



For Immediate Release

Thursday, March 29, 2012

Raleigh, NC - A federal District Court today ordered the State of North Carolina to halt reductions to home and community based services and restore lost services until the state Medicaid agency and its managed care contractor, Piedmont Behavioral Healthcare (PBH), comply with legal requirements for providing Medicaid beneficiaries with adequate notices and opportunities for impartial hearings when their services are denied, reduced or terminated. The Court noted that without an injunction, the plaintiffs-children and adults with disabilities-would experience deteriorating health, financial strains, and the threat of having to go into institutions to get care. "We are gratified by the court's thorough, careful analysis and hopeful that the state and PBH will quickly accept this decision and correct their illegal practices," said Doug Sea, an attorney at Legal Services of Southern Piedmont. "Scores of our most vulnerable citizens desperately need the services that have been taken away from them, without due process, to be promptly restored."

Judge Louise Flanagan's decision found that the plaintiffs are likely to succeed on the merits of their legal claims that the Medicaid agency and PBH are not complying with the most basic federal constitutional and statutory requirements for participating in the Medicaid program. "Health care coverage is complicated," said National Health Law Program attorney Jane Perkins. "The court's decision is welcome and important because it recognizes that the Medicaid agency and its managed care plan, PBH, have obligations to make sure that people with disabilities who are insured through Medicaid get timely and accurate information about why their services are being reduced or terminated and what they can do about it if they object."

The suit, L.S., et al. v. Delia, et al. (No. 5:11-CV-354FL), was brought by Medicaid beneficiaries who suffer from chronic developmental disabilities and require significant medical or personal care. North Carolina operates a Home and Community Based Care program (North Carolina Innovations Waiver), which provides plaintiffs with access to services so that they can remain in their homes and avoid costly institutionalization. In March of 2011, PBH began implementing a new budgeting system which reduced services for beneficiaries that had previously been found necessary, even though their underlying conditions had not changed, and without the legally required notice explaining why the action was being taken. "Once again, the courts confirm that the desire to save resources does not allow a provider or state to deny due process," said Disability Rights North Carolina attorney John Rittelmeyer.

Click [here](#) to view the court's decision.

For questions or comments about the case, contact:

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