

**14-15 ARMSTRONG V. EXCEPTIONAL CHILD CENTER, INC.**

DECISION BELOW: 567 Fed.Appx. 496

LOWER COURT CASE NUMBER: 12-35382

**QUESTION PRESENTED:**

To receive federal Medicaid funding, a state must adopt a plan containing "methods and procedures" that will "safeguard against unnecessary utilization" of Medicaid services and "assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available ... at least to the extent that such care and services are available to the general population ..." 42 U.S.C. § 1396a (a)(30)(A). Congress chose not to confer on Medicaid providers any enforceable rights under this statute. The Ninth Circuit in this case, however, held that (a) Medicaid providers could enforce § 1396a(a)(30)(A) directly under the Supremacy Clause; and (b) the State of Idaho's Medicaid reimbursement rates were preempted by that statute because they did not "substantially reimburse providers their costs" and because they remained in place "for purely budgetary reasons."

The questions presented are:

1. Does the Supremacy Clause give Medicaid providers a private right of action to enforce § 1396a(a)(30)(A) against a state where Congress chose not to create enforceable rights under that statute?

2. If Medicaid providers have a private right of action, are a state's Medicaid provider reimbursement rates preempted by § 1396a(a)(30)(A) where they do not bear a reasonable relationship to provider costs and remain in place for budgetary reasons?

**LIMITED TO QUESTION 1 PRESENTED BY THE PETITION.**

**CERT. GRANTED 10/2/2014**