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A turning point for elder-abuse cases

HOLLAND V. SILVERSCREEN HEALTHCARE LIMITS ARBITRATION'S REACH

At its core, arbitration is not a creature of public policy – it is a matter of consent. Born of contract, its authority extends only to the parties who agree to it, as affirmed by both the U.S. Supreme Court and the California Supreme Court. (*Quach v. California Commerce Club, Inc.* (2024) 16 Cal.5th 562, 579-583.) Yet in the healthcare and long-term care context, courts have increasingly been asked to stretch that contractual foundation to bind individuals who never signed, negotiated, or even saw the agreement.

In *Holland v. Silverscreen Healthcare, Inc.* (2025) 18 Cal.5th 364 (“*Holland*”), the California Supreme Court confronted that tension head-on, reaffirming a fundamental principle: Arbitration cannot be imposed by implication where agreement is absent, particularly when the rights at stake belong to non-signatory heirs asserting independent wrongful-death claims. Specifically, the Court held that an arbitration agreement signed by a nursing-home resident does not necessarily bind their heirs to arbitrate a wrongful-death claim if that claim is based on custodial neglect rather than professional medical negligence.

In doing so, *Holland* clarified the exception established in *Ruiz v. Podolsky* (2010) 50 Cal.4th 838 (“*Ruiz*”), where heirs may be compelled to arbitrate wrongful-death claims based on agreements signed by the decedent. *Holland* makes it clear that this exception is limited to claims grounded in professional medical negligence as defined by the Medical Injury Compensation Reform Act (MICRA). Where the alleged wrongdoing instead involves custodial neglect – a common basis for elder-abuse claims in long-term care settings – the decedent’s arbitration agreement does not extend to bind non-signatory heirs.

This distinction reinforces the independent nature of wrongful-death claims in the custodial-care context and signals a meaningful limitation on the enforceability

of arbitration provisions in elder-abuse litigation.

Historical legal authority on compelling wrongful death claims

Previously, the California Supreme Court in *Ruiz*, citing Code of Civil Procedure section 1295, held that wrongful-death claims arising from medical malpractice were subject to forced arbitration. In *Ruiz*, a prospective patient signed an arbitration agreement with a surgeon that included any wrongful-death claim that his heirs may assert. The patient’s wife and children filed an action for wrongful death against the surgeon after the patient died, allegedly from complications related to the surgery. Although the Court recognized that the patient’s heirs had an independent claim for wrongful death arising from their own personal loss of a loved one and were not signatories to the arbitration agreement, the Court concluded that they were, nevertheless, bound by the contract. (*Id.* at pp. 851-852.)

The Court’s rationale in *Ruiz* was primarily based on effectuating the legislative intent behind Code of Civil Procedure section 1295, which encouraged arbitration of medical malpractice disputes. The Court emphasized that, back in 1975, when the Medical Injury Compensation Reform Act (“MICRA”) was passed, there was a perceived crisis in which physicians were electing not to provide care due to the skyrocketing costs of obtaining malpractice insurance. (*Id.* at pp. 843-844.)

At the same time, there was a policy in favor of arbitration because it was assumed to be a “speedy and relatively inexpensive means of dispute resolution.” (*Id.* at p. 844, citing *Moncharsh v. Heily & Blase* (1992) 3 Cal.4th 1, 9.) These policies, promulgated by the Legislature and the Court itself, overrode the wrongful death heirs’ constitutional right to a jury trial to determine the value of their own

personal loss of a loved one. (*Id.* at pp. 853-854.)

Following *Ruiz*, the lower courts consistently held that claims arising from injuries other than medical malpractice – such as elder abuse or neglect – were distinguishable and, therefore, not subject to forced arbitration:

- *Daniels v. Sunrise Senior Living, Inc.* (2013) 212 Cal.App.4th 674, 683-684 [wrongful death claim against a residential care facility for the elderly did not arise out of medical malpractice because the facility was not a licensed health care provider]
- *Bush v. Horizon West* (2012) 205 Cal.App.4th 924, 929 [negligent infliction of emotional distress claim against nursing home not subject to arbitration]
- *Avila v. Southern California Specialty Care, Inc.* [“*Avila*”] (2018) 20 Cal.App.5th 835, 841-844 [allegations against hospital involving failure to monitor, leading to a dislodged feeding tube and death arose from elder abuse and neglect, not medical malpractice]
- *Valentine v. Plum Healthcare Group, LLC* (2019) 37 Cal. App.5th 1076, 1083 [allegations against nursing home involving failure to treat infections and monitor worsening condition led to septic shock and death sounded in elder abuse and neglect]
- *Hearden v. Windsor Redding Care Center, LLC* (2024) 103 Cal. App.5th 1010, 1018-1019 [allegations against nursing home involving the failure to adequately staff, provide basic custodial care, monitor residents, and provide sufficient training involved claims of neglect rather than medical malpractice.]

The appellate court in *Holland*

expressed qualified disagreement with *Avila* and subsequent cases, causing the Supreme Court to resolve the resulting tension. The Supreme Court ultimately affirmed the *Avila* line of analysis.

Holland v. Silverscreen Healthcare: Background

Skyler Womack was a dependent adult with physical and developmental disabilities when he was admitted to a nursing home operated by Silverscreen Healthcare, Inc. The complaint alleged that the nursing home failed to protect him from multiple falls as well as infections, leading to his untimely demise. The complaint also alleged that the nursing home failed to employ a sufficient number of staff, failed to keep the facility in good repair, and failed to provide nutrition and necessary fluids for hydration. The trial court granted Silverscreen's motion to compel arbitration of the survivor claims but denied the motion as to the wrongful death claim brought by Skyler Womack's parents. (*Id.* at p. 372.)

The Court of Appeal reversed, explaining that the allegations of understaffing and the failure to prevent falls and infections speak to negligent acts or omissions by a health care provider in rendering professional services rather than abuse or custodial neglect. (*Id.* at p. 373.) The Court of Appeal also reasoned that the parents would not have standing to pursue an abuse or neglect claim because that claim belongs to the estate as a survivor claim. Without standing, a wrongful-death claim can never be based on abuse or neglect. (*Ibid.*)

Holland v. Silverscreen Healthcare: Analysis

The Supreme Court disagreed that every allegation involving a health-care provider's failure to perform their duties must necessarily sound in professional negligence. The question as to what constitutes professional negligence does not simply turn on the type of licensure the defendant holds. (*Id.* at p. 379.) The Court explained that long-term care facilities, such as nursing homes, provide

both medical and custodial care, which includes attending to the basic needs and comforts of elderly or dependent adults. Although there may be overlap, the Court has given guidance on how to distinguish allegations based on medical malpractice and custodial neglect. Custodial neglect was present in these circumstances:

- The failure to provide basic necessities, such as assistance with personal hygiene, food, hydration, or clothing.
- The failure to provide an adequate and habitable living space or protect from routine safety hazards.
- The failure to attend to, monitor, or assist a resident in obtaining appropriate medical care (the failure to provide such care rather than the undertaking of medical services)
- The failure to provide nutrition, hydration, and medication leading to starvation, dehydration, sepsis, and eventual death.
- Inadequate staffing leading to the resident lying in waste and advanced bedsores over an extended period of time.

Given this guidance, the Supreme Court did not believe the lower court properly considered the allegations regarding the nursing home's failure to prevent falls and infection. (*Id.* at pp. 381-382.) The Court explained that where the injuries were caused by the failure to adequately supervise and render assistance to residents as part of their daily activities of living or ignoring easily observable signs and symptoms of illness "generally does not" sound in professional negligence. (*Id.* at p. 382.) The Court ultimately agreed with *Avila* that the question to resolve for the trial court is whether the primary basis for the wrongful death claim sounds in medical malpractice or in custodial neglect. (*Ibid.*) Ignoring that question would, otherwise, exceed the bounds set forth in *Ruiz*.

The Supreme Court also rejected the broader argument that a wrongful-death claim against a health-care provider can

never be premised in custodial neglect or, if it does, the wrongful-death plaintiffs must prove exactly the same elements as a claim for elder or dependent adult abuse. (*Id.* at pp. 383-384.) Silverscreen argued that, since the wrongful-death heirs did not have standing to pursue the dependent adult abuse claim (it must be brought by the victim's successor-in-interest as a survivor claim), then, logically, the wrongful-death heirs cannot base their own claim on the same allegations as the survivor claim. The Court found this unpersuasive, noting that the issue is whether the allegations sound in professional negligence, not standing. Moreover, the wrongful-death heirs were not seeking the same heightened remedies as in the dependent-adult abuse claim. Therefore, the wrongful-death claim need not have made the same "mental state" allegations of recklessness, oppression, malice, or fraud. (*Id.* at p. 384.)

The Supreme Court found that the complaint lacked sufficient details for the lower court to determine whether the wrongful-death plaintiffs raised a medical-malpractice dispute. The Court, therefore, remanded to allow leave to amend the complaint. The wrongful-death plaintiffs could then explain how the failure to attend to the resident's basic needs, prevent falls and infections, and have a sufficient number of staff led to his eventual death. (*Id.* at p. 385.)

Future implications

For practitioners litigating elder and dependent adult abuse or neglect claims, as well as for courts/arbitrators, *Holland* provides excellent guidance on distinguishing these claims from medical malpractice, guidance that is helpful beyond the context of determining the validity of arbitration agreements. The Court also answered a long-standing question of whether every wrongful-death claim brought against a health care provider must necessarily sound in medical malpractice. The answer was a resounding, "No." The Court went further and explained that wrongful-death plaintiffs do not even have to allege or prove the

type of egregious conduct that is normally required to prove elder abuse and neglect in order to escape the bounds of MICRA. The question for the jury or arbitrator to determine whether the wrongful-death damages are capped by MICRA would simply be if the primary basis of the claim sounds in custodial neglect.

In the context of arbitration, the *Holland* opinion continues the trend of our high court to uphold the tenet that parties are only bound to arbitrate the disputes they have agreed to arbitrate, absent a recognized exception.

The importance of this principle was underscored by the Court's instruction that leave to amend be granted to determine whether the wrongful-death heirs should be compelled to binding arbitration. The Court similarly remanded in a recent case and allowed the trial court, in its discretion, to allow further discovery and briefing on the validity of an arbitration agreement. (*Fuentes v. Empire Nissan, Inc.* (2026) 582 P3d 961, 974.) The Court implicitly stated that the trial court should have sufficient information before determining whether the parties have waived their constitutional right to a jury trial.

Despite this recognition that parties should not be compelled to arbitrate claims they have not previously agreed to arbitrate, the Supreme Court stopped short of overturning *Ruiz*. It is not clear that the Legislature back in 1975 ever considered that a patient could bind the heirs to an arbitration agreement for their own personal claim for wrongful death.

Moreover, the Legislature recognized the importance of the patient needing to understand what rights were being given up by signing a medical services contract containing an arbitration clause. Wrongful-death heirs would not have the same, fair opportunity to knowingly give up their rights having not seen the actual arbitration agreement. Overturning *Ruiz* would have created a better bright-line rule that would have avoided the lower courts having to play judge and jury on a record consisting of no evidence.

Case in point: In *Faiaipau v. THC-Orange County, LLC* (2025) 117 Cal.App.5th 292, the trial court did not have the benefit of *Holland* when it ruled that the wrongful-death heirs' claim was not subject to arbitration because it was based on the same facts as the elder abuse claim. The trial court followed *Avila's* analysis that the wrongful-death claim was caused by reckless neglect as pleaded. Even though *Holland* adopted *Avila*, the Court of Appeal reversed the trial court and held that the wrongful-death claim sounded in professional negligence under *Holland*.

Although the complaint described in detail that the elderly plaintiff was neglected at the defendant's facility, including withholding medical care that caused discomfort and harm to her health, withholding nutrition through her feeding tube, and not checking on her such that she was sitting in her feces for hours at a time, causing the progression of pressure ulcers, the Court of Appeal was adamant the wrongful-death claim could not possibly have sounded in custodial neglect.

After repeated instances of the elderly plaintiff being ignored and neglected, the ventilator she was hooked on somehow became disconnected and she was not found until hours later. By that time, it was too late and she suffered anoxic brain injury, leading to her death shortly thereafter. The Court of Appeal held that nothing else was relevant but the disconnection of the ventilator, and also wrongly noted that there is a "strong policy favoring arbitration," such that the wrongful-death heirs were bound to arbitrate their claim even though they had not signed or even viewed the arbitration agreement.

Conclusion

Holland restores the proper boundaries of arbitration by returning the doctrine to its contractual roots. It confirms that the reach of an arbitration agreement is defined not by judicial preference or policy considerations, but by the actual consent of the involved parties. By refusing to extend arbitration

to non-signatory heirs asserting independent wrongful-death claims grounded in custodial neglect, the California Supreme Court reaffirmed a fundamental principle: Arbitration is a matter of agreement, not coercion. In doing so, the Court not only clarified the limits of *Ruiz*, but also reinforced the integrity of wrongful-death claims as distinct, personal rights – ensuring they cannot be quietly extinguished by agreements the claimants themselves never made.

Unfortunately, our high court did not overturn *Ruiz*, leaving the door open for lower courts to interpret allegations in pleadings rather than to make the ultimate determination of whether the constitutional right to a jury trial has been waived.

The implications are substantial. For plaintiffs, *Holland* preserves access to the jury system in a significant category of elder abuse cases, strengthening leverage in both litigation and settlement. For healthcare providers and long-term care facilities, the decision signals a need to reassess arbitration strategies and admission agreements, particularly where claims may sound in custodial neglect rather than professional negligence.

More broadly, the ruling reflects a continued judicial shift away from reflexive enforcement of arbitration provisions and toward a more disciplined application of contract principles – one that may shape how courts evaluate the enforceability of arbitration agreements across a wide range of contexts moving forward.



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