

Court overturns lower court ruling that had dismissed class action

Washington, DC - The United States Court of Appeals for the District of Columbia today overturned a lower court decision that denied Medicaid beneficiaries access to the court to challenge denials of their Medicaid coverage. Plaintiffs in the class action,

B v. District of Columbia

, brought their case after being denied prescription drug coverage at pharmacies.

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Under federal law, any denial of a Medicaid benefit, such as a prescription drug, must in writing and explain the reason for the denial. Beneficiaries who disagree with the decision must then be given the opportunity to challenge it in a fair hearing. Plaintiffs alleged that D.C. Department of Health Care Finance (“DHCF”), which administers Medicaid in the District, systemically fails to provide written notice explaining why prescriptions are being denied and fair hearings to allow the denial to be challenged.

The district court had decided that the plaintiffs’ arguments could not be heard because they had not been injured and therefore did not have standing. A panel of three district court judges disagreed.

Bruce Terris, plaintiffs’ counsel, said that the court of appeals was clearly correct that plaintiffs had been injured. “Most of the plaintiffs face chronic medical conditions for which they need to take prescription drugs regularly. They rely on Medicaid for their prescription drugs, so denials of their prescription drug coverage have serious consequences— they must either forego medically necessary medications for which they cannot afford to pay out-of-pocket , or they are forced to spend money needed for other life necessities, such as food and shelter, or medical care.”

In the court’s decision, Judge Tatel found that the case could proceed because the plaintiffs have established that they are experiencing injuries that a court can address. For example, Plaintiff John Doe is a Medicaid beneficiary who suffers from severe asthma and whose mother has been forced to forego other necessities in order to pay for John’s prescriptions when DHCF denied coverage without explanation.

“John Doe’s situation illustrates the problems that Medicaid beneficiaries in the District experience each day,” said Jane Perkins, NHeLP Legal Director. “As the Court noted, our evidence showed that, on a single day in 2009, District pharmacies denied nearly 50% of all the Medicaid prescription claims that were submitted.”

Plaintiffs are asking for an order requiring the District to provide Medicaid recipients with written notice and the opportunity for a hearing when their prescription drug coverage is denied at pharmacies.

“Notice would ensure that the plaintiffs in this case and other Medicaid recipients would have the opportunity to challenge or remedy erroneous denials of their prescription drug coverage and thereby obtain prescription drugs that they need,” said Terris.

Medicaid is a federal-state partnership that provides health insurance coverage to low-income children and certain categories of adults. According to the Kaiser Family Foundation, as of December 2010 more than 180,000 residents of the District of Columbia were enrolled in the District’s Medicaid program.

The plaintiffs in the case are represented by the DC-based law firm, Terris, Pravlik & Millian and the National Health Law Program (NHeLP). The case has been remanded back to the lower court for further proceedings. A link to the circuit court’s decision can be found [here](#).

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