



9th Circuit Tells CMS It's Wrong, Again.

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In a unanimous decision this month, the Ninth Circuit Court of Appeals ruled that federal Medicaid law prohibited California from cutting a variety of healthcare services, including adult dental, podiatry, and optometry, from its Medicaid program. California lawmakers made the cuts during the state's budget crisis in 2009. The federal agency that oversees the Medicaid program, the Centers for Medicare and Medicaid Services (CMS), approved the cuts to the services. But the Ninth Circuit held that CMS was wrong, and the healthcare benefits cut were among those required to be provided by state Medicaid programs under federal law.

This case is another example of the ongoing tension between federal courts and CMS in recent years over the interpretation of federal Medicaid laws. As states have faced budget constraints in recent years, they have made cuts to their Medicaid programs to reduce costs. These cuts require the approval of CMS, which has often provided such approval. But in court cases across the nation, some federal courts have ruled that CMS should not have approved Medicaid cuts because they violated federal law. In reply, CMS has argued that, as the agency that oversees the Medicaid program, its interpretations of federal Medicaid laws should be entitled to deference by the courts. Consequently, the issue of how much deference courts must give to the interpretations of Medicaid laws by CMS will likely be hotly litigated for years to come.

The entire Ninth Circuit opinion can be found here:

<http://cdn.ca9.uscourts.gov/datastore/opinions/2013/07/05/10-17574.pdf>