

NO. _____

VITACARE FAMILY PRACTICE,
PLLC
Plaintiff,
V.
MOLINA HEALTHCARE OF TEXAS,
INC.,
Defendant

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IN THE DISTRICT COURT

JUDICIAL DISTRICT

OF HARRIS COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES VitaCare Family Practice, PLLC ("VitaCare"), Plaintiff, complaining of and about Molina Healthcare Of Texas, Inc., Defendant, and for cause of action shows unto the Court the following:

INTRODUCTION

1. This action concerns the Defendant's failure and refusal to properly pay or reimburse Plaintiff for claims made for medical care and services that Plaintiff provided to Defendant's members. Plaintiff, both independently and as assignee of the rights of several of Defendant's members who received medical services from Plaintiff, seek damages from Defendant as set forth herein. That failure to pay claims included not only the claim itself, but also the penalty or interest for failure to pay the claims timely.

DISCOVERY CONTROL PLAN LEVEL

2. Plaintiff intends that discovery be conducted under Discovery Level 2.

PARTIES AND SERVICE

3. Plaintiff, VitaCare, is a corporation, whose principal place of business is located at 11399 Veterans Memorial Dr., Suite B, Houston, Harris County, Texas 77067. The Registered Agent there is Dr. Vinh Hoang Vo.

4. Defendant Molina Healthcare of Texas, Inc. is a for-profit Texas corporation whose office is located at 5605 N. MacArthur Blvd., Suite 400, Irving, Texas 75038. It can be served with process by serving its registered agent, Corporation Service Company dba CSC – Lawyers Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin, Texas 78701.

JURISDICTION AND VENUE

5. The subject matter in controversy is within the jurisdictional limits of this court.

6. Pursuant to Texas Rules of Civil Procedure “TRCP” 47, Plaintiff seeks monetary relief over \$200,000, but not more than \$1,000,000.

7. This court has jurisdiction over the parties because the Defendant does business in the State of Texas.

8. Venue in Harris County is proper in this cause under Section 15.002(a)(1) of the Texas Civil Practice and Remedies Code because all or a substantial part of the events or omissions giving rise to this lawsuit occurred in this county.

AGENCY

9. Any time it is alleged in this pleading that a Defendant did an act or failed to do any act or thing, it is meant that Defendant or its authorized, apparent, or ostensible agent(s), employee(s), or representative(s) did such act or failed to do such act or thing, thereby making Defendants liable.

BACKGROUND FACTS

10. Defendant Molina Healthcare of Texas, Inc. is a corporation with a principal place of business in Texas. Defendant collectively offers insurance plans, products, and service in the State of Texas, hereinafter referred to as (“Molina”). Defendant is in the business of compensating medical providers for covered medical services rendered to their patient members. Defendant markets and advertises to patients and medical provider alike for the insurance plans,

products, and services they provide in Texas. Plaintiff entered into a contract with Defendant, effective January 1, 2016, for the provision of various medical services to Defendant's patient members. That contract continues in force. Defendant publishes policies, procedures, and guidelines for medical providers generally, for those medical providers to rely on when attempting to bill or collect for medical services. Specific representations are made to physicians and patients alike regarding the "usual and customary" payments made to health care providers.

11. After Plaintiff would render medical services to Defendants' patient members, they would submit a claim to the Defendant for payment to Plaintiff. At various times, Defendant would incorrectly deny a properly presented "clean" claim; at other times they would not pay a properly presented claim in agreement with the contracted rate; at other times they would not pay the penalty if they failed to timely pay the claim pursuant to the Prompt Payment of Claims Act provisions of the Texas Insurance Code Chap. 542, et. seq.; and further, at other times, they failed to pay the interest on the claims pursuant to that same Prompt Payment of Claims Act. Plaintiff has made numerous and repeated attempts to resolve those clean claims but have not been able to resolve any of the issues sued upon. Plaintiff believes they are not only entitled to the proper processing of clean claims, but to not be subjected to the improper denials of clean claims. They further allege that, at a minimum and consistent with the causes of action below, they are entitled to penalties for failure to make prompt payments of the claims, but also interest on the unpaid claims properly and timely presented.

CAUSES OF ACTION:

12. Any time it is alleged in this pleading that Defendant did an act or failed to do any act or thing, it is meant that Defendant or their authorized, apparent, or ostensible agent(s), employee(s), or representative(s) did such act or failed to do such act or thing, thereby making Defendant liable.

13. Plaintiff would respectfully show that it is entitled to recover money from Defendant for negligent misrepresentation, quantum meruit, fraud, civil conspiracy promissory estoppel, and/or unjust enrichment.

14. Plaintiff re-alleges paragraphs 10 through 11 above and incorporate the same herein by reference as if fully set forth here verbatim for each cause of action presented herein.

1. NEGLIGENCE MISREPRESENTATION

15. Plaintiff would respectfully show that Molina, or their agents, failed to exercise reasonable care or competence in communicating billing practices, claims processing, claims coverage, and insurance coverage information to guide Plaintiff through the claims processing and reimbursement. Plaintiff justifiably relied on this representation and suffered a pecuniary loss as a result of the false information.

2. QUANTUM MERUIT

16. Alternatively, but without waiving the above, and specifically insisting on the same, Plaintiff would respectfully show that it is entitled to recover the usual and customary charges for the medical treatment, goods, and services provided to Molina's client based in quantum meruit. In this respect, Plaintiff provided necessary medical treatment, goods, and services to Molina's clients with the express understanding that each would be compensated by Molina by a negotiated or usual and customary rate. Also, Molina accepted the medical treatment, goods, claims, and services from Plaintiff without objection. Molina accepted the benefits of the medical treatment, goods, and services rendered by Plaintiff to Molina's clients and, as a result, thereby became liable to Plaintiff for the reasonable value thereof.

3. FRAUD

17. Alternatively, but without waiving the above, and specifically insisting on the same, Plaintiff would respectfully show that it is entitled to recover damages caused by Molina's

fraudulent conduct. Molina knowingly made false and material representations to Plaintiff during their course of business by making false promises regarding the payments to which Plaintiff was entitled for medical treatment, goods, and services rendered to Defendant's clients. Defendant intended that Plaintiff rely on such representations as contained within the communications. Plaintiff, in fact, did rely on such false and material representations, and Plaintiff suffered injury therefrom. Plaintiff seeks exemplary damages for Defendants' fraudulent conduct.

4. BREACH OF CONTRACT

18. Alternatively, Plaintiff seeks to recover as assignees of Defendants' contractual rights. Plaintiffs provided medical care and services to each of Defendants' members, and Plaintiff submitted clean claims for those services. For each of those claims for which Plaintiff seeks payment from Molina, Plaintiff obtained an assignment of benefits from the member, who in each case had a valid and enforceable insurance contract with Molina that required Molina to pay for those services. Molina breached its obligations under its contracts with its members by failing to fully and properly pay for the medical services that Plaintiff provided to Molina's members. As a direct and proximate result of Defendant's breaches, Plaintiff, as assignees, have been damaged. Plaintiff, as assignee, is entitled to recover the damages incurred as a result of Molina's failure to fully, properly, and timely pay for the medical services provided by Plaintiff, including, as applicable, penalties, interest, and attorney's fees pursuant to section 542.060 of the Texas Insurance Code.

5. CIVIL CONSPIRACY

19. Alternatively, but without waiving the above, and specifically insisting on the same, Plaintiff would respectfully show that Molina conspired together to accomplish the common goal of denying or underpaying medical providers in violation of law. As a result of this conspiracy, Plaintiff suffered proximate damages.

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