

# NEWS RELEASE

From the Office of the Indiana Attorney General

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## FOR IMMEDIATE RELEASE

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### Attorney General's statement on 7<sup>th</sup> Circuit's Medicaid defunding opinion

INDIANAPOLIS -- Today a federal appeals court ruled in the legal challenge to an Indiana statute that would end Medicaid funding to abortion providers. The U.S. 7<sup>th</sup> Circuit Court of Appeals in Chicago agreed with the lower court that had blocked enforcement of the Indiana law, House Enrolled Act 1210. The federal appeals court today left in place a preliminary injunction pertaining to Medicaid funding that a federal judge in Indianapolis had issued last year. This means the plaintiff in the lawsuit, Planned Parenthood of Indiana, can continue to draw Medicaid funding from state taxpayers to fund its services.

However, in today's 2-1 decision, the 7<sup>th</sup> Circuit panel reversed part of the lower court's ruling of last year. The appeals court said the State of Indiana was within its authority to discontinue funding from two federal grants Planned Parenthood had received totaling \$150,000 from the Disease Intervention Services (DIS) program. The 7<sup>th</sup> Circuit majority decision said Planned Parenthood had not shown its rights had been violated when the State made a decision about eligibility conditions for disbursing the federal block grant.

The Legislature passed House Enrolled Act 1210 in the 2011 session. Whenever a private plaintiff challenges a state statute the Legislature passes, the Indiana Attorney General's Office as lawyer for state government is required to defend the statute. Having argued on the statute's behalf in federal district court and in the 7<sup>th</sup> Circuit, the Attorney General's Office is reviewing today's 49-page opinion. Indiana Attorney General Greg Zoeller today issued this statement:

**“The people’s elected representatives in the Legislature decided they did not want an indirect subsidy of abortion services such as payroll and overhead to be paid with taxpayer’s dollars and so crafted this law. Although the injunction concerning Medicaid funding was not lifted, we note that the 7th Circuit found the State has the legal authority to decide how federal block-grant dollars – which are tax dollars – will be distributed. We will review this opinion more thoroughly with our clients before deciding how best to continue to defend the Indiana law,” Zoeller said.**

Separate from the appeal of the legal challenge in the 7<sup>th</sup> Circuit, the State of Indiana also filed an administrative appeal of a decision by the federal Centers for Medicare and Medicaid Services (CMS) to not approve Indiana's Medicaid plan as revised by HEA 1210. On July 6, the administrative appeal hearing officers recommended upholding that the federal agency's earlier decision to not approve the Medicaid plan. The Attorney General's Office has filed an exception to it (a type of appeal) and awaits a final decision from the CMS administrator. The Attorney General's Office has maintained that the Medicaid funding issue should be decided as a dispute between the State and federal government, not between a private provider and the State.

*NOTE: The U.S. 7<sup>th</sup> Circuit Court of Appeals' decision in the legal challenge to House Enrolled Act 1210, Planned Parenthood v. State of Indiana, is attached.*

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