

Controversial Medicaid Rule Vacated

On May 23, 2008, Judge James Robertson of the U.S. District Court for the District of Columbia entered summary judgment in favor of Powell Goldstein's client hospital plaintiffs, vacating a controversial Medicaid rule that would have severely curtailed payments to Medicaid providers.

The Court found that the rule had been issued in violation of a moratorium that had been enacted by Congress as part of last year's Iraq war funding package. The U.S. Government tried to rush the rule through the day before President George W. Bush signed the legislation containing the moratorium. The Court adopted plaintiffs' position that the U.S. Government violated the moratorium in at least four separate ways once it was effective:

- By notifying Congress of the rule's enactment as required for the rule to be effective;
- By receiving comments on the rule;
- By publishing the rule; and
- By failing to withdraw the rule.

The summary judgment is a major victory for safety net hospitals. The economic impact of the rule is estimated to be between \$4 billion and over \$21 billion over five years.

[Bill Crenshaw](#) was lead litigation counsel and handled oral argument for the plaintiffs, which include the [National Association of Public Hospitals](#), the [American Hospital Association](#) and the [Association of American Medical Colleges](#). [Ivan Snyder](#), [Kristin Robinson](#), Tracy Fritz and Lisa Pate provided assistance. The firm was co-counsel with Ropes & Gray, working with PoGo alumni Nathan Brown, Barbara Eyman, Charlie Luband and Sarah Mutinsky.

Click here for the Court's full decision: [Court Decision Here](#)



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