



Florida Legislation May Protect Nursing Home Investors

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Senate Bill 670 was recently passed by the 2014 Florida legislature and, if signed into law by Governor Rick Scott, will amend the nursing home liability statute to protect passive investors in Florida nursing homes from liability. The preamble to the legislation provides “that a cause of action for negligence or violation of residents’ rights alleging direct or vicarious liability for the injury or death of a nursing home resident may be brought against a licensee, its management or consulting company, its managing employees, and any direct caregiver employees or contractors; providing that a cause of action may not be asserted against other individuals or entities except under certain circumstances.” The legislation specifies that a passive investor cannot be held liable under the statute. The term “passive investor” is defined in the legislation as “an individual or entity that has an interest in a facility but does not participate in the decision making or operations of the facility.”

The motivation behind the bill stems from lawyers in Florida suing wide groups of individuals connected to a nursing home, including certain investors that are not involved in resident care. The legislation was supported by the Florida Health Care Association, the Florida Justice Association, and the AARP. Advocates for the bill anticipate that this legislation may lead to investors putting more money into nursing homes in the state.

The legislation was opposed by several groups, including the law firm Wilkes & McHugh based in Tampa, Florida, which frequently sues nursing homes on behalf of nursing home residents.

The bill also places additional restrictions on punitive damages and modifies procedures and parameters relating to the request of resident records making it easier to obtain these records. Additionally, the legislation grants the Agency for Health Care Administration the authority to suspend or refuse to renew an existing nursing facility license, or deny a change of ownership if the defendant fails to pay a judgment or settlement within 60 days.

If signed into law, the amendments to the statute will apply to cause of action arising after the effective date.

For a copy of the legislation, please click [here](#).

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