



Higgins v. Baptist St. Anthony's (Potter Cty., Tex. Dist. Ct.)

Topics Covered: Antitrust, Economic Credentialing and Hospitals

Outcome: Somewhat Favorable

Issue

The issue in this case was whether a parent health care organization, its managed care network and its hospital violated a Texas antitrust statute by attempting to terminate ("deselect") from the network two physicians who had invested in a competing surgical hospital.

AMA Interest

The AMA opposes discrimination against physicians who have ownership interests in specialty hospitals.

Case Summary

The case arose from the attempt by a managed care network to deselect the plaintiff physicians from the network's provider panel, in retaliation for the physicians' investment in a surgical hospital. The surgical hospital competed with a general hospital that was owned by the parent of the managed care network. Furthermore, the parent urged Blue Cross Blue Shield of Texas ("Texas Blue") to deselect the physicians and other investors in the surgical hospital from the Texas Blue provider network.

The two physicians sued the parent organization, its managed care network, and its hospital for violations of the federal and Texas anti-kickback statutes and the Texas antitrust statute. Before the case could be tried, it was settled and dismissed. As part of the settlement, the parent health care organization bought a majority interest in the specialty hospital and agreed that it would not discriminate against physicians who had also invested in the specialty hospital.

Litigation Center Involvement

The Litigation Center and the Texas Medical Association contributed toward the physicians' litigation expenses.