

1 UNITED STATES DISTRICT COURT  
2 FOR THE NORTHERN DISTRICT OF CALIFORNIA  
3 OAKLAND DIVISION

4 LILLIE BRANTLEY, by her guardian ad litem  
5 Chauncey McLorin; GILDA GARCIA; ALLIE  
6 JO WOODARD, by her guardian ad litem Linda  
7 Gaspard-Berry, individually and on behalf of all  
8 other similarly situated,

9 Plaintiffs,

10 vs.

11 DAVID MAXWELL-JOLLY, Director of the  
12 Department of Health Care Services, State of  
13 California, DEPARTMENT OF HEALTH  
14 CARE SERVICES,

15 Defendants.

Case No: C 09-3798 SBA

**ORDER GRANTING PLAINTIFFS'  
MOTION FOR PRELIMINARY  
INJUNCTION**

Docket 14, 25

16 Plaintiffs are elderly persons and adults with disabilities who bring this class action suit  
17 against Defendants California Department of Health Care Services and its Director  
18 (Defendants) to stop funding cuts in the Medi-Cal Adult Day Health Care (ADHC) program.  
19 ADHC is a community-based program for low income seniors and younger disabled adults that  
20 provides health care and other services at centers located throughout California. As a result of  
21 the state's current fiscal crisis, the state legislature enacted Assembly Bill ABX4 5 as part of  
22 the Budget Act of 2009, which will temporarily reduce ADHC services from a maximum of  
23 five to three days per week. Plaintiffs allege that this reduction will place them along with  
24 putative Class Members at risk of hospitalization and/or institutionalization in violation of Title  
25 II of the Americans with Disabilities Act (ADA), 42 U.S.C. § 12131, *et seq.*, and Section 504  
26 of the Rehabilitation Act, 29 U.S.C. § 794, *et seq.*

27 The parties are presently before the Court on Plaintiffs' motion to preliminarily enjoin  
28 Defendants from reducing, terminating or modifying ADHC program benefits to the Plaintiffs  
and Class Members from four or five days per week, to a maximum of three days per week,  
pursuant to ABX4 5, unless and until alternate Medi-Cal services are provided, including

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1 through reasonable modifications to the program, which prevent inappropriate  
2 institutionalization in violation of their rights under the ADA and Section 504. On September  
3 9, 2009, the Court conducted an extensive hearing on the motion. Having read the papers  
4 submitted and considered the arguments of counsel, the Court hereby GRANTS Plaintiffs'  
5 motion for preliminary injunction.

6 **I. BACKGROUND**

7 **A. BACKGROUND OF THE ADHC PROGRAM**

8 ADHC is a Medi-Cal funded community-based program for low income seniors and  
9 younger disabled adults.<sup>1</sup> More specifically, ADHC is an organized day care program that  
10 includes therapeutic, social and skilled nursing health activities for the purpose of restoring or  
11 maintaining optimal capacity for self care. Peach Decl. ¶ 3. ADHC services are administered  
12 by non-profit and for profit providers which are licensed by the state, and operate centers  
13 throughout the state. Individuals who live at home or in licensed residential care facilities  
14 participate from one to five days per week (for a period of four hours per day), depending on  
15 their assessed needs. While the majority of persons served are elderly, ADHC centers also  
16 serve non-elderly adults with chronic disabling mental health, cognitive or physical conditions.

17 Individuals wishing to receive ADHC services must obtain their medical history and  
18 physical information from their personal physician (if they have one) and participate in a three-  
19 day assessment performed by a multi-disciplinary team of clinicians including physicians,  
20 registered nurses, social workers, physical therapists, recreational therapists and dieticians,  
21 among others. Missaelides Decl. ¶ 22. The multidisciplinary team designs an Individual Plan  
22 of Care (IPC) that specifies the types of services the applicant requires and the amount of time  
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25 <sup>1</sup> Medicaid is a cooperative federal-state program that authorizes the federal government to  
26 provide funds to participating states to administer medical assistance to individuals "whose income  
27 and resources are insufficient to meet the costs of necessary medical services." 42 U.S.C. § 1396.  
28 The program authorizes the government to pay a percentage of the costs incurred by a participating  
state for patient care, provided that the state complies with certain federal requirements. 42 U.S.C.  
§ 1396a. California participates in Medicaid through the California Medical Assistance Program  
(Medi-Cal), and has designated its Department of Health Care Services as the agency responsible  
for its administration. Cal. Welf. & Inst.Code §§ 10720, 14000.

1 each week those services are necessary, which is then sent for review to the Medi-Cal field  
2 office with a Treatment Authorization Request. Id.

3 The IPC includes a number of certifications. One of those certifications, identified as  
4 Medical Necessity Criterion #5, finds that: “The participant’s condition or conditions require  
5 all of the ADHC services set forth in boxes 20-23 on each day of attendance that are  
6 individualized and designed to maintain the ability of the participant to remain in the  
7 community and avoid emergency department visits, hospitalizations, or other  
8 institutionalization.” Davis Decl., Exh. A at 5 (emphasis in original). The IPC also certifies  
9 that the participant meets the criteria for services, including a determination that if services are  
10 not provided, “a high potential exists for the deterioration of the participant’s medical,  
11 cognitive, or mental health condition or conditions in a manner likely to result in emergency  
12 department visits, hospitalization, or other institutionalization if adult day care services are not  
13 provided.” Cal. Welf. & Inst. Code § 14526.1(d)(4); Davis Decl. ¶ 18, McCloud Decl. ¶ 17,  
14 Toth Decl. ¶ 13, Puckett Decl. ¶ 12, Myers Purkey Decl. ¶ 17. The IPC must be reapproved  
15 every six months by Medi-Cal, at which point the ADHC center reassesses the participant and  
16 revises the IPC, if necessary. Missalaedes Decl. ¶ 23.

17 **B. FACTS RELATING TO PLAINTIFFS**

18 **1. Lillie Brantley**

19 Lillie Brantley is an 84-year old woman severely impaired by Alzheimer’s disease and  
20 inflicted with hyperlipidemia, seizure disorder, atrial fibrillation, has had a stroke, and is frail.  
21 Davis Decl. ¶ 28; McLorin Decl. ¶ 3. For the last three years, she has been receiving services  
22 through the Bayview Hunter’s Point ADHC program in San Francisco, California. McLorin  
23 Decl. ¶ 4. She is authorized to receive Medi-Cal funded ADHC services five days a week.  
24 Davis Decl. ¶¶ 26, 30. In accordance with her IPC, Ms. Brantley receives: daily professional  
25 nursing services to monitor her hypertension, monitor and control her seizures and monitor her  
26 weight loss; daily personal care services to assist with her feeding, toileting, and ambulation, as  
27 well as to monitor her whereabouts; daily social services to improve her mood and behaviors,  
28 which relate to her dementia; semi-weekly physical therapy maintenance to reduce her risk for

1 falls and to maintain her current functioning; semi-weekly occupational therapy services to  
2 maintain her functional strength; and nutritional monitoring in connection with her  
3 hypertension and her recent weight loss. Id. ¶ 30.

4 In addition to attending and receiving services at the ADHC program five days per  
5 week, she receives 283 hours of In-Home Supportive Services (IHSS), including protective  
6 care, through the Medi-Cal program, which is her limit. Id. ¶ 10. Ms. Brantley can never be  
7 left alone, given her cognitive and health impairments. McLorin Decl. ¶ 6. She lives with her  
8 great niece Chauncey McLorin and Ms. McLorin's 15-year old daughter. Id. ¶ 3. If Ms.  
9 Brantley is unable to receive services from the ADHC center five days a week, there are no  
10 persons or services readily available to fill that void. Id. ¶ 8. Ms. McLorin lacks funds to pay  
11 for private care and cannot afford to quit her full-time job. Id. ¶ 10, 16-17. As a result, a  
12 reduction in ADHC services will result in Ms. Brantley's institutionalization. Steinke Decl. ¶¶  
13 18-22; Davis Decl. ¶ 32; McLorin Decl. ¶ 16.

## 14 2. Allie Woodard

15 Allie Jo Woodard is a 79-year old woman who has been diagnosed with bipolar  
16 affective disorder, depression, diabetes, glaucoma, hypertension, and osteoarthritis. Davis  
17 Decl. ¶ 21. Like Ms. Brantley, she receives services from the Bayview Hunter's Point ADHC  
18 program, where she has gone for nine years. Gaspard Berry Decl. ¶ 4. She is authorized to  
19 receive Medi-Cal funded ADHC services five days a week. Id.

20 Consistent with her IPC, Ms. Woodard receives: daily professional nursing services to  
21 monitor her hypertension, fall risk and pain and mobility issues related to her arthritis; daily  
22 personal care services to monitor her exertion level to prevent cardiac compromise; daily social  
23 services in the form of group activities intended to prevent psychiatric hospitalization; weekly  
24 psychological counseling, and daily monitoring by a program social worker for reality  
25 reorientations; ongoing therapeutic activities to monitor and improve her socialization and  
26 improve her interactions with peers; and semi-weekly occupational therapy services for  
27 maintaining her functional strength. Davis Decl. ¶ 22. Ms. Woodard's disability has rendered  
28 her very fragile both emotionally and physically, resulting in frequent psychiatric

1 hospitalizations. Gaspard-Berry Decl. ¶ 9; Davis Decl. ¶ 23. She is also at risk of falling, and  
2 requires constant physical and verbal cueing to use her walker. Id.

3 Ms. Woodard lives alone; however, she may never be left alone because her mental  
4 impairments place her at risk of wandering. Gaspard-Berry ¶ 6. A few years ago, she was  
5 missing for two full days. Id. Ms. Woodard currently receives 283 IHSS hours of service,  
6 which is the maximum available. Id. ¶ 5. In addition, her daughter and son rotate spending the  
7 night with her. Id. ¶ 7. On weekends, her daughter Linda Gaspard-Berry brings Ms. Woodard  
8 to her home in Fremont. Id. ¶ 7. Ms. Woodard will be institutionalized if she is unable to  
9 receive the services provided by the ADHC five days a week or receive some appropriate  
10 alternative services, as both Ms. Gaspard-Berry and her brother work full-time and cannot  
11 afford to quit their jobs to care for their mother. Gaspard-Berry Decl. ¶ 16-17; Davis Decl.  
12 ¶ 25; Steinke Decl. ¶¶ 18-21, 24.

### 13 3. Gilda Garcia

14 The third Plaintiff, Gilda Garcia, is a 77 year-old woman who lives alone in a one-  
15 bedroom apartment in San Francisco. Garcia Decl. ¶ 3. She suffers from unstable diabetes,  
16 hypertension, Bells' Palsy, and kidney problems. McCloud Decl. ¶ 21. Ms. Garcia was  
17 diagnosed with diabetes in 1995, and must take insulin four times a day to control her blood  
18 sugar, along with other medications for conditions such as hypertension. Garcia Decl. ¶¶ 3, 5.  
19 Depending on her blood sugar levels, Ms. Garcia's condition can interfere with her vision and  
20 mobility. Id. ¶ 3.

21 Ms. Garcia is highly dependent on the ADHC for medical stability and preventing  
22 isolation and depression. Since 2004, Ms. Garcia has received services from the Institute on  
23 Aging Adult Day Health Care Center (Institute on Aging) on a daily basis. Id. ¶¶ 6-7. In  
24 addition to participating in the activities at the center, Ms. Garcia is treated by the nurses who  
25 help her monitor her diabetes. Id. ¶¶ 8-10. An IHSS worker assists Ms. Garcia with activities  
26 such as laundry, shopping, housework and meal preparation. Id. ¶ 14. However, the worker  
27 only visits her for one hour, once per week. Id. The professional opinion of the nurse at the  
28

1 program is that it is crucial for Ms. Garcia to attend the center five days per week to prevent  
2 emergency room visits and hospitalization. Perelman Decl. ¶¶ 14, 15; Garcia Decl. ¶ 18.

3 In accordance with her IPC at the Institute on Aging ADHC program, Ms. Garcia  
4 receives: daily professional nursing services to monitor her for hypoglycemic reactions and to  
5 monitor her joint and back pain; daily personal care services to supervise her ambulation and  
6 prevent falls attributable to her poor vision and impulse control; daily social services to  
7 increase her opportunities for socialization and on an as needed basis to help her coordinate her  
8 IHSS and other social services; daily therapeutic activities to increase physical activity, leisure  
9 and cognitive opportunities; physical therapy maintenance program three days per week to  
10 maintain her endurance and physical strength; semi-weekly occupational therapy maintenance  
11 program to maintain her current levels of functioning; and registered dietician services to  
12 ensure she understands the importance of maintaining a diabetic diet. McCloud Decl. ¶ 24,  
13 Exh. B.

14 Ms. Garcia lives alone, and receives limited IHSS services. She is dependent on the  
15 socialization provided by the ADHC program. In addition, Ms. Garcia is protected from  
16 isolation and depression by attending ADHC five days per week. Ms. Garcia will face  
17 destabilization of her diabetes, and the risks that this condition poses, including a heightened  
18 risk of falls and vision impairments. McCloud Decl. ¶ 24. Without five days per week of  
19 ADHC services, she is at risk for hospitalization and/or institutionalization. McCloud Decl. ¶¶  
20 25-27; Steinke Decl. ¶ 18-21, 23; Garcia Decl. ¶¶ 7, 8, 9, 16, 18; Steinke Decl. ¶¶ 18-21, 24.

### 21 C. ASSEMBLY BILL ABX4 5

22 On July 28, 2009, the California Legislature enacted Assembly Bill ABX4 5, which  
23 include amendments to Welfare and Institutions Code section 14132(p) regarding ADHC  
24 services. The new law, which will take effect on or about September 10, 2009, temporarily  
25 reduces the maximum ADHC benefit to three days per week for all Medi-Cal beneficiaries.  
26 Cal. Welf. & Inst. § 14132(p)(2). In addition, the bill imposes new restrictions limiting  
27 eligibility for ADHC services and will go into effect if and when the Director of California  
28 Department of Health Care Services provides a written declaration that the new restrictions are

1 ready to be implemented. Cal. Welf. & Inst. Code § 14521.1. Once new eligibility criteria are  
2 developed, the maximum ADHC benefit will return to five days per week. Bailey Decl. ¶ 3.  
3 These new restrictions will terminate or deny ADHC services to individuals based on the  
4 degree of their functional limitation and need for a certain level of care. See Compl. ¶ 48.

5 For those participants who will be affected by the benefit reduction, Defendants  
6 anticipate reliance on alternative programs to fill the void created by the elimination of ADHC  
7 services. Muchmore Decl. ¶ 13. The burden of identifying and accessing these unspecified  
8 alternative services will be on the participant and his or her caregiver with the assistance of the  
9 ADHC center. Id. Each of these alternative services, whether offered through Medi-Cal or by  
10 some other source, has its own unique eligibility criteria that must be satisfied before the  
11 participant receives authorization. Id. Eligibility for ADHC services does not automatically  
12 confer eligibility or authorization for any of these alternative services. Id. In addition, at the  
13 hearing on the instant motion, the parties acknowledged that there is no mechanism to ensure  
14 that upon the reduction of ADHC benefits that the alternative services will be identified and in  
15 place to ensure that Plaintiffs and class members will not suffer any gap in the services  
16 required by their respective IPCs.

#### 17 **D. PROCEDURAL HISTORY**

18 Plaintiffs commenced the instant action on August 18, 2009. The Complaint alleges six  
19 claims for relief: (1) violation of the ADA; (2) violation of Section 504 of the Rehabilitation  
20 Act; (3) violation of procedural due process under 42 U.S.C. section 1983; (4) violation of the  
21 Medicaid Act; (5) violation of Medicaid comparability requirement; and (6) violation of  
22 California Government Code sections 11135 and 11139. Plaintiffs purport to bring this action  
23 on behalf of “all recipients of Medi-Cal in the State of California who receive Adult Day  
24 Health Care Services whose Adult Day Health Care Benefits will be limited, cut, or terminated  
25 under the provisions of ABX4 5.” Compl. ¶ 109. Plaintiffs also allege two subclasses. The  
26 “Limitation of Benefits Subclass” consists of Medi-Cal beneficiaries who have been authorized  
27 to receive four to five days of ADHC services, whose services will be reduced to three days  
28 under ABX4 5. Id. ¶ 110(a). The “Termination of Benefits Subclass” includes past and future

1 Medi-Cal recipients whose ADHC services will be terminated once the DHCS implements new  
2 classification standards. Id. ¶ 110(b).

3 On August 24, 2009, Plaintiffs filed a Motion for a Temporary Restraining Order and  
4 Order to Show Cause (Motion for TRO). Plaintiffs filed their Motion for TRO, anticipating  
5 that the reduction in ADHC services would take effect on August 27, 2009. Upon learning that  
6 the change would not transpire until the week of September 7, 2009, Plaintiffs superseded their  
7 Motion for TRO with a Motion for Preliminary Injunction on August 26, 2009. In their  
8 motion, Plaintiffs request an order:

9 (a) Enjoining and prohibiting Defendants Director David Maxwell-  
10 Jolly and the Dept. of Health Care Services, and successors, agents,  
11 officers, servants, employees, attorneys and representatives and all  
12 persons acting in concert or participating with Defendants, from  
13 implementing or enforcing ABX4 5 or engaging in the following  
14 actions until this Court rules on a permanent injunction:

15 Reducing, terminating or modifying Medi-Cal Adult Day Health  
16 Care (ADHC) program benefits to the Plaintiffs and Class Members  
17 from 4 or 5 days per week, to a maximum of 3 days per week,  
18 pursuant to ABX4 5, in violation of their rights under the ADA,  
19 Section 504, the Due Process clause of the Constitution, and the  
20 Medicaid Act.

21 Reducing, terminating or modifying Medi-Cal Adult Day Health  
22 Care (ADHC) program benefits to the Plaintiffs and Class Members  
23 from 4 or 5 days per week, to a maximum of 3 days per week,  
24 pursuant to ABX4 5, unless and until alternate Medi-Cal services are  
25 provided, including through reasonable modifications to the program,  
26 which prevent inappropriate institutionalization in violation of their  
27 rights under the ADA and Section 504.

28 (b) Enjoining and prohibiting Defendant Director David Maxwell-  
Jolly and his successors, agents, officers, servants, employees,  
attorneys and representatives and all persons acting in concert or  
participating with Defendants, from implementing or enforcing  
ABX4 5 or engaging in the following actions until this Court rules on  
a permanent injunction:

Reducing, terminating or modifying Medi-Cal Adult Day Health  
Care (ADHC) program benefits to the Plaintiffs and Class Members  
from 4 or 5 days per week, to a maximum of 3 days per week,  
pursuant to ABX4 5, until and unless Plaintiffs and Members are  
afforded notice and a right to a hearing regarding alternate Medi-Cal  
services which meet their medical needs as currently provided  
through ADHC services in violation of their rights under the Due  
Process clause of the Constitution, and the Medicaid Act.

Pls.' Mot. at 1-2.

1 The Court set a briefing schedule for the filing of Defendants' opposition and Plaintiffs'  
2 reply, which were filed on September 1 and September 3, 2009, respectively. The parties  
3 appeared before the Court on September 9, 2009 for oral argument on the motion.

## 4 **II. LEGAL STANDARD**

5 The decision of whether to grant or deny a motion for preliminary injunction is a matter  
6 of the district court's discretion. Am. Trucking Ass'ns, Inc. v. City of Los Angeles, 559 F.3d  
7 1046, 1052 (9th Cir. 2009). The standard for assessing a motion for preliminary injunction is  
8 set forth in Winter v. Natural Res. Def. Council, Inc., ---U.S. ---, 129 S.Ct. 365, 376 (2008).  
9 "Under Winter, plaintiffs seeking a preliminary injunction must establish that (1) they are  
10 likely to succeed on the merits; (2) they are likely to suffer irreparable harm in the absence of  
11 preliminary relief; (3) the balance of equities tips in their favor; and (4) a preliminary  
12 injunction is in the public interest." Sierra Forest Legacy v. Rey, --- F.3d ---, 2009 WL  
13 2462216 at \*3 (9th Cir. Aug. 13, 2009).

## 14 **III. DISCUSSION**

### 15 **A. LIKELIHOOD OF SUCCESS ON THE MERITS**

#### 16 **1. ADA and Rehabilitation Act Claims**

##### 17 *a) Violation of the Integration Mandate*

18 The ADA was enacted in 1990 to "provide a clear and comprehensive national mandate  
19 for the elimination of discrimination against individuals with disabilities." 42 U.S.C.  
20 § 12101(b)(1).<sup>2</sup> Title II of the ADA prohibits discrimination in access to public services by  
21 requiring that "no qualified individual with a disability shall, by reason of such disability, be  
22 excluded from participation in or be denied the benefits of the services, programs, or activities  
23 of a public entity, or be subjected to discrimination by any such entity." 42 U.S.C. § 12132.  
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25 <sup>2</sup> Plaintiffs' first and second claims are for discrimination under Title II of the ADA and  
26 Section 504 of the Rehabilitation Act, respectively. The Court's analysis of the ADA applies  
27 equally to both claims. Martin v. California Dept. of Veterans Affairs, 560 F.3d 1042, 1047  
28 n.7 (9th Cir. 2009) ("Because '[t]here is no significant difference in analysis of the rights and  
obligations created by the ADA and the Rehabilitation Act,' we have consistently applied 'the  
same analysis to claims brought under both statutes,'" (quoting in part Zukle v. Regents of  
Univ. of Cal., 166 F.3d 1041, 1045 (9th Cir. 1999))).

1 The Ninth Circuit has counseled that “the ADA must be construed broadly in order to  
2 effectively implement the ADA’s fundamental purpose of providing a clear and comprehensive  
3 national mandate for the elimination of discrimination against individuals with disabilities.”  
4 Barden v. City of Sacramento, 292 F.3d 1073, 1077 (9th Cir. 2002) (quotation marks and  
5 alteration omitted).

6 One form of disability discrimination is a violation of the ADA’s “integration mandate.”  
7 See Olmstead v. L.C. ex rel. Zimring, 527 U.S. 581, 592, 600-601 (1999); Townsend v.  
8 Quasim, 328 F.3d 511, 515-18 (9th Cir. 2003). This mandate, which is embodied within the  
9 ADA and its implementing regulations, specifies that persons with disabilities receive services  
10 in the “most integrated setting appropriate to their needs.” 28 C.F.R. § 35.130(d) (“[a] public  
11 entity shall administer services, programs, and activities in the most integrated setting  
12 appropriate to the needs of qualified individuals with disabilities.”); see 42 U.S.C.  
13 § 12182(b)(1)(B). The “most integrated setting” is defined as “a setting that enables  
14 individuals with disabilities to interact with non-disabled persons to the fullest extent possible.”  
15 28 C.F.R. pt. 35 app. A; Olmstead, 527 U.S. at 592. This mandate “serves one of the principal  
16 purposes of Title II of the ADA: ending the isolation and segregation of disabled persons.” Arc  
17 of Wash. State Inc. v. Braddock, 427 F.3d 615, 618 (9th Cir. 2005).

18 To state a claim under Title II of the ADA based on a violation of the integration  
19 mandate, the plaintiff must plead and prove that he or she: (1) is a “qualified individual with a  
20 disability”; (2) was either excluded from participation in or denied the benefits of a public  
21 entity’s services, programs, or activities or was otherwise discriminated against by the public  
22 entity; and (3) such exclusion, denial of benefits, or discrimination was by reason of his  
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1 disability. See Townsend, 328 F.3d at 517.<sup>3</sup> A state’s failure to provide services to a qualified  
2 person in a community-based setting as opposed to a nursing home presents a violation of Title  
3 II of the ADA. See id. at 517; Fisher v. Oklahoma Health Care Auth., 335 F.3d 1175, 1181-82  
4 (10th Cir. 2003) (imposition of cap on prescription medications placed on participants in  
5 community-based program at high risk for premature entry into nursing homes in violation of  
6 the ADA).

7 Defendants argue that the proposed cut in ADHC services does not violate the  
8 integration mandate because Plaintiffs have not demonstrated that the loss of two days of  
9 ADHC services will result in their institutionalization. In particular, they argue that in order to  
10 state a Title II violation, Plaintiffs must show that the program reduction leaves them “no  
11 choice” other than to be institutionalized in the event their ADHC services are limited to three  
12 days—and that Plaintiffs have not made such a showing. Defs.’ Opp’n at 7.<sup>4</sup> Defendants fail  
13 to cite any relevant authority imposing a “no choice” requirement. Rather, cases involving  
14 ADA integration claims have recognized that the risk of institutionalization is sufficient to  
15 demonstrate a violation of Title II. See Fisher, 335 F.3d at 1184 (holding that Medicaid  
16 participants not currently institutionalized but at “high risk for premature entry into a nursing  
17 home” could bring claim for violation of the integration mandate); Mental Disability Law  
18 Clinic v. Hogan, 2008 WL 4104460 at \*15 (E.D.N.Y. Aug. 28, 2008) (“even the risk of  
19 unjustified segregation may be sufficient under Olmstead”).

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21  
22 <sup>3</sup> Plaintiffs’ motion recites the test set forth in Olmstead which requires a showing that  
23 (1) the state’s treatment professionals have determined that community-based services are  
24 appropriate, (2) the disabled individual does not oppose treatment, and (3) the provision of  
25 community-based services can be reasonably accommodated, taking into account the resources  
26 available to the state and the needs of other disabled individuals. 527 U.S. at 587.  
27 Nevertheless, in Townsend, the Ninth Circuit analyzed the plaintiffs’ integration mandate claim  
28 under the traditional test applicable to ADA claims brought under Title II. E.g., Martin v.  
California Dept. of Veterans Affairs, 560 F.3d 1042, 1047 (9th Cir. 2009). Plaintiffs have  
made a sufficient showing under either formulation.

<sup>4</sup> Defendants do not frame their argument in the context of the test set forth in  
Townsend. Based on the substance of their arguments, however, it appears that they are  
focusing on the second element of the test, i.e., whether Plaintiffs were excluded from or  
denied benefits. See Defs.’ Opp’n at 6-9.

1           The above notwithstanding, Plaintiffs have sufficiently demonstrated for purposes of the  
2 instant motion that the proposed reduction in ADHC services will place them at serious risk of  
3 institutionalization. As an initial matter, Plaintiffs’ respective IPCs specify that each of them  
4 requires five days of ADHC care per week. Davis Decl., Exhs. B, C; McCloud Decl., Exh. B.  
5 The IPC, which is prepared by a multidisciplinary team including medical and health care  
6 professionals following a three-day comprehensive assessment process, certifies that the  
7 participants’ conditions “require” that they receive care “each day” that is specified. Id. (Item  
8 19). In addition, the IPC includes a determination that the participant has been “determined to  
9 have a high potential for the determination of their medical, cognitive, or mental health  
10 condition or conditions in a manner likely to result in emergency department visits,  
11 hospitalization, or other institutionalization if ADHC services are not provided.” McCloud  
12 Decl. ¶ 17 (emphasis added).<sup>5</sup> Notably, these IPCs are reviewed and approved by Medi-Cal  
13 before any services are rendered. Davis Decl. ¶ 14; McCloud Decl. ¶ 13.

14           Moreover, Plaintiffs have proffered evidence that reducing ADHC services from five to  
15 three days per week poses serious risks that they will be transferred to a nursing or other  
16 skilled-care facility. For example, Ms. Brantley is 84 years-old, and is severely impaired by  
17 Alzheimer’s disease and dementia. McLorin Decl. ¶ 3. She cannot perform basic necessities  
18 such as bathing, using the bathroom or obtaining her medication on her own, and she cannot be  
19 left alone. Id. ¶¶ 5-6. Ms. Brantley’s great niece, who works full-time and is raising a family,  
20 is only able to keep Ms. Brantley in her home because ADHC services are provided five days  
21 per week. Id. ¶¶ 8-10. Her caregiver, the Program Director of the ADHC center from which  
22 she receives services and Plaintiffs’ well-qualified expert, Dr. Steinke, have concluded that if  
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28           <sup>5</sup> This requirement for approval is set forth in California Welfare and Institutions Code section 14526.1(d)(5).

1 ADHC services are reduced, Ms. Brantley faces institutionalization. McLorin Decl. ¶ 10, 16-  
2 17; Steinke Decl. ¶¶ 18-22; Davis Decl. ¶ 32.<sup>6</sup>

3 Ms. Allie Jo Woodard, who is 79 years-old and lives with her daughter Linda Gaspard-  
4 Berry on weekends and some weeknights, suffers from bipolar affective disorder, depression,  
5 diabetes, glaucoma, hypertension and osteoarthritis. Gaspard-Berry Decl. ¶¶ 3, 7-8. Like Ms.  
6 Brantley, Ms. Woodard cannot be left unattended and she requires assistance and relies on Ms.  
7 Gaspard-Berry and her brother for bathing, toileting, shopping and managing her medications.  
8 Id. ¶¶ 5-7. Ms. Gaspard-Berry and her brother both work full-time and take turns watching Ms.  
9 Woodard when she is not with her IHSS worker or at the ADHC center from which she  
10 received daily services for the last nine years. Id. ¶ 4. Neither Ms. Gaspard-Berry nor her  
11 brother is in a position to quit their jobs to take care of their mother in the absence of daily  
12 ADHC services or alternative replacement services. Id. ¶¶ 16-17. In addition, neither can  
13 afford private in-home care. Id. ¶ 15. As a result, any reduction of ADHC services would  
14 necessitate Ms. Woodard's placement in an out-of-home facility. Id. ¶ 16.

15 The risk of institutionalization as to Ms. Brantley and Woodard posed by the ADHC  
16 service reduction is further supported by evidence provided by Catherine Davis, the Program  
17 Director of the Bayview Hunter's Point Adult Health Care Program, the ADHC center used by  
18 Ms. Brantley and Ms. Woodard. Davis Decl. ¶ 3. The center serves approximately 100 seniors  
19 and younger individuals with disabilities, all of whom live at the poverty level or below. Id. ¶  
20 9. Of the 100 participants, 44 of them have Medi-Cal approved IPCs certifying a need for four  
21 to five days per week of attendance to avoid institutionalization. Id. ¶ 19. With regard to Ms.  
22 Brantley and Ms. Woodard, Ms. Davis confirms that the center provides them with critical and  
23 extensive physical and mental health support. Id. ¶¶ 21-32. Ms. Davis opines that without the  
24 center's support five days per week, both individuals will require placement in a nursing home

25 \_\_\_\_\_  
26 <sup>6</sup> At the hearing on the motion, Defendants posited that the 283 hours of monthly IHSS  
27 services received by Ms. Brantley could be rearranged and coordinated with her great niece's  
28 schedule to counter the loss of ADHC services. However, IHSS services are unskilled and are not  
a substitute for skilled services provided by her ADHC center. Supp. Steinke Decl. ¶ 9. In  
addition, as noted, the IPC specifies that her conditions necessitate the provision of service on each  
of the five days specified therein.

1 or other institution. Id. ¶¶ 25, 32. Plaintiffs' expert, Dr. Steinke, concurs with that opinion.  
2 Steinke Decl. ¶¶ 22, 24.<sup>7</sup>

3 The third named Plaintiff, Gilda Garcia, also faces the risk of hospitalization in the  
4 event her five days of ADHC services are reduced to three. Steinke Decl. ¶ 23; McCloud Decl.  
5 ¶ 29; Perelman Decl. ¶ 14. Ms. Garcia, who is 77 years-old, has suffered from unstable  
6 diabetes since 1995. Garcia Decl. ¶ 3. Since 2004, she has received services from the Institute  
7 on Aging ADHC center. Id. ¶ 6. Though Ms. Garcia's condition is not as severe as the other  
8 Plaintiffs, the provision of ADHC services as prescribed by her IPC is critical to her ability to  
9 live independently. Steinke Decl. ¶ 23. A reduction in those services would place her at high  
10 risk of hospitalization and/or institutionalization, where her condition would likely deteriorate  
11 rapidly. Id.

12 It also is apparent that the risk of institutionalization is likely to be suffered by putative  
13 Class Members, as well as the named Plaintiffs. For example, Ilene McKay suffers from a host  
14 of maladies including uncontrolled diabetes, schizophrenia, hypertension, amputation and  
15 hyperlipidemia (high lipid level in bloodstream). Supp. Zirker Decl. Exh. A. She requires  
16 services five days per week consisting of professional nursing care for diabetic complications,  
17 related skin problems, ambulation using a prosthetic device, along with specialized meal  
18 preparation, social services. Id. Wilrene Lamar suffers from depression, cirrhosis of the liver,  
19 and bladder issues, among other conditions. Id. Exh. B. Likewise, Charles Peterson suffers  
20 from joint disease, blindness, hypertension, urinary issues and depression. Id. Exh. C. Both  
21 individuals receive a variety of skilled services, five days per week, that are intended to address  
22 their specific conditions.

23  
24 \_\_\_\_\_  
25 <sup>7</sup> Defendants claim that the only reason proffered by Dr. Steinke that Ms. Brantley is at risk  
26 of institutionalization is that she cannot be left alone. Defendants contend that supplemental IHSS  
27 services could be used in place of the eliminated ADHC services. However, Dr. Steinke's opinion  
28 is not isolated to paragraph 22 of his declaration, and must be viewed in tandem with his entire  
declaration in which he renders opinions regarding the serious detriment that would result from  
eliminating two days of services. In addition, Defendants ignore other evidence in the record,  
including Ms. Brantley's IPC and the opinion of the director of the ADHC center that provides her  
services.

1 In addition to evidence specific to Plaintiffs and putative Class Members, Plaintiffs have  
2 proffered evidence supporting their conclusion that the harm likely to result from the reduction  
3 in ADHD services will be experienced by similarly situated class members. Ms. Davis and her  
4 staff analyzed the needs of other participants who receive services from the center four to five  
5 days per week and reached the conclusion that 22 of them face “imminent risk of  
6 institutionalization, hospitalization, or death” if the maximum ADHC benefit were limited to  
7 three days per week. Davis Decl. ¶ 33. Her findings are consistent with those reached by  
8 Plaintiffs’ expert, Dr. Gary Steinke, who believes that “an across-the-board reduction in the  
9 maximum number of allowable days from five to three per week will cause immediate or  
10 imminent harm to thousands of current participants who currently attend ADHC more than  
11 three days per week.” Steinke Decl. ¶ 10. He notes that ADHC services play a critical role in  
12 monitoring patients who suffer from a myriad of physical and mental health issues, thus  
13 decreasing the likelihood of hospitalization and/or institutionalization. Id. ¶¶ 10-15, 18. In Ms.  
14 Brantley and Ms. Woodard’s case, Dr. Steinke notes that if their ADHC services are reduced to  
15 three days per week, “[they] would need to be placed in a nursing facility” where they would  
16 likely “deteriorate rapidly.” Id. ¶¶ 22, 24. As to Ms. Garcia, he believes that the reduction in  
17 ADHC services would increase her chances of requiring hospitalization or institutionalization.  
18 Id. ¶ 23.

19 Relying on the declaration of Rosemary Lamb, Chief of the Northern Field Operations  
20 Branch in the Utilization Management Division of the Department of Health and Human  
21 Services, Defendants argue that each of the Plaintiffs only needs three days of ADHC services  
22 and therefore will be unaffected by the elimination of two days of services. Defs.’ Opp’n at 8;  
23 Lamb Decl. ¶¶ 8, 13, 17.<sup>8</sup> Ms. Lamb, who is a registered nurse, further claims that she  
24 reviewed unspecified “records” pertaining to each Plaintiff and concluded that none of them  
25 are at “imminent risk for institutionalization.” Lamb Decl. ¶¶ 8, 13, 17, 21, 25, 29. The Court

26 \_\_\_\_\_  
27 <sup>8</sup> Plaintiffs have filed objections to various portions of Ms. Lamb’s declaration which  
28 are meritorious. Irrespective of those objections, the Court finds that her declaration does not  
adequately refute Plaintiffs’ claim that the anticipated ADHC benefit reduction poses a serious  
risk of institutionalization.

1 finds Ms. Lamb's conclusions unpersuasive. As noted, Plaintiffs' IPCs, which were prepared  
2 following an comprehensive assessment by a team of health care professionals—and approved  
3 by Medi-Cal—are compelling evidence that Plaintiffs require five, not three, days of services.  
4 At oral argument, Defendants were unable to offer any compelling reasons that the Court  
5 should credit the opinions of Ms. Lamb, a nurse who has no personal knowledge of Plaintiffs'  
6 medical history or needs and has never examined or spoken to them, over those proffered by  
7 the multidisciplinary team of physicians, nurses, therapists and various health care  
8 professionals who have.<sup>9</sup>

9 Equally unavailing is Defendants' assertion that Plaintiffs can avoid the risk of  
10 institutionalization by availing themselves of other, largely unspecified Medi-Cal or other  
11 community services. Defs.' Opp'n at 7-9. The Court notes that there is no dispute between the  
12 parties that there are alternative services available that could fill the void left by the reduction  
13 in ADHC benefits. However, the Court is persuaded by Plaintiffs' concern that Defendants  
14 have failed to implement any means of ensuring that, if and when the cuts take effect, the  
15 necessary alternative services will be identified and in place for Plaintiffs so that there will not  
16 be a period where they are not receiving the care prescribed by their IPCs.<sup>10</sup> Plaintiffs and  
17 putative class members, many of whom are elderly and frail, have complex medical needs  
18 which are met by a combination of skilled services provided at the ADHC. See Steinke Decl.  
19 ¶ 18; McCloud Decl. ¶ 20-27, Exh. B., Davis Decl. ¶¶ 20-31, Exh. B; Zirker Supp. Decl., Exhs.

20 \_\_\_\_\_  
21 <sup>9</sup> Ms. Lamb's opinions are of limited probative value given the limited scope of her review  
22 and analysis. She did not review any of the declarations of Plaintiffs' caregivers or HDHC  
23 providers, who care for and provide services to them on a daily basis. Ms. Lamb's decision to limit  
24 her review to unspecified "records" pertaining to each Plaintiff undermines the reliability of her  
25 various opinions. For example, she opines that Ms. Brantley could be cared for by other family  
26 members or caregivers, id. ¶ 8, despite the declaration from Ms. Brantley's caregiver, who declares  
that she works full-time and cannot give up her job in the event ADHC services are limited to three  
days, McLorin Decl. ¶ 8. Similarly, with regard to Ms. Garcia, Ms. Lamb opines that her medical  
needs can be met with only three ADHC visits per week. Lamb Decl. ¶ 13. Given the limited  
scope of materials reviewed by Ms. Lamb, the Court finds that her declaration is of limited value,  
particularly when compared to the declarations of those who have personal knowledge of each  
Plaintiffs' condition, living circumstances and medical requirements.

27 <sup>10</sup> Eligibility for ADHC services does not automatically confer authorization for alternative  
28 services. Muchmore Decl. ¶ 13. Each of these services has their own qualification criteria, and  
Plaintiffs will have to separately apply for each of those services. Id.

1 A-C. Given their precarious conditions, even temporary gaps in services would present serious  
2 consequences for Plaintiffs and place them at great risk of being institutionalized.

3 Defendants concede that they bear the ultimate responsibility for ensuring compliance  
4 with federal disability laws. Nevertheless, they have taken an arguably cavalier approach to  
5 ensuring their continuing compliance with the ADA and Rehabilitation Act by placing full  
6 responsibility for identifying and securing alternative services to replace those eliminated by  
7 Assembly Bill ABX4 5 on the individual ADHC programs. See Defs.’ Opp’n at 8 (citing  
8 Peach Decl. ¶ 7).<sup>11</sup> At the same time, Defendants refuse to specify how they will ensure their  
9 continuing compliance with the ADA and Rehabilitation Act in the event that the ADHC  
10 programs fail to comply with their “expectation” to secure alternative services for their  
11 participants.<sup>12</sup> Thus, to the extent that Defendants are claiming that alternative services satisfy  
12 their obligations under the integration mandate, Defendants certainly bear the burden of  
13 ensuring more than a “theoretical” availability of such services. C.f., Hillburn v. Maher, 795  
14 F.2d 252, 261 (2d Cir. 1986) (“CDIM, as the single agency designated by Connecticut, retains  
15 the authority to ‘[e]xercise administrative discretion in the administration or supervision of the  
16 plan,’ and to ‘[i]ssue policies, rules, and regulations on program matters.’ [] These regulations  
17 do not permit CDIM’s responsibility to be diminished or altered by the action or inaction of  
18 other state offices or agencies.”).

19 \_\_\_\_\_  
20 <sup>11</sup> In their opposition brief and at the hearing, Defendants asserted that the individual  
21 ADHC program is responsible for identifying and ensuring Plaintiffs’ access to alternative  
22 services. However, in the declaration of Phyllis Muchmore submitted by Defendants, Ms.  
23 Muchmore asserts that “[e]ach of these alternative/supplemental services must be sought out by the  
24 beneficiary and his/her family or caregiver(s) with the assistance of the ADHC center and with a  
25 referral by the beneficiary’s personal health care provider.” Muchmore Decl. ¶ 13. The Court also  
26 notes that Denise Peach, who is in charge of the state’s ADHC centers, states that in light of the  
27 changes implemented by Assembly Bill ABX4 5, ADHC centers “will be” engaged in various  
28 activities such as assessing the needs of their participants and making referrals to other health  
29 care providers and community agencies. Peach Decl. ¶ 7. She does not state when those  
30 assessments and referrals will take place—or what alternatives ADHC participants and  
31 caregivers may avail themselves of once the ADHC benefit is reduced to a three day per week  
32 maximum.

33 <sup>12</sup> During the hearing, the Court inquired how Defendants planned to ensure that the various  
34 ADHC programs would comply with their obligation to assist ADHC recipients in securing  
35 alternative services. In response, Defendants stated that it was their “expectation” that the  
36 programs would do so.

1 In sum, the Court is satisfied that Plaintiffs have demonstrated a likelihood of success as  
2 to their first and second claims for disability discrimination under the ADA and the  
3 Rehabilitation Act. The evidence presented by Plaintiffs show that the continuing availability  
4 of five days of ADHC services per week is critical to their physical and mental health and their  
5 continuing ability to remain integrated in their community, as opposed to being isolated in a  
6 nursing home or other institution. While alternative services may exist to replace those  
7 eliminated by the program cuts, Defendants have failed to ensure that there are any measures in  
8 place to ensure that the transition from ADHC service to alternative services is seamless.

9 *b) Methods of Administration*

10 As part of their ADA and Rehabilitation Act claims, Plaintiffs also allege that  
11 Defendants have violated the “methods of administration provision” of both statutes based on  
12 their alleged discriminatory effect. Pls.’ Mot. at 20-21; Compl. ¶¶ 121, 126. This claim is  
13 based on 28 C.F.R. § 35.130(b)(3), which states:

14 A public entity may not, directly or through contractual or other  
15 arrangements, utilize criteria or methods of administration: ¶ (i)  
16 That have the effect of subjecting qualified individuals with  
17 disabilities to discrimination on the basis of disability; ¶ (ii) That  
18 have the purpose or effect of defeating or substantially impairing  
19 accomplishment of the objectives of the public entity’s program  
20 with respect to individuals with disabilities....

21 28 C.F.R. § 35.130(b)(3) (emphasis added). Section 504 regulations contain similar  
22 requirements. See 28 C.F.R. § 41.51(b)(3)(i); 45 C.F.R. § 84.4(b)(4). Plaintiffs allege that  
23 Defendants violated these regulations, *inter alia*, by cutting services before providing notice  
24 and a hearing, failing to provide information regarding alternative, community-based services  
25 that would avoid hospitalization or placement in an institution, and by failing to afford  
26 sufficient notice to Plaintiffs to secure replacement services prior to the reduction in ADHC  
27 services. Pls.’ Mot. at 17-21.

28 Defendants argue that Plaintiffs lack standing to assert a violation of these regulations  
because they do not expressly provide for a private right of action. Defs.’ Opp’n at 9. As a  
general proposition, Defendants are correct that under Alexander v. Sandoval, 532 U.S. 275,  
291 (2001), only statutes can create enforceable rights. However, a regulation may be enforced

1 through a private action where the regulation construes a statute under which a private right of  
2 action exists. Mark H. v. Lemahieu, 513 F.3d 922, 935-36 (9th Cir. 2008) (discussing  
3 Sandoval). “For purposes of determining whether a particular regulation is ever enforceable  
4 through the implied right of action contained in a statute, the pertinent question is simply  
5 whether the regulation falls within the scope of the statute’s prohibition.” Id. at 938.

6 The ADA broadly prohibits disability discrimination, and both are enforceable through  
7 private actions. See Barnes v. Gorman, 536 U.S. 181, 184-85 (2002); Mark H., 513 F.3d at  
8 935. The regulation at issue does not create rights that do not exist under the ADA. Rather, it  
9 merely prohibits public entities from employing methods of administration which have the  
10 effect of discriminating against qualified disabled individuals on the basis of their disabilities.  
11 This falls well within the ambit of the ADA’s proscription against disability discrimination.  
12 Dillery v. City of Sandusky, 398 F.3d 562, 567 (6th Cir. 2005) (“if the regulation simply  
13 effectuates the express mandates of the controlling statute, then the regulation may be enforced  
14 via the private cause of action available under that statute.”); c.f., McGary v. City of Portland,  
15 386 F.3d 1259, 1265-66 (9th Cir. 2004) (recognizing that the ADA prohibits discrimination  
16 based on disparate treatment and disparate effect). It is thus unsurprising that the few  
17 decisions addressing claims based on 28 C.F.R. § 35.130(b)(3) have concluded that a plaintiff  
18 may state a methods of administration claim without running afoul of Sandoval. See Frederick  
19 L. v. Department of Public Welfare, 157 F. Supp. 2d 509, 538-39 (E.D. Pa. 2001) (“The ADA  
20 regulations at issue here are merely rules for the implementation of the statutory directives;  
21 they do not prohibit otherwise permissible conduct”); Crabtree v. Goetz, 2008 WL 5330506 at  
22 \*24 (M.D. Tenn. Dec. 19, 2008) (ruling that plaintiffs had standing to enforce 28 C.F.R. §  
23 35.130(b)); see also Pennsylvania Prot. and Advocacy, Inc. v. Pennsylvania Dept., 402 F.3d  
24 374, 385 (3rd Cir. 2005) (remanding action for consideration of plaintiffs’ discriminatory  
25 administration claim under 28 C.F.R. § 35.130(b)).<sup>13</sup>

26  
27  
28 <sup>13</sup> In light of the Court’s conclusion regarding Plaintiffs’ first and second claims, the Court  
need not reach their due process claim at this juncture.

1           **B.       IRREPARABLE HARM**

2           The next issue presented is whether Plaintiffs have shown that ADHC beneficiaries will  
3 be irreparably harmed if their services are reduced from five to three days per week. Numerous  
4 federal courts have recognized that the reduction or elimination of public medical benefits  
5 irreparably harms the participants in the programs being cut. See Beltran v. Myers, 677 F.2d  
6 1317, 1322 (9th Cir. 1982) (holding that possibility that plaintiffs would be denied Medicaid  
7 benefits sufficient to establish irreparable harm); Newton-Nations v. Rogers, 316 F. Supp. 2d  
8 883, 888 (D. Ariz. 2004) (citing Beltran and finding irreparable harm shown where Medicaid  
9 recipients could be denied medical care as a result of their inability to pay increased co-  
10 payment to medical service providers ); Edmonds v. Levine, 417 F. Supp. 2d 1323, 1342 (S.D.  
11 Fla. 2006) (finding that state Medicaid agency's denial of coverage for a off-label use of  
12 prescription pain medication would irreparably harm plaintiffs). In addition, Plaintiffs have  
13 presented ample evidence to support their claim of irreparable harm. Each of the Plaintiffs  
14 suffers from debilitating physical and/or mental conditions for which the availability of ADHC  
15 services is critical to ensuring that their tenuous physical and mental conditions remain stable,  
16 enabling them to remain in the community. At least two of the three named Plaintiffs are  
17 incapable of living independently, and the ability of the third to do so is dependent upon the  
18 receipt of ADHC services.

19           The harm in this instance is particularly irreparable and imminent. The ADHC cuts are  
20 scheduled to take effect immediately, at which time Plaintiffs and putative Class Members will  
21 immediately have their services significantly reduced. As discussed, these services are  
22 necessary and critical to Plaintiffs' physical and mental well-being. Given the tenuousness and  
23 complexities of their conditions, an interruption in their care, even if temporary, will have  
24 serious consequences for Plaintiffs. While alternative services may be available to replace the  
25 ADHC services at issue, Defendants have admitted that they are unable to assure the Court that  
26 such services will be identified and provided to Plaintiffs before the reduction in their ADHC  
27 benefits.

28

1 Defendants ignore the case law holding that the reduction in public medical benefits  
2 standing alone is sufficient to demonstrate irreparable harm. Instead, Defendants resort to their  
3 earlier argument that the likelihood that they will be institutionalized is speculative. As  
4 discussed above, Plaintiffs have presented ample evidence from percipient and expert  
5 witnesses demonstrating that the danger of having to institutionalize Plaintiffs if ADHC  
6 services are reduced is both real and imminent. The Court therefore finds that Plaintiffs have  
7 met their burden of demonstrating irreparable harm.

8 **C. BALANCE OF HARDSHIPS AND THE PUBLIC INTEREST**

9 The final two inquiries presented by Plaintiffs' motion—but ignored in Defendants'  
10 opposition—are whether the balance of hardships tips sharply in their favor and whether the  
11 public will benefit from the proposed preliminary injunction. These factors may be viewed  
12 together. See Independent Living Ctr. of S. Cal., Inc. v. Maxwell-Jolly, 572 F.3d 644,657-58  
13 (9th Cir. 2009) (Independent Living). In a case such as the present where the issue concerns  
14 the proposed reduction in medical benefits to indigents due to budgetary concerns, the Ninth  
15 Circuit has recognized that both the balance of hardships and public interest favor plaintiffs.  
16 Id.

17 In Independent Living, the Ninth Circuit affirmed the district court's order granting the  
18 plaintiffs' motion for preliminary injunction to enjoin the California Department of Health  
19 Care Services—the same Defendant here—from implementing payment reductions to Medi-  
20 Cal providers as a result of California's budgetary woes. In discussing the balance of  
21 hardships, the Ninth Circuit held that financial considerations due to state's "fiscal crisis" were  
22 outweighed by the "robust public interest in safeguarding access to healthcare for those eligible  
23 for Medicaid, whom Congress has recognized as 'the most needy in the country.'" Id. at 659;  
24 see also Beltran, 677 F.2d at 1322 ("Balancing the medical or financial hardship to the  
25 plaintiffs-appellees against the financial hardship to the state resulting from its inability to  
26 recover for medical services should its rules ultimately be held valid, it was not an abuse of  
27 discretion for the district judge to find that the balance of hardships tipped sharply in favor of  
28

1 plaintiffs.”). Given these considerations, and Defendants’ lack of response thereto, the Court  
2 finds that that the balance of hardships and public interest favor Plaintiffs.

3 **D. SCOPE OF THE INJUNCTION**

4 At the preliminary injunction hearing, Defendants intimated that if the Court were to issue  
5 an injunction, it would be limited to the named Plaintiffs. That contradicts Defendants’ prior  
6 representation to the Court in opposing a previous motion. Specifically, Plaintiffs filed a motion to  
7 shorten time on their motion for class certification, requesting that it be heard on the same day as  
8 the motion for preliminary injunction. In opposing Plaintiffs’ motion for an order shortening time,  
9 Defendants stated its position that “if plaintiffs meet the requirement for a preliminary injunction as  
10 to the named plaintiffs and they establish that putative class members will face the same harm,  
11 there is no need for plaintiffs’ motion for class certification to be heard now in order for plaintiffs  
12 to obtain the relief they seek now [because] ... plaintiffs can obtain classwide injunctive relief  
13 without certifying a class....” (Docket 28 at 2.) As stated previously, the Court finds that the  
14 putative class members will face the same harm as Plaintiffs. As such, Defendants are judicially  
15 estopped from now arguing that a classwide injunction cannot issue. See United Nat’l Ins. Co. v.  
16 Spectrum Worldwide, Inc., 555 F.3d 772, 778 (9th Cir. 2009).<sup>14</sup>

17 **E. BOND**

18 Federal Rule of Civil Procedure 65(c) “invests the district court ‘with discretion as to  
19 the amount of security required, if any.’” Jorgensen v. Cassidy, 320 F.3d 906, 919 (9th Cir.  
20 2003) (emphasis in original; quoting Barahona-Gomez v. Reno, 167 F.3d 1228, 1237 (9th Cir.  
21 1999)). A district court has the discretion to dispense with the security requirement where  
22 giving security would effectively deny access to judicial review. See Save Our Sonoran, Inc. v.  
23 Flowers, 408 F.3d 1113, 1126 (9th Cir. 2005) (citation omitted). Similarly, a district court may  
24 waive the bond requirement where the plaintiffs are indigent. See Walker v. Pierce, 665 F.  
25 Supp. 831, 844 (N.D. Cal. 1987). Plaintiffs, all of whom are Medicaid recipients, request that  
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27 <sup>14</sup> District courts are empowered to grant preliminary injunctions “regardless of whether the  
28 class has been certified.” Schwarzer, Tashima and Wagstaffe, Fed.Civ.P. Before Trial, § 10:773 at  
10-116 (TRG 2008).

1 the Court waive the bond requirement on the ground that they are indigent and to ensure their  
2 ability to access to the courts on behalf of themselves and other class members. Defendants  
3 offer no response to Plaintiffs' request for a bond waiver. Thus, given the factual record  
4 presented, coupled with Defendants' lack of opposition, the Court will not require Plaintiffs to  
5 post a bond in order for a preliminary injunction to take effect.

6 **IV. CONCLUSION**

7 For the reasons stated above,

8 IT IS HEREBY ORDERED THAT Plaintiffs' Motion for a Preliminary Injunction is  
9 GRANTED.

10 1. Defendants David Maxwell-Jolly, in his official capacity as Director of the  
11 Department of Health Care Services, and the Department of Health Care Services, including their  
12 successors, agents, officers, servants, employees, attorneys and representatives and all persons  
13 acting in concert or participating with them, are hereby ENJOINED AND RESTRAINED from  
14 implementing or enforcing ABX4 5, codified at Welfare and Institutions Code section 14132(p), or  
15 reducing, terminating or modifying Medi-Cal Adult Day Health Care (ADHC) program benefits to  
16 the Plaintiffs and putative Class Members from four or five days per week, to a maximum of three  
17 days per week, pursuant to ABX4 5, unless and until appropriate alternative Medi-Cal services are  
18 provided to prevent inappropriate institutionalization in violation of their rights under the ADA and  
19 Section 504 of the Rehabilitation Act.

20 2. Defendants David Maxwell-Jolly, in his official capacity as Director of the  
21 Department of Health Care Services, and the Department of Health Care Services, including  
22 their successors, agents, officers, servants, employees, attorneys and representatives and all  
23 persons acting in concert or participating with them are HEREBY ORDERED to:

- 24 a. Take all actions necessary within the scope of their authority to implement  
25 the above injunction;
- 26 b. Provide prompt notice to all Adult Day Health Care program providers of the  
27 terms of this Preliminary Injunction; and  
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c. Provide prompt notice to all recipients of four or five days per week of Adult Day Health Care program services of the terms of this Preliminary Injunction.

3. The Court WAIVES the requirement for the posting of a bond as security for the entry of preliminary injunctive relief on the grounds of Plaintiffs' indigency.

IT IS SO ORDERED.

Dated: September 10, 2009

  
SAUNDRA BROWN ARMSTRONG  
United States District Judge