

Haynes and Boone in Law360: Hospital Tells Texas Justices Lien Suits Violate State Laws

February 12, 2019 Kent Rutter, Chris Knight

PRACTICES Appellate

Law360 has profiled a pending appeal that is being handled by Haynes Boone Partner [Kent Rutter](#) and Associate [Chris Knight](#) on behalf of firm client McAllen Hospitals LP.

Here is an excerpt:

McAllen Hospital has asked the Texas Supreme Court to step in and prevent it from having to face more than 100 potential fraud trials brought by accident victims fighting the hospital's liens, saying the claims are clearly barred by state law.

The hospital argued in its Feb. 4 petition that the state's Property Code gives it the power to impose liens on the legal recoveries uninsured or indigent accident victims receive as compensation for the emergency medical care it provides. It said the 127 pending cases that allege McAllen violated the fraudulent lien statute under the state's Civil Practice and Remedy Code should have been halted on summary judgment, but were not.

After a lower court denied its bid to halt the suits in multidistrict litigation, an appeals court denied the hospital's mandamus petition, and it now wants the high court to take action. It said that if patients disagree with the liens, they can negotiate with the hospital or pursue a declaratory judgment action. They should not, however, be allowed to allege fraud, which could "trigger, at a minimum, a \$10,000-per-plaintiff penalty," along with other costs, it said.

"Unless the MDL court's legal error is corrected on mandamus, the multiplicity of proceedings throughout the state will inflict enormous harm on McAllen Hospitals, the judiciary and the Texas emergency health care system," the petition for writ of mandamus said. . . .

McAllen is represented by Kent Rutter and Chris Knight of Haynes Boone and Joel W. Mohrman and Anderson L. Cao of McGlinchey Stafford PLLC.

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