 405 Ill. App. 3d 888, 894 (2010)
- Mississippi Care Ctr. of Greenville, LLC v. Hinyub, 975 So. 2d 211, 218 (Miss. 2008)
- Koricic v. Beverly Enters. Nebraska, Inc., 278 Neb. 713, 719 (2009)
- State ex rel. AMFM, LLC v. King, 740 S.E.2d 66, 75 (W. Va. 2013)
- Garrison v. Superior Court, 132 Cal. App. 4th 253, 266 (2005)
- Moffett v. Life Care Ctrs. of Am., 187 P.3d 1140, 1147 (Colo. Ct. App. 2008), aff'd, 219 P.3d 1068 (Colo. 2009)
- Barron v. Evangelical Lutheran Good Samaritan Soc'y, 265 P.3d 720, 726 (N.M. Ct. App. 2011)
- Matter of Moe, 385 Mass. 555, 567-568 (1982)
- Rogers v. Commissioner of the Dep't of Mental Health, 390 Mass. 489, 497 (1983)
- Fazio v. Fazio, 375 Mass. 394, 403 (1978)