

CLIENT ALERT

COFC Grants Summary Judgment in Favor of Health Plan in ACA Litigation

October 15, 2018

In *Sanford Health Plan v. U.S.* (October 11, 2018), the U.S. Court of Federal Claims granted summary judgment in favor of Sanford Health Plan (a C&M client) in a lawsuit seeking to recover “cost-sharing reduction” (CSR) payments pursuant to Section 1402 of the Affordable Care Act. Following recent precedent in *Montana Health*, the Court held on the merits that (i) Section 1402 of the ACA is money-mandating, (ii) Sanford is entitled to full payments owed to it under the statutory formula set forth in the ACA, and (iii) the federal government has a statutory obligation to provide Sanford with the CSR payments notwithstanding the purported lack of appropriations to fund such payments. The Court agreed with Sanford Health Plan that the obligation to make payment under a money-mandating statute is distinct from the appropriation used to fund it, and that the lack of an appropriation merely restricts the Government’s agents (here, HHS), but does not negate the United States’ statutory payment obligation.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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