



The Business Court of Texas,
Eleventh Division

THE UNIVERSITY OF TEXAS MD
ANDERSON CANCER CENTER,

Plaintiff,

v.

UNITEDHEALTHCARE OF
TEXAS, INC.,

Defendant.

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Cause No. 26-BC11A-0097

OPINION AND ORDER

Syllabus¹

State university cancer center sued health insurance company for breach of a hospital participation agreement, seeking damages exceeding \$315 million. Defendant removed the action from district court to the Texas Business Court. Plaintiff moved to remand, arguing that the business court lacked subject-matter jurisdiction because plaintiff, as a state agency, constituted a “governmental entity” under Texas Government Code section 25A.001(6), and claims brought by or against governmental entities are generally excluded from the Business Court’s jurisdiction under section 25A.004(g)(1)(A). The court denies plaintiff’s motion to remand, holding that plaintiff’s status as a state agency does not bring it within the statutory definition of “governmental entity.”

¹The syllabus was created by court staff and is provided for the convenience of the reader. It is not part of the court’s opinion, does not constitute the court’s official description or statement, and should not be relied upon as legal authority.

Specifically, the court holds that (1) the Legislature expressly identified “this state” or its political subdivisions in section 25A.001(6), but did not separately identify state agencies or institutions of higher education; (2) other statutory provisions, including a closely related jurisdictional statute, demonstrate that the Legislature expressly identifies state agencies and institutions of higher education when it intends to include them; and (3) plaintiff’s recognized status as a state agency for sovereign-immunity purposes does not independently establish that it constitutes a “governmental entity” under Chapter 25A. Accordingly, the court concludes that the governmental-entity exclusion does not deprive the Business Court of subject-matter jurisdiction.

¶1 Before the court is a Motion to Remand filed by Plaintiff, The University of Texas M.D. Anderson Cancer Center (“MD Anderson”). The question presented is whether MD Anderson, an agency of the State of Texas, constitutes a “governmental entity” within the meaning of Texas Government Code section 25A.001(6), thereby placing its claims outside the Business Court’s subject-matter jurisdiction under section 25A.004(g)(1)(A). The court denies MD Anderson’s Motion to Remand. This opinion explains the reasons for the court’s ruling.

A. Background

¶2 This lawsuit arises from a contractual dispute between MD Anderson and Defendant UnitedHealthcare of Texas, Inc. (“UnitedHealthcare”). In 1996, the parties entered into a Hospital Participation Agreement governing their contractual relationship. MD Anderson alleges that UnitedHealthcare failed to satisfy its obligations under that agreement and seeks damages exceeding \$315 million.

¶3 MD Anderson originally filed this lawsuit in the 55th Judicial District Court of Harris County, Texas. UnitedHealthcare subsequently removed the action to the Business Court pursuant to Texas Government Code section 25A.004(d)(1).

¶4 MD Anderson moved to remand the action, arguing that the Business Court lacks subject-matter jurisdiction because MD Anderson is a governmental entity within the meaning of section 25A.001(6). Section 25A.004(g)(1)(A) generally excludes from the Business Court’s jurisdiction claims brought by or against governmental entities. According to MD Anderson, its status as a state agency brings it within that exclusion.

¶5 UnitedHealthcare opposes remand. Although UnitedHealthcare does not dispute MD Anderson’s status as a state agency, it argues that the Legislature did not include state agencies within Chapter 25A’s definition of “governmental entity.” UnitedHealthcare contends that the Legislature’s decision to identify “this state” or its political subdivisions, without expressly identifying state agencies, demonstrates that the jurisdictional exclusion does not extend to MD Anderson.

B. Analysis

1. The Business Court’s Statutory Jurisdiction

¶6 The Business Court is a court of limited statutory jurisdiction. Its authority to adjudicate claims is governed by Chapter 25A of the Texas Government Code. Section 25A.004 identifies the categories of actions within the court’s jurisdiction and expressly excludes certain claims from that jurisdiction.

¶7 Relevant here, section 25A.004(g)(1)(A) excludes a claim brought by or against a “governmental entity,” subject to the statute’s supplemental-jurisdiction exception. Section 25A.001(6), in turn, defines “governmental entity” to include “this state” or “a political subdivision of this state, including a municipality, a county, or any kind of district.”

¶8 The parties agree that MD Anderson is a state agency rather than a political subdivision. Accordingly, the relevant question is whether the Legislature’s reference to “this state” in subsection (A) encompasses MD Anderson in its capacity as a state agency. Resolution of that question requires the court to construe the language of section 25A.001(6).

2. Construing the Statutory Definition of “Governmental Entity”

¶9 The court’s primary objective in construing a statute is to give effect to the Legislature’s intent as expressed in the statutory text. *Lippincott v. Whisenhunt*, 462 S.W.3d 507, 509 (Tex. 2015). Courts begin with the statutory language, considering the words chosen by the Legislature in the context of the statutory framework as a whole. *Id.*

¶10 The Supreme Court of Texas recently reiterated these principles in *Baumgardner v. Brazos River Auth.*, 714 S.W.3d 597 (Tex. 2025). There, the supreme court considered whether a river authority qualified as an agency in the executive branch of state government for purposes of the Fifteenth Court of Appeals’ exclusive intermediate appellate jurisdiction. *Id.* at 599–600. The supreme court emphasized that the inquiry concerned the jurisdictional consequences flowing from the particular words used by the Legislature, rather than the river authority’s governmental status in some broader or absolute sense. *Id.* at 601.

¶11 That distinction is important here. MD Anderson’s status as an agency of the State of Texas is undisputed. But the fact that an institution possesses governmental status for one purpose does not necessarily establish its classification under a different statutory

definition. The court must determine whether MD Anderson falls within the particular definition adopted in Chapter 25A.

¶12 Section 25A.001(6) expressly identifies two categories: “this state” or political subdivisions of the State. The definition does not separately identify state agencies, departments, boards, commissions, university systems, or institutions of higher education.

¶13 The omission is significant when considered alongside other statutes in which the Legislature has expressly identified those entities. For example, Government Code section 572.002(10) defines “state agency” to include certain executive-branch entities and university systems or institutions of higher education. TEX. GOV’T CODE § 572.002(10). Similarly, Civil Practice and Remedies Code section 101.001(3)(A) defines “governmental unit” to include the State and the agencies and other governmental institutions that collectively constitute its government. TEX. CIV. PRAC. & REM. CODE § 101.001(3)(A).

¶14 These definitions demonstrate that the Legislature knows how to identify state agencies and institutions of higher education expressly when it intends to address them. The absence of those terms from section 25A.001(6) therefore warrants consideration. Nevertheless, the omission alone does not resolve the dispute. If “this state” already encompasses the State’s constituent agencies, their separate enumeration would not necessarily be required.

3. The Legislature’s Treatment of State Agencies in Related Jurisdictional Statutes

¶15 A particularly instructive comparison appears in Government Code section 22.220(d)(1), which establishes part of the Fifteenth Court of Appeals' exclusive intermediate appellate jurisdiction. That provision expressly refers to matters brought by or against the State or a board, commission, department, office, or other agency in the executive branch of state government, including a university system or institution of higher education. TEX. GOV'T CODE § 22.220(d)(1).

¶16 In *Baumgardner*, the Texas Supreme Court interpreted that provision to determine whether the Brazos River Authority qualified as an executive-branch agency. 714 S.W.3d at 601–04. The supreme court examined the statutory language, the authority's organizational characteristics, and the distinction between state agencies and political subdivisions. *Id.* The supreme court ultimately concluded that the river authority did not fall within the category of entities identified by section 22.220(d)(1). *Id.* at 604–05.

¶17 Of particular relevance, the supreme court observed that the Legislature expressly included institutions of higher education within section 22.220(d)(1), but did not similarly identify river authorities or employ language encompassing their characteristics. *Id.* at 604–05. The supreme court reasoned that the Legislature's choice of language weighed against expanding the jurisdictional provision to reach an otherwise unenumerated category of entities. *Id.*

¶18 The comparison is instructive. Both section 22.220(d)(1) and Chapter 25A govern the jurisdiction of courts created by the Legislature in 2023. Yet section 22.220(d)(1) expressly refers to state agencies and institutions of higher education, while

section 25A.001(6) does not. The court presumes that the Legislature’s choice of different language in these related jurisdictional provisions was meaningful.

¶19 MD Anderson could reasonably respond that section 22.220(d)(1)’s express references to agencies and universities were intended to clarify the reach of the Fifteenth Court’s jurisdiction rather than establish that those entities are categorically distinct from the State. Indeed, *Baumgardner* recognized that institutions of higher education are not always easily categorized under traditional governmental classifications. *Id.* at 604. The court therefore does not treat the language of section 22.220(d)(1) as conclusively establishing the meaning of “this state” in Chapter 25A.

¶20 Nevertheless, the Legislature’s express treatment of agencies and universities in a closely related jurisdictional provision is persuasive evidence that it distinguishes between a reference to the State and an express extension of jurisdictional consequences to particular state institutions. The court declines to disregard that distinction when construing § 25A.001(6).

4. MD Anderson’s Sovereign-Immunity Authorities

¶21 MD Anderson also relies on decisions recognizing that state agencies and public universities are governmental entities entitled to sovereign immunity. Those authorities establish an important proposition, but they address a different legal inquiry.

¶22 In *Curadev Pharma Pvt. Ltd. v. Univ. of Tex. Sw. Med. Ctr.*, 721 S.W.3d 90 (Tex. App.—15th Dist. 2025, pet. filed), the Fifteenth Court of Appeals recognized that sovereign immunity protects the State and its agencies, including public hospitals and universities, from certain suits and liabilities. Similarly, in *Bd. of Regents of the Univ. of Tex.*

Sys. v. Gensetix, Inc., No. 15-24-00133-CV, 2026 WL 1752423 (Tex. App.—15th Dist. June 18, 2026, no pet.), the court recognized the governmental status of MD Anderson and its entitlement to sovereign-immunity protections.

¶23 The court does not question those holdings. They confirm that MD Anderson is an agency of the State and enjoys the protections afforded to such institutions under Texas sovereign-immunity law. But neither decision construed section 25A.001(6) or considered whether the Legislature’s reference to “this state” in Chapter 25A includes every state agency.

¶24 Sovereign immunity concerns the circumstances under which the State and its governmental instrumentalities may be subjected to suit. The present dispute concerns the allocation of jurisdiction among Texas trial courts over an action brought by a state institution. Although both inquiries involve governmental status, they arise under different legal frameworks and serve different purposes.

¶25 As *Baumgardner* instructs, a court must determine the jurisdictional consequences flowing from the particular statutory language before it. 714 S.W.3d at 601. The court therefore concludes that MD Anderson’s recognized governmental status for sovereign-immunity purposes does not independently establish that it is a “governmental entity” as that term is defined in Chapter 25A.

5. Application of Chapter 25A

¶26 The court recognizes that the phrase “this state,” considered in isolation, may be understood broadly enough to encompass the governmental institutions through

which the State acts. Texas law frequently describes state agencies as arms or instrumentalities of the State, and nothing in this opinion questions that relationship.

¶27 But statutory language must be construed in context. Here, the Legislature expressly identified the State and its political subdivisions while omitting state agencies and institutions of higher education. In other provisions—including a closely related jurisdictional statute—the Legislature expressly identified those institutions when prescribing the legal consequences applicable to them.

¶28 The court finds that distinction persuasive. Reading “this state” in section 25A.001(6) to encompass every state agency would effectively extend the definition to a category the Legislature did not expressly include, notwithstanding its demonstrated practice of identifying that category in other statutes. The court declines to adopt that construction.

¶29 The court therefore concludes that MD Anderson’s status as a state agency does not bring it within the definition of “governmental entity” in § 25A.001(6). Because the parties otherwise agree that this action satisfies the jurisdictional requirements of section 25A.004(d)(1), the governmental-entity exclusion in § 25A.004(g)(1)(A) does not deprive the Business Court of subject-matter jurisdiction.

C. Conclusion

¶30 For these reasons, the court concludes that MD Anderson does not constitute a “governmental entity” within the meaning of Texas Government Code section 25A.001(6) for purposes of the jurisdictional exclusion in section 25A.004(g)(1)(A). Accordingly, MD Anderson’s Motion to Remand is **DENIED**.

SO ORDERED.


MARIALYN BARNARD
Judge of the Texas Business Court

SIGNED ON: October 28, 2026