By: Hall S.C.R. No. 30

1 SENATE CONCURRENT RESOLUTION

- 2 WHEREAS, Barbara Stegall, individually and as representative
- 3 of the estate of Joe Stegall, alleges that:
- 4 (1) in the spring of 2014, Joe Stegall began
- 5 experiencing fevers and a feeling of being unwell;
- 6 (2) Mr. Stegall was employed as the chief financial
- 7 officer for the City of Royse City, Texas, and as a city employee,
- 8 was eligible for, and participated in, the city's medical and
- 9 prescription drug insurance provided by the Texas Municipal League
- 10 and TML MultiState Intergovernmental Employee Benefits Pool, Inc.;
- 11 (3) the Texas Municipal League and TML MultiState
- 12 Intergovernmental Employee Benefits Pool, Inc., provided medical
- 13 and prescription drug coverage to Joe and Barbara Stegall, and UMR,
- 14 Inc., was the third-party administrator;
- 15 (4) in May 2014, Mr. Stegall felt ill, and was taken to
- 16 the hospital by Mrs. Stegall and was admitted, examined, and
- 17 informed that he had cholangiocarcinoma, more commonly known as
- 18 bile duct cancer;
- 19 (5) Mr. Stegall returned home to form a treatment plan
- 20 with his oncologist, Dr. Ahmer Younas at Texas Oncology in Rowlett,
- 21 Texas, and made an appointment with a second oncologist,
- 22 Dr. Douglas Orr at Texas Oncology in Dallas, Texas;
- 23 (6) in subsequent appointments, Dr. Younas and
- 24 Dr. Orr advised Mr. Stegall that he had cholangiocarcinoma, bile

- 1 duct cancer, and hepatocellular carcinoma, liver cancer;
- 2 (7) Dr. Younas advised Mr. Stegall to start
- 3 chemotherapy for the bile duct cancer first and add another form of
- 4 chemotherapy for the liver cancer at a later date, and Mr. Stegall
- 5 promptly began a chemotherapy regimen of gemcitabine and cisplatin
- 6 to treat the bile duct cancer;
- 7 (8) as a result of the positive response Mr. Stegall
- 8 exhibited to chemotherapy, on October 23, 2014, Dr. Younas
- 9 recommended that Mr. Stegall add to his chemotherapy regimen
- 10 another drug that would target the liver cancer;
- 11 (9) Dr. Younas prescribed sorafenib, known in the
- 12 United States by the brand name Nexavar, in tablet form to treat the
- 13 liver cancer, and sought authorization for the drug from the Texas
- 14 Municipal League and TML MultiState Intergovernmental Employee
- 15 Benefits Pool, Inc.;
- 16 (10) Nexavar is FDA-approved for the treatment of
- 17 hepatocellular carcinoma, from which Mr. Stegall suffered, and
- 18 Nexavar increases the survival rates and life expectancy of
- 19 patients with advanced liver cancer;
- 20 (11) the Texas Municipal League and TML MultiState
- 21 Intergovernmental Employee Benefits Pool, Inc., refused to
- 22 authorize the drug for Mr. Stegall, and on October 30, 2014, a
- 23 written denial signed by Carol Padgett, RN, BSN, CCM, Medical
- 24 Intelligence Care Management, on TML MultiState Intergovernmental
- 25 Employee Benefits Pool, Inc., letterhead was sent to Mr. Stegall,
- 26 at the address of Texas Oncology, citing as the basis for the denial
- 27 that, "The requested service was determined to be unproven.";

- 1 (12) Dr. Younas persisted in efforts to obtain
- 2 chemotherapy for Mr. Stegall and engaged in a telephone conference
- 3 with Dr. Philip Schulman, an employee or agent of the Texas
- 4 Municipal League, TML MultiState Intergovernmental Employee
- 5 Benefits Pool, Inc., or UMR, Inc.;
- 6 (13) Dr. Younas learned that Dr. Schulman, and by
- 7 extension, the Texas Municipal League, TML MultiState
- 8 Intergovernmental Employee Benefits Pool, Inc., and UMR, Inc., did
- 9 not believe that Mr. Stegall had liver cancer;
- 10 (14) due to the urgency of Mr. Stegall's need,
- 11 Dr. Younas and his staff immediately began efforts to procure
- 12 Nexavar for Mr. Stegall without insurance and at no cost to
- 13 Mr. Stegall through a Resources for Expert Assistance and Care
- 14 Helpline program;
- 15 (15) the Texas Municipal League and TML MultiState
- 16 Intergovernmental Employee Benefits Pool, Inc., acted
- 17 intentionally to discourage Mr. Stegall from obtaining Nexavar;
- 18 (16) on November 5, 2014, PMC Multistate Case Manager
- 19 Carol West, an employee or agent of the Texas Municipal League, TML
- 20 MultiState Intergovernmental Employee Benefits Pool, Inc., or UMR,
- 21 Inc., advised Dr. Younas's staff that the Texas Municipal League
- 22 and TML MultiState Intergovernmental Employee Benefits Pool, Inc.,
- 23 would terminate all of Mr. Stegall's future coverage if he took
- 24 Nexavar and experienced complications from it;
- 25 (17) the communication caused Mr. and Mrs. Stegall to
- 26 believe that the Texas Municipal League and TML MultiState
- 27 Intergovernmental Employee Benefits Pool, Inc., were looking for

- 1 reason to cease payment for Mr. Stegall's treatment, and that any
- 2 attempt to circumvent coverage decisions by the Texas Municipal
- 3 League and TML MultiState Intergovernmental Employee Benefits
- 4 Pool, Inc., would be met with immediate termination of all
- 5 benefits;
- 6 (18) the attempt of the Texas Municipal League and TML
- 7 MultiState Intergovernmental Employee Benefits Pool, Inc., to
- 8 cease coverage for Mr. Stegall's treatment, and allow his death,
- 9 had a devastating impact on Mr. Stegall's demeanor and spirit, and
- 10 caused both Mr. and Mrs. Stegall severe mental distress;
- 11 (19) on November 11, 2014, Dr. Younas's staff was
- 12 contacted regarding difficulties verifying the status of
- 13 Mr. Stegall's insurance coverage, and Dr. Younas's office
- 14 responded by resubmitting the authorization request for Nexavar to
- 15 confirm the absence of coverage;
- 16 (20) on November 21, 2014, the Texas Municipal League
- 17 and TML MultiState Intergovernmental Employee Benefits Pool, Inc.,
- 18 suddenly and without explanation, reversed course and authorized
- 19 the Nexavar;
- 20 (21) the coverage decision was conveyed in a telephone
- 21 call initiated by Dr. Younas's office, and the Texas Municipal
- 22 League and TML MultiState Intergovernmental Employee Benefits
- 23 Pool, Inc., did not take any affirmative steps to notify
- 24 Mr. Stegall of its change in decision;
- 25 (22) for Mr. Stegall and his family, the reversal came
- 26 too late, and over the course of four excruciating weeks, during
- 27 which time Mr. Stegall, Dr. Younas, and Dr. Younas's staff worked

- 1 tirelessly to obtain the Nexavar, Mr. Stegall's condition
- 2 worsened;
- 3 (23) Mr. Stegall was admitted to the hospital on
- 4 Friday, December 12, 2014, where he died four days later;
- 5 (24) the Texas Municipal League and TML MultiState
- 6 Intergovernmental Employee Benefits Pool, Inc., and its agents,
- 7 including UMR, Inc., denied Mr. Stegall access to Nexavar both
- 8 directly by denying coverage and indirectly by threatening to end
- 9 all coverage if he obtained Nexavar without the approval of Texas
- 10 Municipal League and TML MultiState Intergovernmental Employee
- 11 Benefits Pool, Inc., or UMR, Inc., thus denying Mr. Stegall
- 12 coverage to which he had a contractual right, as well as the medical
- 13 benefits of timely access to the Nexavar;
- 14 (25) the wrongful and intentional acts of the Texas
- 15 Municipal League, TML MultiState Intergovernmental Employee
- 16 Benefits Pool, Inc., and UMR, Inc., ultimately caused Mr. Stegall's
- 17 premature death on December 16, 2014, at the age of 60;
- 18 (26) the actions of the Texas Municipal League, TML
- 19 MultiState Intergovernmental Employee Benefits Pool, Inc., and
- 20 UMR, Inc., demonstrate gross negligence and a wilful intent to
- 21 deprive Mr. Stegall of the benefits of his coverage and of his life
- 22 for the sake of financial economy; and
- 23 (27) the Texas Municipal League, TML MultiState
- 24 Intergovernmental Employee Benefits Pool, Inc., and UMR, Inc., must
- 25 be held liable; now, therefore, be it
- 26 RESOLVED by the Legislature of the State of Texas, That
- 27 Barbara Stegall is granted permission to sue the Texas Municipal

- 1 League, TML MultiState Intergovernmental Employee Benefits Pool,
- 2 Inc., and UMR, Inc., for wrongful death, negligence, breach of
- 3 contract, breach of the duty of good faith and fair dealing, and
- 4 violations of the Texas Insurance Code and Texas Deceptive Trade
- 5 Practices-Consumer Protection Act, subject to Chapter 107, Civil
- 6 Practice and Remedies Code; and, be it further
- 7 RESOLVED, That if Barbara Stegall is successful in proving
- 8 her allegation against the Texas Municipal League, TML MultiState
- 9 Intergovernmental Employee Benefits Pool, Inc., and UMR, Inc.,
- 10 Mrs. Stegall is entitled to an award of actual, compensatory, and
- 11 statutory damages and reasonable attorney's fees and costs
- 12 authorized by law; and, be it further
- 13 RESOLVED, That the suit authorized by this resolution shall
- 14 be brought in Dallas County; and, be it further
- RESOLVED, That the attorney general, the Texas Commissioner
- 16 of Insurance, the executive director of the Texas Municipal League,
- 17 and the chairman of the board of TML MultiState Intergovernmental
- 18 Employee Benefits Pool, Inc., be served process as provided by
- 19 Section 107.002(a)(3), Civil Practice and Remedies Code.