October 23, 2007

The Honorable John Conyers
Chairman
Committee on the Judiciary
United States House of Representatives
Washington, DC 20515

The Honorable Lamar Smith
Ranking Member
Committee on the Judiciary
United States House of Representatives
Washington, DC 20515

Dear Chairman Conyers and Ranking Member Smith:

The American Health Care Association (AHCA) is the nation’s largest trade organization representing nearly 11,000 long term care facilities including nursing facilities, assisted living residences, subacute centers and homes for persons with mental retardation and developmental disabilities. AHCA opposes H.R. 3010, the “Arbitration Fairness Act” and urges you to oppose this legislation that would limit the availability and effectiveness of arbitration and other types of alternative dispute resolution (ADR) mechanisms.

By nullifying pre-dispute binding arbitration clauses in consumer, employment and franchise contracts, H.R. 3010 would cause serious damage to the general use and availability of ADR and would effectively weaken the Federal Arbitration Act.

Long term care general and professional liability insurance costs have been increasing over the past several years. Many causes, including civil causes of action based on subjectively defined patient’s/resident’s rights statutes, unlimited non economic damages, and add-on attorney fees are responsible for this trend. As a result, excessive lawsuits and subsequent premium increases threaten access to quality long term care services. Moreover, efforts to improve quality in long term care facilities are being stifled by the diversion of dollars away from care toward liability costs. Limiting the use of ADR mechanisms is not the answer to this crisis.

Given these facts, AHCA strongly encourages you to oppose H.R. 3010.

Sincerely,

Bruce Yarwood
President & CEO

Cc: Dan Gustafson, Health Care Association of Michigan
Tim Graves, Texas Health Care Association