

**Press Release**  
**For Immediate Release**  
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**JUDGE RULES HHS OVERSTEPPED ITS AUTHORITY IN TERMINATING  
MEDICAID BENEFITS OF OVER 400 LOW-INCOME PARENTS**

Lincoln, NE- On Tuesday June 30, 2009 Lancaster County District Court Judge Karen Flowers, ruled that the Nebraska Department of Health and Human Services (HHS) wrongfully terminated the Medicaid benefits of a class of over 400 low-income parents. The class action suit, Davio v. HHS, CI08-2202, was filed by the Nebraska Appleseed Center for Law in the Public Interest on behalf of parents who had received a sanction for not fully participating in the Employment First Program. Employment First is the welfare-to-work component of Nebraska's Aid to Dependent Children cash assistance program. Judge Flowers found that HHS' regulations allowing Medicaid benefits to be removed as part of a sanction ran contrary to state law and violated the separation of powers set out in the Nebraska Constitution.

"Consistent access to health care helps support and stabilize families working their way out of poverty," said Rebecca Gould, Executive Director of Nebraska Appleseed and attorney for the class members. "This ruling will help to ensure that parents facing a sanction will have a better chance of getting and maintaining a job, caring for their children, and moving from poverty to self-sufficiency, which is the ultimate goal of the Employment First program."

The regulation that was struck down under this ruling 468 NAC 2-020.09B(2)(f) allowed Medicaid benefits to be removed for one month for the first sanction, 3 months for a second sanction and 12 months for a third sanction. Although this decision will protect access to health care, families facing an Employment First sanction will still lose their entire cash assistance grant and have their Food Stamps reduced.

The Defendants in this case are the Nebraska Department of Health and Human Services, the state administrative agency charged with administering the Employment First program, the CEO of Health and Human Services, Director of the Division of Children and Family Services, and Director of the Division of Medicaid and Long-Term Care. Filings in the case can be found at [www.NeAppleseed.org](http://www.NeAppleseed.org).

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