



Aldridge v. Texas Health and Human Services Commission (W.D. Tex.)

Topics Covered: Due Process

Outcome: Very Favorable

Issue

The issue in this case was whether the Texas Health and Human Services Commission (Texas HHS) wrongfully excluded a physician from the Medicaid program without due process.

AMA Interest

The AMA believes that a fair and objective hearing should always be accorded to a physician whose professional conduct is being reviewed. It supports fairness in procedures for selection and deselection in managed care plans serving Medicaid beneficiaries.

Case Summary

Before entering medical school, Milissa Aldridge, MD was a licensed pharmacist. She used the earnings from her pharmacy practice to help pay for her medical school expenses. As part of her practice, she enrolled as an approved pharmacist in the Texas Medicaid program.

When Dr. Aldridge graduated from medical school, she discontinued her pharmacy practice and entered into an agreed order with the pharmacy board, under which her pharmacist's license was classified as inactive. However, she did not inform Texas HHS, which administers the Texas Medicaid program, of the change in her licensure.

Texas HHS learned of the change directly from the pharmacy board and excluded Dr. Aldridge from the Medicaid program. Apparently, Texas HHS sent her a certified letter notifying her of the exclusion, for which her husband allegedly signed a receipt. However, neither he nor Dr. Aldridge recalls receiving the letter.

Dr. Aldridge completed her residency training in pediatric oncology and became one of only 36 board certified pediatric radiologists in the State of Texas. In 2000, she applied for qualification as a physician in the Texas Medicaid program, and she indicated on the application that she had never been excluded from any state or federal programs that provide medical services. All during that time, she had left her pharmacist license in inactive status, but she had not undone the Medicaid exclusion. Thus, her physician enrollment application contained an unintentional misstatement. Nevertheless, she was accepted as a physician in the Texas Medicaid program.

Dr. Aldridge was employed by a medical group from 2000 to 2009. During that time, she treated numerous Medicaid patients. In 2009, the Texas HHS Office of Inspector General discovered

the misstatement in her application and disqualified her from the Medicaid program. As a result of this deselection, she lost her hospital privileges and her employment.

Dr. Aldridge protested the disqualification, but Texas HHS said it was entitled to take this action as part of its administrative authority. It further said that she had no right to a due process hearing or to an appeal. Texas HHS said that she could reenroll in the Medicaid program, but only if she repaid the \$834,000 that Medicaid had paid to the medical group where she had been employed.

Dr. Aldridge sued Texas HHS in state court for declaratory and injunctive relief. She contended that Texas HHS had acted unreasonably and denied her of valuable rights without due process. She asked to be readmitted to the Texas Medicaid program without having to pay the \$834,000. Texas HHS removed the case to the United States District Court for the Western District of Texas, asserting that federal law was at issue.

Pursuant to a settlement, the case was dismissed.

Litigation Center Involvement

The Litigation Center and the Texas Medical Association each awarded Dr. Aldridge a financial grant to offset her legal expenses.