

Jonathan Rosenfeld's Nursing Homes Abuse Blog

Will The Huge Nursing Home Verdicts Effectively Tighten The Screws On The Nursing Home Industry?

Posted by [Jonathan Rosenfeld](#) on September 28, 2010

Lots and lots of discussion about the \$677 million verdict against Skilled Healthcare Group for not supplying that mandatory staffing levels that the State of California mandates. Some argue that the verdict is a prime example of a jury system that's out of control, while others claiming that the large verdict is simply what the company deserves given its staffing obligations under the law.

Like many legal developments, once the smoke clears after the initial explosion we can see that there is a lot more to the verdict than we initially thought.

Despite the initial 'sticker shock' of the verdict, the actual amount Skilled will pay the plaintiffs is substantially less. In fact, the parties have agreed to settle the case -- to avoid bankruptcy proceedings and likely appellate hurdles-- for \$50 million-- a sizable, yet substantially smaller amount than the initial verdict.

In addition to the monetary payment, the settlement also calls for a third-party to monitor the staffing levels at all Skilled Healthcare facilities for the next two years to make sure they are in compliance with their obligations under California law.

What is the impact of the settlement on the nursing home industry?

I think its still too early to say with certainty what impact this settlement will have on the nursing home industry in general. However, as a nursing home lawyer who represents many people who have suffered abuse or severe neglect due to inadequate and poorly trained staff, I feel that the more attention that

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gets focused on the industry, the better off patients will be when it comes to the type of care they deserve.

To an industry that tends to eek out profits by boosting capacity and cutting costs, I hope that-- at the very least-- the Skilled Healthcare verdict will cause them to pause and reflect on the way that they do business given the real chance of severe repercussions. Time will only tell.

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[Nursing Home Operator: Settlement Stems Tumult](#), Orange County Business Journal, September 19, 2010

[Nursing Home Chain Hit With Landmark Verdict In Under-Staffing Class Action Lawsuit](#)

[Class Action Lawsuit Against Skilled Healthcare Seeks Damages For Chronic Under-staffing Of Nursing Homes](#)

[Big Verdicts Against Nursing Homes](#)