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APPELLATE DIVISION EXTENDS ABSOLUTE IMMUNITY FROM LIABILITY TO HOSPITAL UNDER THE NEW JERSEY CHARITABLE IMMUNITY ACT

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In a recent decision, the Superior Court of New Jersey, Appellate Division, affirmed the summary judgment dismissal of a plaintiff's Complaint against a hospital and its clinic, finding that they were entitled to absolute immunity from liability under the New Jersey Charitable Immunity Act. The plaintiff argued that the hospital and its clinic were subject to the limited liability cap of \$250,000, under the Act, but were not entitled to absolute immunity. The Court disagreed with the plaintiff and dismissed the Complaint. The Appellate Division affirmed the dismissal of the Complaint.

The plaintiff, Terry Kuchera, was injured when she slipped and fell on an oily substance while attending a free eye screening conducted by the New Jersey Commission for the Blind and Vision Impaired (Commission). The screening was being conducted on the premises of the Jersey Shore University Medical Center and its Family Health Center.

The plaintiff filed a lawsuit alleging negligence against the hospital and its Family Health Center. The defendants moved for summary judgment, based on their status as a charitable organization, asserting that they were entitled to absolute immunity from liability under the New Jersey Charitable Immunity Act, N.J.S.A. 2A:53A-7. The plaintiff opposed the motion, arguing that defendants were only entitled to the limited immunity from liability under N.J.S.A. 2A:53A-8, as they are organized exclusively for hospital purposes. The limited liability under Section 8 of the Act provides that a hospital may be liable up to \$250,000. The motion judge found that the defendants were entitled to absolute immunity under Section 7 of the Act, because they were not operating exclusively for hospital purposes. Accordingly, the motion judge granted the defendants' motion and dismissed the Complaint.

The plaintiff appealed to the Appellate Division. The Appellate Division considered the issue of "whether the Family Health Center is an institution organized exclusively for hospital purposes so as to fall within the limited liability cap (\$250,000) of N.J.S.A. 2A:53A-8, or is a hybrid entity having, among other things, a charitable or educational purpose, and therefore qualifying for the absolute immunity afforded by N.J.S.A. 2A:53A-7."

The Appellate Division said in order to receive absolute immunity under Section 7, an organization must establish that it is a non-profit corporation “that is organized exclusively for religious, charitable, educational or hospital purposes, and promoted such purposes at the time of the incident.” The injured party must also have been a beneficiary of its charitable services. According to the Court, Section 7’s blanket immunity provision, however, is subject to the provisions of Section 8, which exposes the entity to limited liability if it is organized exclusively for hospital purposes.

The Court found that in addition to maintaining a hospital, the defendants also provided beneficial services listed in Section 7 and are therefore, not engaged solely in hospital functions to the exclusion of educational and charitable purposes. The Court relied upon the defendants’ role in providing education and training of physicians, nurses, laboratory students and radiology students as well as maintaining off-site facilities that serve a variety of functions. The Court found that the defendants had an “educational” purpose and a “charitable” purpose within the intendment of N.J.S.A. 2A:53A-7. The Court held that the defendants were not organized exclusively for hospital purposes under N.J.S.A. 2A:53A-8, but rather had multiple purposes within the meaning of N.J.S.A. 2A:53A-7. As such, the defendants were entitled to absolute immunity and the Court affirmed the dismissal of the Complaint.

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