



Clayworth/California Medical Association v. Bonta, 140 Fed.Appx. 677 (9th Cir. 2005)

Topics Covered: Medicaid

Outcome: Very Unfavorable

Issue

The issue in this case was whether the “quality of care” and “equal access” section of the Medicaid Act, 42 U.S.C. § 1396(a)(30)(A), provides a private (i.e., non-governmental) right of action against states (in this case, California) for failure to fund Medicaid programs adequately.

AMA Interest

The AMA believes that every United States citizen should have access to necessary medical care, regardless of ability to pay.

Case Summary

Due to a fiscal crisis, the California Legislature required an across-the-board 5% reduction in the reimbursement rate paid to California Medicaid service providers. However, the Medicaid Act requires that state Medicaid programs satisfy minimum “quality of care” and “equal access” requirements for recipients. The State of California did not determine whether the across-the-board rate cuts would satisfy these provisions of the Medicaid Act, and anecdotal evidence suggested that they would not.

Two separate lawsuits, consolidated into one action, challenged the rate cut. These were brought by various individuals and organizations, including the California Medical Association (CMA), the California chapter of the American Academy of Pediatrics, and several other specialty medical societies. The trial court preliminarily enjoined the rate cuts on fee-for-service payments. The Director of the California Department of Health and Human Services, Diana Bonta, then appealed the preliminary injunction to the Ninth Circuit.

The Ninth Circuit summarily reversed the trial court, holding that private parties do not have a right of action to enforce the “equal access/equal quality” provision of the Medicaid Act. CMA petitioned for rehearing en banc, but, the Ninth Circuit denied the request for rehearing.

Litigation Center Involvement

The Litigation Center and the American Academy of Pediatrics filed a brief as amicus curiae to support the plaintiffs. The Litigation Center also contributed to the cost of the lawsuit.

United States Court of Appeals for the Ninth Circuit brief