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Perry orders investigation into oversight of troubled rural hospital chain



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The governor's office has ordered a "deep and comprehensive look" at health care facilities owned by Dr. Tariq Mahmood, whose chain of rural Texas hospitals avoided serious regulatory action despite years of endangering patients.

The inspector general for the state Health and Human Services Commission and one of the agencies it oversees, the state health department, will conduct separate investigations, officials said Friday.

"We will likely pull records, pull files, have our nurses, auditors and investigators review those records, go on-site if appropriate, and interview staff," said Douglas Wilson, the commission's inspector general. "I think the state will feel it will get an aggressive and positive outcome from us looking into it."

The disclosure came after *The Dallas Morning News* sought the governor's response to comments made by Democratic state Sen. Wendy Davis. She called on Gov. Rick Perry and other lawmakers to not "drag their feet" in seeking a quick determination of "the scope and severity of patient abuse and deaths" in Mahmood's hospital chain.

Perry's spokeswoman, Lucy Nashed, said the governor expected the inspector general and the health department "to thoroughly review this and any other allegations to ensure Texans are receiving safe and effective medical care." She did not say when Perry requested the investigation.

"We've been in verbal communication with both agencies," Nashed said in an email. "We asked them to coordinate efforts to investigate these allegations and determine what steps are necessary to prevent a similar situation."

State health officials said an inspection team on Friday visited one of Mahmood's hospitals, the Lake Whitney Medical Center in Whitney.

"We'll be doing a more comprehensive look," said Carrie Williams, spokeswoman for Department of State Health Services. "We have direction to move forward and will be putting together a plan to address problems."

In a prepared statement to *The News* late Thursday, Davis said, "Governor Perry and legislative leaders shouldn't drag their feet. The scope and severity of patient abuse and deaths at these hospitals should be determined right away."

Davis, a Democratic senator who has clashed most publicly with Perry over the state's new abortion law, added: "Sadly Rick Perry, [attorney general] Greg Abbott and other state leaders have established a pattern of breaking faith with Texas families and failing to assure necessary and lifesaving oversight. As we have seen with the tragedy at West, this kind of negligence is hurting families who count on health and safety guidelines being followed and enforced."

Abbott's office did not immediately respond to questions from *The News*.

Sens. Jane Nelson and Judith Zaffirini — two of Texas' highest-ranking health care lawmakers — told *The News* on Thursday they were investigating the regulatory breakdowns that allowed threats to patient safety in Mahmood's hospitals.

"We need to find out where the breakdowns occurred, why the process moved so slowly and what can be done to improve coordination among various regulators who should have seen the signs that patients could be in danger," said Nelson, R-Flower Mound.

Zaffirini, D-Laredo, said she would press for legislation ensuring more communication among various agencies.

The lawmakers were responding to a *News* investigation published Sunday that revealed how the state allowed Mahmood to operate his chain of rural Texas hospitals over the past four years despite hundreds of violations of safety regulations. *The News* based its investigation in part on inspection records obtained

through the federal government. State law makes those same records off-limits to the public.

Warnings reached multiple federal and state agencies, including the Texas attorney general's office. A whistle-blower's complaints of patient safety threats and potential billing fraud in 2008 went unaddressed. Several agencies didn't share key information about failures at his hospitals.

Mahmood also has owned at least two home-health care agencies in Terrell and in Lake Whitney. Those are overseen by the Texas Department of Aging and Disability Services.

Regulators finally moved to crack down on two of Mahmood's hospitals — Renaissance Hospital Terrell and Shelby Medical Center in Center. In April, federal authorities charged Mahmood with defrauding Medicare and Medicaid programs through \$1.1 million in false billings. Mahmood has pleaded not guilty and has denied any wrongdoing.

Top health regulators were unaware that Mahmood, a Cedar Hill resident, even owned multiple hospitals until *The News* began raising questions. The state health department, the primary regulator of hospitals, is not set up to track hospital owners or investigate patterns of care failures inside hospital chains. Under current regulations, the agency also cannot hold hospital owners personally accountable for problems at their facilities.

Wilson, the inspector general, said what he read about Mahmood's facilities in *The News* Sunday was "disappointing." He did not know how long the investigation might take but said he would present his findings to the Health and Human Services Commission and at least two of its agencies — the state health department and the department of aging.

"If we think there are some things that could be implemented that would strengthen the regulatory oversight of the program, we will make those recommendations up the chain," Wilson said.

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Larry 2 minutes ago

I wish Perry would order an investigation into The Texas Department of Insurance, Workers Compensation Division on how the people in charge there side with the insurance carriers so injured Texas workers receive little to no benefits or medical help.

I want Perry to ask himself why he takes so much campaign money from the insurance carriers or industry and then appoints people in top positions of the Texas Department of Insurance to side with the insurance carriers.

No conflict of interest there is there?

Then when a injured worker gets no medical treatments or help and their injury gets worst or chronic then they have to rely on the Texas taxpayer for help because they are not able to work and have to rely on the social network.

The Texas Workers Compensation Division is so broken and needs to be reworked or changed.

All this mess is caused by Perry appointing his friends and his crony capitalism.

When is his last day in office? I haven't drank in 44 years but when he leaves office I will drink a beer.

Reply

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Roy Logan 2 hours ago

You a day late Good-Hair Willy, and your wheelman been too busy spending money on his war on Obama; now he wants to be governor.

Reply

3 ☐ ☐ 1



Michael Wallace 2 hours ago

Regulations work when they are enforced. However, in an atmosphere of 'little regulation on business' what results are situations like this hospital chain and the fertilizer situation in West, Texas.

Stop the selling of lax regulations and begin making Texas safe for people, the real Texans.

Stop worrying about importing businesses who don't want rules and responsibilities, and work to fix things that are broken which harm Texans now.
Fix them now.

The preceding message is for the present and future governor.

[Reply](#)

3 ☐ ☐ 1



NickG 3 hours ago

Shoddily-run homes and medical facilities in Texas didn't begin with Bill Perry's terms, and they won't end with them. I had a relative suffer unbelievably at the hands of the monsters of one of the "care" facilities of Texas - in 1992!

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Drew 3 hours ago

"Warnings reached multiple federal and state agencies, including the Texas attorney general's office."

A potential problem for Greg Abbott?

[Reply](#)

3 ☐ ☐ 1



Paul Davidson 4 hours ago

Hey Governor Goodhairdye! Howz that lack or regulation and oversight working out for the people of West and Terrell?

[Reply](#)

8 ☐ ☐ 2



Gary 5 hours ago

Well they're all scrambling now aren't they? If these agencies would have been doing their job to begin with, they wouldn't be in frantic CYA mode now. It's always comforting to hear a thorough 'internal' investigation is underway. I expect to eventually learn that 'mistakes were made' and guilty parties have been put on administrative leave. However, if seriously egregious errors are discovered then someone must be thrown under the bus. preferably someone way down the food chain.

Kudos to the DMN staff. This sham operator and the befuddled regulatory apparatus would have never seen the light of day if not for solid investigative journalism.

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7 ☐ ☐ 1



Bob 31 minutes ago

It was the Austin American-Statesman that did the deep investigative work on this story - NOT the DMN!!

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