



## Client Alert

Contact Attorneys Regarding  
This Matter:

Jason E. Bring  
404.873.8162 - direct  
404.873.8163 - fax  
[jason.bring@agg.com](mailto:jason.bring@agg.com)

W. Jerad Rissler  
404.873.8780 - direct  
404.873.8781 - fax  
[jerad.rissler@agg.com](mailto:jerad.rissler@agg.com)

Arnall Golden Gregory LLP  
Attorneys at Law  
171 17th Street NW  
Suite 2100  
Atlanta, GA 30363-1031  
404.873.8500  
[www.agg.com](http://www.agg.com)

### Georgia Court Upholds Nursing Home Arbitration Agreement

Yet another trial court has joined the trend in favor of enforcing nursing home arbitration agreements. The State Court of Richmond County granted a motion to compel arbitration brought by Arnall Golden Gregory attorneys in favor of a defendant nursing home in Augusta. The plaintiff sued the facility in state court, alleging negligence in the care that he had received, even though he had voluntarily entered into an arbitration agreement with the facility upon admission. The arbitration agreement at issue was a separate, stand-alone agreement, and contained language that made it clear that its execution was not a condition of admission.

The Court found that the Federal Arbitration Act (“FAA”), which has been broadly interpreted by the United States Supreme Court to favor arbitration, applied and required arbitration of any disputes between the parties.

The application of the FAA turned upon the court’s recognition that there was a sufficient nexus between interstate commerce and the general business activity of the nursing home, a nexus that is necessary to invoke the FAA. The factors the court relied upon in reaching this conclusion included the fact that the nursing home routinely provided services to residents of other states, that it received payments from out-of-state insurance companies, that it participated in Medicare and Medicaid, and that it regularly purchased goods and supplies from sources outside of Georgia.

While the Richmond County decision evidences the willingness of trial courts to enforce arbitration agreements, Congress has been considering federal legislation that would seek to make pre-dispute arbitration provisions between long term care facilities and their residents or the residents’ representatives invalid and unenforceable. Under the proposed “Fairness in Nursing Home Arbitration Act,” an arbitration agreement would only be enforceable if the parties entered into it after a dispute arose, at which point any agreement between the parties is far less likely. Clearly, this legislation, which unfairly singles out providers of long-term care, would undermine the FAA.

Please [click here](#) for a copy of the decision. For additional information, please contact Jason Bring or Jerad Rissler.

*Arnall Golden Gregory LLP serves the business needs of growing public and private companies, helping clients turn legal challenges into business opportunities. We don't just tell you if something is possible, we show you how to make it happen. Please visit our website for more information, [www.agg.com](http://www.agg.com).*

*This alert provides a general summary of recent legal developments. It is not intended to be, and should not be relied upon as, legal advice.*