

By: Laubenberg

H.C.R. No. 91

CONCURRENT RESOLUTION

1 WHEREAS, Barbara Stegall, individually and as representative  
2 of the estate of Joe Stegall, alleges that:

3 (1) in the spring of 2014, Joe Stegall began  
4 experiencing fevers and a feeling of being unwell;

5 (2) Mr. Stegall was employed as the chief financial  
6 officer for the City of Royse City, Texas, and as a city employee,  
7 was eligible for, and participated in, the city's medical and  
8 prescription drug insurance provided by the Texas Municipal League  
9 and TML MultiState Intergovernmental Employee Benefits Pool, Inc.;

10 (3) the Texas Municipal League and TML MultiState  
11 Intergovernmental Employee Benefits Pool, Inc., provided medical  
12 and prescription drug coverage to Joe and Barbara Stegall, and UMR,  
13 Inc., was the third-party administrator;

14 (4) in May 2014, Mr. Stegall felt ill, and was taken to  
15 the hospital by Mrs. Stegall and was admitted, examined, and  
16 informed that he had cholangiocarcinoma, more commonly known as  
17 bile duct cancer;

18 (5) Mr. Stegall returned home to form a treatment plan  
19 with his oncologist, Dr. Ahmer Younas at Texas Oncology in Rowlett,  
20 Texas, and made an appointment with a second oncologist,  
21 Dr. Douglas Orr at Texas Oncology in Dallas, Texas;

22 (6) in subsequent appointments, Dr. Younas and  
23 Dr. Orr advised Mr. Stegall that he had cholangiocarcinoma, bile  
24 duct cancer, and hepatocellular carcinoma, liver cancer;

1           (7) Dr. Younas advised Mr. Stegall to start  
2 chemotherapy for the bile duct cancer first and add another form of  
3 chemotherapy for the liver cancer at a later date, and Mr. Stegall  
4 promptly began a chemotherapy regimen of gemcitabine and cisplatin  
5 to treat the bile duct cancer;

6           (8) as a result of the positive response Mr. Stegall  
7 exhibited to chemotherapy, on October 23, 2014, Dr. Younas  
8 recommended that Mr. Stegall add to his chemotherapy regimen  
9 another drug that would target the liver cancer;

10          (9) Dr. Younas prescribed sorafenib, known in the  
11 United States by the brand name Nexavar, in tablet form to treat the  
12 liver cancer, and sought authorization for the drug from the Texas  
13 Municipal League and TML MultiState Intergovernmental Employee  
14 Benefits Pool, Inc.;

15          (10) Nexavar is FDA-approved for the treatment of  
16 hepatocellular carcinoma, from which Mr. Stegall suffered, and  
17 Nexavar increases the survival rates and life expectancy of  
18 patients with advanced liver cancer;

19          (11) the Texas Municipal League and TML MultiState  
20 Intergovernmental Employee Benefits Pool, Inc., refused to  
21 authorize the drug for Mr. Stegall, and on October 30, 2014, a  
22 written denial signed by Carol Padgett, RN, BSN, CCM, Medical  
23 Intelligence Care Management, on TML MultiState Intergovernmental  
24 Employee Benefits Pool, Inc., letterhead was sent to Mr. Stegall,  
25 at the address of Texas Oncology, citing as the basis for the denial  
26 that, "The requested service was determined to be unproven.";

27          (12) Dr. Younas persisted in efforts to obtain

1 chemotherapy for Mr. Stegall and engaged in a telephone conference  
2 with Dr. Philip Schulman, an employee or agent of the Texas  
3 Municipal League, TML MultiState Intergovernmental Employee  
4 Benefits Pool, Inc., or UMR, Inc.;

5 (13) Dr. Younas learned that Dr. Schulman, and by  
6 extension, the Texas Municipal League, TML MultiState  
7 Intergovernmental Employee Benefits Pool, Inc., and UMR, Inc., did  
8 not believe that Mr. Stegall had liver cancer;

9 (14) due to the urgency of Mr. Stegall's need,  
10 Dr. Younas and his staff immediately began efforts to procure  
11 Nexavar for Mr. Stegall without insurance and at no cost to  
12 Mr. Stegall through a Resources for Expert Assistance and Care  
13 Helpline program;

14 (15) the Texas Municipal League and TML MultiState  
15 Intergovernmental Employee Benefits Pool, Inc., acted  
16 intentionally to discourage Mr. Stegall from obtaining Nexavar;

17 (16) on November 5, 2014, PMC Multistate Case Manager  
18 Carol West, an employee or agent of the Texas Municipal League, TML  
19 MultiState Intergovernmental Employee Benefits Pool, Inc., or UMR,  
20 Inc., advised Dr. Younas's staff that the Texas Municipal League  
21 and TML MultiState Intergovernmental Employee Benefits Pool, Inc.,  
22 would terminate all of Mr. Stegall's future coverage if he took  
23 Nexavar and experienced complications from it;

24 (17) the communication caused Mr. and Mrs. Stegall to  
25 believe that the Texas Municipal League and TML MultiState  
26 Intergovernmental Employee Benefits Pool, Inc., were looking for  
27 reason to cease payment for Mr. Stegall's treatment, and that any

1 attempt to circumvent coverage decisions by the Texas Municipal  
2 League and TML MultiState Intergovernmental Employee Benefits  
3 Pool, Inc., would be met with immediate termination of all  
4 benefits;

5 (18) the attempt of the Texas Municipal League and TML  
6 MultiState Intergovernmental Employee Benefits Pool, Inc., to  
7 cease coverage for Mr. Stegall's treatment, and allow his death,  
8 had a devastating impact on Mr. Stegall's demeanor and spirit, and  
9 caused both Mr. and Mrs. Stegall severe mental distress;

10 (19) on November 11, 2014, Dr. Younas's staff was  
11 contacted regarding difficulties verifying the status of  
12 Mr. Stegall's insurance coverage, and Dr. Younas's office  
13 responded by resubmitting the authorization request for Nexavar to  
14 confirm the absence of coverage;

15 (20) on November 21, 2014, the Texas Municipal League  
16 and TML MultiState Intergovernmental Employee Benefits Pool, Inc.,  
17 suddenly and without explanation, reversed course and authorized  
18 the Nexavar;

19 (21) the coverage decision was conveyed in a telephone  
20 call initiated by Dr. Younas's office, and the Texas Municipal  
21 League and TML MultiState Intergovernmental Employee Benefits  
22 Pool, Inc., did not take any affirmative steps to notify  
23 Mr. Stegall of its change in decision;

24 (22) for Mr. Stegall and his family, the reversal came  
25 too late, and over the course of four excruciating weeks, during  
26 which time Mr. Stegall, Dr. Younas, and Dr. Younas's staff worked  
27 tirelessly to obtain the Nexavar, Mr. Stegall's condition

1 worsened;

2 (23) Mr. Stegall was admitted to the hospital on  
3 Friday, December 12, 2016, where he died four days later;

4 (24) the Texas Municipal League and TML MultiState  
5 Intergovernmental Employee Benefits Pool, Inc., and its agents,  
6 including UMR, Inc., denied Mr. Stegall access to Nexavar both  
7 directly by denying coverage and indirectly by threatening to end  
8 all coverage if he obtained Nexavar without the approval of Texas  
9 Municipal League and TML MultiState Intergovernmental Employee  
10 Benefits Pool, Inc., or UMR, Inc., thus denying Mr. Stegall  
11 coverage to which he had a contractual right, as well as the medical  
12 benefits of timely access to the Nexavar;

13 (25) the wrongful and intentional acts of the Texas  
14 Municipal League, TML MultiState Intergovernmental Employee  
15 Benefits Pool, Inc., and UMR, Inc., ultimately caused Mr. Stegall's  
16 premature death on December 16, 2014, at the age of 60;

17 (26) the actions of the Texas Municipal League, TML  
18 MultiState Intergovernmental Employee Benefits Pool, Inc., and  
19 UMR, Inc., demonstrate gross negligence and a wilful intent to  
20 deprive Mr. Stegall of the benefits of his coverage and of his life  
21 for the sake of financial economy; and

22 (27) the Texas Municipal League, TML MultiState  
23 Intergovernmental Employee Benefits Pool, Inc., and UMR, Inc., must  
24 be held liable; now, therefore, be it

25 RESOLVED by the Legislature of the State of Texas, That  
26 Barbara Stegall is granted permission to sue the Texas Municipal  
27 League, TML MultiState Intergovernmental Employee Benefits Pool,

1 Inc., and UMR, Inc., for wrongful death, negligence, breach of  
2 contract, breach of the duty of good faith and fair dealing, and  
3 violations of the Texas Insurance Code and Texas Deceptive Trade  
4 Practices-Consumer Protection Act, subject to Chapter 107, Civil  
5 Practice and Remedies Code; and, be it further

6         RESOLVED, That if Barbara Stegall is successful in proving  
7 her allegation against the Texas Municipal League, TML MultiState  
8 Intergovernmental Employee Benefits Pool, Inc., and UMR, Inc.,  
9 Mrs. Stegall is entitled to an award of actual, compensatory, and  
10 statutory damages and reasonable attorney's fees and costs  
11 authorized by law; and, be it further

12         RESOLVED, That the suit authorized by this resolution shall  
13 be brought in Dallas County; and, be it further

14         RESOLVED, That the attorney general, the Texas Commissioner  
15 of Insurance, the executive director of the Texas Municipal League,  
16 and the chairman of the board of TML MultiState Intergovernmental  
17 Employee Benefits Pool, Inc., be served process as provided by  
18 Section 107.002(a)(3), Civil Practice and Remedies Code.