

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
SOUTHERN DIVISION

URSULA BATTLE, *et al.*,

*

Plaintiffs,

*

v.

*

Civil Action No.: 8:25-CV-03495-DLB

MARYLAND DEPARTMENT OF
HEALTH, *et al.*,

*

*

Defendants.

*

* * * * *

**DEFENDANTS STATE OF MARYLAND, MARYLAND DEPARTMENT OF
HEALTH AND SECRETARY MEENA SESHAMANI'S
MEMORANDUM IN SUPPORT OF MOTION TO DISMISS**

Respectfully submitted,

ANTHONY G. BROWN
Attorney General of Maryland

/s/ Benjamin A. Bor
BENJAMIN A. BOR (Bar# 30633)
SARAH P. BELARDI (Bar# 20464)
CHRISTOPHER GOZDOR (Bar# 16136)
Assistant Attorneys General
Office of the Attorney General
Maryland Department of Health
300 West Preston Street, Suite 302
Baltimore, Maryland 21201
benjamin.bor@maryland.gov
sarah.belardi1@maryland.gov
christopher.gozdor@maryland.gov
(410) 767-1358 (Ms. Belardi)

*Attorneys for Defendants Maryland
Department of Health, Meena Seshamani,
and State of Maryland*

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DEFENDANTS' MEMORANDUM IN SUPPORT OF MOTION TO DISMISS

Defendants, the Maryland Department of Health (“Department”), Meena Seshamani in her official capacity as Secretary of the Department (“Seshamani”), and the State of Maryland, by and through their undersigned counsel, Anthony G. Brown, Attorney General of Maryland, and Benjamin A. Bor, Sarah P. Belardi, and Christopher Gozдор, Assistant Attorneys General, hereby move to dismiss the Complaint in the above-captioned case, under Federal Rule of Civil Procedure 12(b)(6), and submit this memorandum in support of its motion to dismiss Plaintiffs’ Complaint, respectfully stating the following:

INTRODUCTION

Plaintiffs, Ursula Battle, Constance Farrell, Frank Lee, and Yolanda Puzzo, on their own behalf and behalf of all others similarly situated, and The Arc Montgomery County, Inc. (“The Arc”) (collectively “Plaintiffs”), filed a Complaint (“Compl.”) in the Circuit Court for Montgomery County on September 25, 2025, which was served with summonses on the Maryland Office of the Attorney General on September 26, 2026. On October 24, 2025, Defendants filed in this Court a Joint Notice of Removal (Doc. 1), removing the case on the grounds of federal question jurisdiction. By its underlying Complaint in the above-captioned action, Plaintiffs assert five counts against the Defendants. Counts I (Violation of Due Process, 14th Amendment to the U.S. Constitution) and II (Violation of the Medicaid Act) are asserted by Named Plaintiffs against Defendant Seshamani. Count III (Violation of Due Process, Article 24 of the Maryland Declaration of Rights) is asserted by Named Plaintiffs against all Defendants. Count IV (Common Law Mandamus) is

asserted by Named Plaintiffs and the Class against all Defendants. Count V (Breach of Contract) is asserted by Plaintiff Arc against Defendant Department. For the below-recited reasons, all of the counts against Defendants should be dismissed pursuant to Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim upon which relief may be granted. Moreover, Counts I, II, and III, should be dismissed as the Defendants enjoy Sovereign Immunity.

BACKGROUND

The Parties

Named Plaintiffs Ursula Battle, Constance Farrell, Frank Lee, and Yolanda Puzzo, on their behalf and behalf of all others similarly situated – All four of the named Plaintiffs are participants in the Department’s Developmental Disabilities Administration’s (“DDA”) Community Pathways Waiver, which is funded by the Maryland Medical Assistance program (“Medicaid”), and have been supported by The Arc Montgomery County, Inc. (“The Arc”). Compl. ¶¶ 57, 67, 75, 86. Named Plaintiffs assert that the Class consists of “[a]ll persons in Maryland who have participated in a DDA waiver program from the end of the Public Health Emergency, May 11, 2023, to the present ... were harmed by the violations at issue or are at imminent risk of harm in the next year...” Compl. ¶¶ 96, 97.

Plaintiff The Arc – The Arc provides services to individuals with intellectual and developmental disabilities (“IDD”) and is a provider enrolled in the Medicaid program. Compl. ¶¶ 108, 111, 114.

Defendants - Meena Seshamani (“Seshamani”), Secretary of the Maryland Department of Health (the “Department”), is named as a Defendant in her “official capacity only.” Compl. ¶ 19. As Secretary, Ms. Seshamani is the head of the Department and responsible for the operation of the department and the implementation and enforcement of the provisions of the Health-General Article, including the Medicaid program. *See* Md. Code Ann., Health-Gen. §§ 2-201, 2-102(a), (b)(2), 2-104(m); 15-103(a)(1).

Pursuant to Title XIX of the Social Security Act and 42 C.F.R. § 431.10, the Department is the “single State agency” responsible for the administration of Maryland’s Medicaid program. The Department also oversees the Developmental Disabilities Administration (“DDA”), which operates Medicaid Home and Community-Based Waiver programs, including the Community Pathways Waiver. Compl. ¶ 1. Through the waiver programs, the DDA provides services in communities for people with intellectual and developmental disabilities. *Id.*

The Complaint

The Complaint alleges various wrongful acts and omissions relating to Defendants’ role in the redetermination process for eligibility for participants in the DDA Community Pathways Waiver from May 2023 through the present time. Compl. ¶ 3.

The four Named Plaintiffs assert two counts against Defendant Seshamani only: Counts I (Violation of Due Process, Fourteenth Amendment to the United States Constitution) and II (Violation of the Medicaid Act) through 42 U.S.C. § 1983. Additionally, Named Plaintiffs, on behalf of themselves and all others similarly situated, assert two counts against all Defendants: Count III (Violation of Due Process, Article 24

of the Maryland Declaration of Rights) and IV (Common Law Mandamus). Lastly, Plaintiff The Arc asserts Count VI (Breach of Contract) against Defendant Department only, with whom Plaintiff Arc is an enrolled Medicaid provider.

As set forth more fully, below, all counts against the State should be dismissed pursuant to Federal Rule of Civil Procedure 12(b)(6).

STANDARD OF REVIEW

A motion to dismiss under Rule 12(b)(6) for failure to state a claim should be granted when “it appears certain that the plaintiff can prove no set of facts which would support its claim and would entitle it to relief.” *Mylan Labs., Inc. v. Matkari*, 7 F.3d 1130, 1134 (4th Cir. 1993). A court should accept “as true all of the well-pleaded allegations and [view] the complaint in the light most favorable to the non-moving party.” *Lesueur-Richmond Slate Corp. v. Fehrer*, 666 F.3d 261, 264 (4th Cir. 2012). The court, however, may disregard conclusions of law or unwarranted deductions of fact, because the purpose of a Rule 12(b)(6) motion is to determine legal sufficiency of the complaint. *Veney v. Wyche*, 293 F.3d 726, 730 (4th Cir. 2002); *Randall v. U.S.*, 30 F.3d 518, 522 (4th Cir. 1994).

In considering a motion to dismiss pursuant to Rule 12(b)(6), a court will test the sufficiency of the complaint, which must contain enough facts “‘to raise a right to relief above the speculative level’ and ‘state a claim to relief that is plausible on its face.’” *Occupy Columbia v. Haley*, 738 F.3d 107, 116 (4th Cir. 2013) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555, 570 (2007)). A pleading must allege something more than “an unadorned, the-defendant-unlawfully-harmed-me accusation.” *Id.* The purpose of the

pleading requirement is “to prevent costly discovery on claims with no underlying factual or legal basis.” *Migdal v. Rowe Price-Fleming Int’l, Inc.*, 248 F.3d 321, 326 (4th Cir. 2001). Although a motion pursuant to Rule 12(b)(6) does not involve an analysis of potential defenses, “dismissal nevertheless is appropriate when the face of the complaint clearly reveals the existence of a meritorious affirmative defense.” *Brockington v. Boykins*, 637 F.3d 503, 506 (4th Cir. 2011) (internal quotation marks omitted).

While a Rule 12(b)(6) motion is often based upon a review of the complaint itself, without regard to other documents or materials, in ruling on such a motion, a court may also consider exhibits attached to the complaint, and referenced documents that “are integral to the complaint and authentic. . . .” *Philips v. Pitt Cnty. Mem. Hosp.*, 572 F.3d 176, 180 (4th Cir. 2009). “[I]n the event of a conflict between the bare allegations of the complaint and any exhibit attached . . . the exhibit prevails.” *Fayetteville Investors v. Commercial Builders, Inc.*, 936 F.2d 1462, 1465 (4th Cir. 1991).

ARGUMENT

I. Counts I (Fourteenth Amendment) and II (Medicaid Act) Through 42 U.S.C. § 1983 Should Be Dismissed as Defendant Seshamani Enjoys Eleventh Amendment Immunity, And Plaintiffs Failed to State a Claim Upon Which Relief May Be Granted.

Not only is Defendant Seshamani entitled to Eleventh Amendment Immunity with respect to Counts I and II, but Plaintiffs additionally failed to plead facts sufficient to state a claim upon which may relief may be granted under the Fourteenth Amendment nor the Medicaid Act.

A. Defendant Seshamani has Eleventh Amendment Immunity to Plaintiffs' § 1983 Claims For Alleged Due Process and Medicaid Act Violations.

Plaintiffs' claims via 42 U.S.C. § 1983 for alleged due process violations under the 14th Amendment to the U.S. Constitution and the Medicaid Act are barred by the Eleventh Amendment and must be dismissed because they seek retrospective relief. Generally, the Eleventh Amendment prohibits citizens from suing their own state government and its agencies for monetary relief absent a valid abrogation of the immunity by the U.S. Congress or a state's consent to suit. *See* U.S. Const. amend XI. No congressional abrogation exists for § 1983 suits, and the Maryland General Assembly has not waived the State's immunity. *Biggs v. North Carolina Dep't of Public Safety*, 953 F.3d 236, 241 (4th Cir. 2020); *Pevia v. Hogan*, 443 F. Supp. 3d 612, 632 (D. Md. 2020).

By suing Secretary Seshamani in her official capacity in Counts I and II, Plaintiffs apparently attempt to use the *Ex parte Young* exception to the Eleventh Amendment which allows private citizens, in certain cases, to sue state officials in their official capacities for violations of federal rights and the U.S. Constitution. *McBurney v. Cuccinelli*, 616 F.3d 393, 399 (4th Cir. 2010) (citing *Ex parte Young*, 209 U.S. 123 (1908)). Such plaintiffs may ask for prospective injunctive relief for ongoing violations and declaratory relief but not retrospective relief or damages. *Green v. Mansour*, 474 U.S. 64, 67-68 (1985); *Republic of Paraguay v. Allen*, 134 F.3d 622, 627 (4th Cir. 1998); *Stewart v. Nottoway County*, 684 F. Supp. 3d 467, 480 (E.D. Va. 2023).

Here, the requested injunctive relief is *retrospective* on its face and therefore barred by the Eleventh Amendment. Plaintiffs ask the Court to grant a preliminary and permanent

injunction requiring “[d]efendants, their agents, successors, and employees to rescind all DDA waiver program disenrollment decisions issued after the Public Health Emergency ended on May 11, 2023, and conduct redeterminations for all individuals enrolled in DDA waiver programs since May 11, 2023, in accordance with the due process requirements of the U.S. Const., the Medicaid Act, Article 24 of the Declaration of Rights, and federal and state law.” Compl., Prayer for Relief ¶ d. This relief attempts “to undo accomplished state action,” which the *Ex parte Young* exception forbids. *Allen*, 134 F.3d at 628.

Plaintiffs even admit that their goal is to recoup an alleged accrued monetary liability: “The Arc Montgomery County has supported dozens of people with IDD who have been wrongfully disenrolled from DDA waiver programs since January 2024, and, through this action, it seeks reimbursement for those services.” Compl. ¶ 7. As such, their *ad damnum* clause seeks a judgment “retrospective in nature as it relates not to ‘ongoing violations of federal law’ but rather to ‘continued effects’ and ‘by-products’ of past action.” *Manion v. North Carolina Medical Board*, No. 5:16-cv-63-BO, 2016 WL 4523902, at *4 (E.D.N.C. Aug. 22, 2016) (quoting *Caesars Massachusetts Dev. Co., LLC v. Crosby*, No. CIV.A. 13-13144-NMG, 2014 WL 2468689, at *8 (D. Mass. May 30, 2014)). Therefore, Counts I and II are barred by Eleventh Amendment immunity insofar as they seek injunctive relief.

Plaintiffs also seek declaratory relief, but it is not available where, as here, the only benefit to them is to have a preclusive effect in further proceedings against Defendants to claim the same benefits that Plaintiffs have already claimed are due. *Dr. Michael Fernandez, D.D.S., Ltd. v. Brich*, No. 2:23-CV-69, 2023 WL 8719440, at *10 (E.D. Va.

Dec. 18, 2023), *aff'd*, No. 24-1658, 2025 WL 1864766 (4th Cir. July 7, 2025). Plaintiffs' Complaint alleges that the Arc has allegedly provided \$9 Million in services to people with intellectual and developmental disabilities since January of 2024 without being reimbursed by the Department. Compl. ¶ 7. As noted above, Plaintiffs seek reimbursement for those services.¹ *Id.* By seeking reimbursement, they inherently seek retroactive benefits for the putative class. Without prospective injunctive relief, their requested declaratory relief would be of no use to them in resolving this matter and therefore not permitted under the Eleventh Amendment. *See Green*, 474 U.S. at 74 n.2; *Bragg v. West Virginia Coal Ass'n*, 248 F.3d 275, 292 (4th Cir. 2000) (“[T]he Eleventh Amendment does not preclude private individuals from bringing suit against State officials for prospective injunctive or declaratory relief designed to remedy ongoing violations of federal law.”) Therefore, the Eleventh Amendment immunity deprives this Court of jurisdiction for the § 1983 claims. *Cunningham v. General Dynamics Information Technology, Inc.*, 888 F.3d 640, 649 (4th Cir. 2018).

B. Plaintiffs Have Failed to State a Claim for Relief for its Alleged Due Process or Medicaid Act Violations.

Even if Counts I and II were not barred by Eleventh Amendment immunity, Plaintiffs have nonetheless failed to state a claim for relief. The elements of a procedural due process claim are: (1) the deprivation of a protected interest, and; (2) an inadequate

¹ When individuals are eligible for Home and Community Based Waiver Services under DDA's 1915(c) waiver, payments for services are made to the providers rather than the waiver participants. COMAR 10.09.26.13C(1). Providers agree to accept payment from the State as payment in full and not seek further reimbursement from the waiver participants. COMAR 10.09.36.03A(11).

process to protect the wrongful deprivation of that interest. *Reed v. Goertz*, 589 U.S. 230, 236 (2023). Nevertheless, “no § 1983 procedural due process violation exists when a party fails to exhaust both administrative and state court remedies that the government affords to them.” *Rockville Cars, LLC v. City of Rockville*, 891 F.3d 141, 149 (4th Cir. 2018). For the following reasons, Plaintiffs failed to state sufficient facts to support the violations underlying Counts I and II.

Plaintiff The Arc’s claim hinges on the Named Plaintiffs’ claims. Those individuals generally have a right to a Medicaid Fair Hearing when their redeterminations are denied. COMAR 10.01.04.02A(2) and A(4). Medicaid recipients can even get a Medicaid Fair Hearing when the State does not act on an application “with reasonable promptness” or simply when the State “has acted erroneously.” COMAR 10.01.04.02A(4) and A(5). Two of the named individual Plaintiffs, Battle and Lee, have asked for Medicaid Fair Hearings. Compl. ¶¶ 65, 84. While they assert that the hearings have not been held and they have not received timely decisions, they make no assertions as to whether they requested expedited appeals under COMAR 10.01.04.04A(3)(c)(ii). They also do not allege facts sufficient to demonstrate the length of the purported delays nor their impacts in order to assert that the process was constitutionally deficient, beyond a conclusory manner. *See Cleveland Bd. of Education v. Loudermill*, 470 U.S. 532, 547 (1985) (explaining that “at some point” a delay in receiving a hearing would become a constitutional violation). Lastly, they do not assert that their requests for fair hearing were denied. *See generally* Compl. It confounds reason to assert that Defendant Seshamani is

in violation of the Fourteenth Amendment and Medicaid Act, when these Plaintiffs failed plead exhaustion of the very administrative remedies afforded to them.

The two other named Plaintiffs, Farrell and Puzzo, do not allege that they have asked for Medicaid Fair Hearings, and they do not offer a reason as to why they did not seek to exhaust administrative remedies. Compl. ¶¶ 67-74, 86-94. Regardless of whether they asked for a hearing, Plaintiffs also make no allegations that such a hearing could not provide the relief that is at the heart of what they seek, *i.e.*, Medicaid eligibility and payment of claims. Compl ¶ 7.

Accordingly, Plaintiffs have failed to adequately state a claim for a procedural due process violations under the 14th Amendment to the U.S. Constitution or the Medicaid Act, so Counts I and II should be dismissed.

II. Count III (Article 24 Of the Maryland Declaration of Rights) Should Be Dismissed as Defendants the State of Maryland and the Maryland Department of Health Enjoy Sovereign Immunity, and Plaintiffs Failed to State a Claim Upon Which Relief May Be Granted as to Defendant Seshamani.

A. Defendants State of Maryland and Maryland Department of Health Have Sovereign Immunity to Alleged Violations of Article 24 of the Maryland Declaration of Rights.

While sovereign immunity is generally unavailable for alleged Maryland constitutional violations where a plaintiff only seeks injunctive or declaratory relief, that is not the case where, as here, Plaintiffs are actually seeking monetary relief. *Jackson v. Millstone*, 369 Md. 575, 585 (2002); *Baltimore Police Dep't v. Cherkes*, 140 Md. App. 282, 310 (2001). As demonstrated above in response to Count I, Plaintiffs are truly seeking monetary relief rather than prospective injunctive and declaratory relief from Defendants.

See Compl. ¶ 7. Therefore, it is necessary to consider the State’s monetary liability for allegedly violating Article 24 of the Maryland Declaration of Rights.

As a general matter, the State’s sovereign immunity, which is applicable to State agencies such as the Maryland Department of Health, remains intact unless the State waives it. *Condon v. State*, 332 Md. 481, 492 (1993). In that regard, the Maryland legislature has made a limited waiver of sovereign immunity for tort actions.² Md. Code Ann., State Gov’t §§ 12-101 – 110 (“Maryland Tort Claims Act” or “MTCA”). Waivers of sovereign immunity are strictly construed in favor of the State. *Brawner Builders, Inc. v. State Highway Administration*, 476 Md. 15, 32 (2021).

Maryland law recognizes the concept of a constitutional tort when individuals sue the State and its units for alleged violations of the Maryland Declaration of Rights. *DiPino v. Davis*, 354 Md. 18, 50 (1999); *Widgeon v. Eastern Shore Hosp. Center*, 300 Md. 520, 526-36 (1984). Accordingly, when an individual suffers a violation of Maryland constitutional rights, he or she can sue for damages. See *Okwa v. Harper*, 360 Md. 161, 201 (2000); *Widgeon*, 300 Md. at 537-38. The MTCA does not, however, waive sovereign immunity for declaratory or injunctive relief. See Md. Code Ann., State Gov’t § 12-104(a). Rather, it only waives the immunity for *liability* in tort actions.

² The Department is a Principal Department of the State of Maryland and therefore one of its executive branch agencies. See Md. Code Ann., State Gov’t § 8-201(b)(9) (establishing the Department). State agencies and instrumentalities are treated as if they were the State for immunity purposes under the Maryland Tort Claims Act. *Baltimore Police Department v. Cherkas*, 140 Md. App. 282, 306-07 (2001). Holding a unit of the State responsible is the same as holding the sovereign power answerable. *Id.*; *Board v. Town of Riverdale*, 320 Md. 384, 388-89 (1990).

When a plaintiff proceeds in tort against the State or one of its units, however, certain procedural requirements must be met. If they are not met, the State and its units retain their sovereign immunity, and no suit may be maintained against them. *See Hansen v. City of Laurel*, 420 Md. 670, 689 (2011) (explaining that conditions precedent arise when the General Assembly creates new legal liabilities that did not exist before, such as the waiver of sovereign immunity, and also creates conditions that must be met to pursue those actions); *Condon*, 332 Md. at 492-93; *Simpson v. Moore*, 323 Md. 215, 228-29 (1991); *Rivera v. Prince George's County Health Department*, 102 Md. App. 456, 471 (1994); *Gardner v. State*, 77 Md. App. 237, 246-47 (1988).

In a case where plaintiffs seek damages under the MTCA, one condition precedent to waiving the State's sovereign immunity requires filing a written claim with the Maryland State Treasurer ("Treasurer") within one year after the injury that is the basis of the claim, and another one requires that the Treasurer be served with process. Md. Code Ann., State Gov't §§ 12-106(b)(1) and 12-108(a); *Higginbotham v. Public Service Commission*, 412 Md. 112, 124 (2009) (*citing Simpson*, 323 Md. at 219); *Johnson v. Md. State Police*, 331 Md. 285, 290 (1993)(filing a tort claim); *Chinwuba v. Larsen*, 142 Md. App. 327, 353-54 (2002) (service of a complaint). Plaintiffs have not pled that they filed a tort claim with the Treasurer or served the Treasurer with process, as required by the MTCA. *See generally* Compl. Accordingly, the State of Maryland and MDH have not waived their sovereign immunity to the Article 24 claim, and that count must be dismissed. *See* Md. Code Ann., State Gov't §§ 12-106(b) and 12-108; *Condon*, 332 Md. at 492-93.

B. Plaintiffs Have Failed to State a Claim for Relief Against Seshamani for Alleged Violations of Article 24 of the Maryland Declaration of Rights.

Plaintiffs also sue Secretary Seshamani in her official capacity for allegedly violating their procedural due process rights under Article 24 of the Maryland Declaration of Rights.³ Compl. ¶¶ 42, 99, 119.a, 130-33. Maryland law does not distinguish between individual and official capacity suits when suing state officials in tort. *Higginbotham*, 412 Md. at 129-30. In order to allege facts sufficient to state a procedural due process claim under Article 24 against her, Plaintiffs must plead facts to show that they had a protected property interest, she deprived them of it, and she gave them less process than what was due. *Samuels v. Tschechtelin*, 135 Md. App. 483, 523 (2000).

However, the Complaint ties none of the purported wrongdoing directly to her personal conduct other than alleging in a legally conclusory way that she is “responsible for all of its operations and those of MDH’s constituent agencies and divisions, including Medicaid and DDA.” Compl. ¶ 19. That is likely due in part to the fact that Secretary Seshamani has served in her role only since April 8, 2025.⁴ As such, many of Plaintiffs’ assertions predate her assuming the role of Secretary of Health. (*See, e.g.,* Complaint ¶¶ 1, 3, 7, 9, 14-17, 61-63, 69, 71, 73, 77, 79, 80, 82, 83, 85, 88-92, 94.)

³ “That no man ought to be taken or imprisoned or disseized of his freehold, liberties or privileges, or outlawed, or exiled, or, in any manner, destroyed, or deprived of his life, liberty or property, but by the judgment of his peers, or by the Law of the land.” Md. Const. Decl. of Rights, Art. 24.

⁴ *See* State of Maryland, *Maryland Manual On-line: A Guide to Maryland & Its Government*, <https://msa.maryland.gov/msa/mdmanual/16dhmh/html/msa18617.html> (last visited October 26, 2025).

As discussed above with respect to the federal due process claim in Count I, the individual Plaintiffs generally have a right to a Medicaid Fair Hearing when their redeterminations are denied. COMAR 10.01.04.02A(2) and A(4). They can even get a Medicaid Fair Hearing when the State does not act on an application “with reasonable promptness” or simply when the State “has acted erroneously.” COMAR 10.01.04.02A(4) and A(5). While Plaintiffs Battle and Lee assert that they have requested hearings, and their Complaint generally alleges that individuals have not received timely decisions, they make no assertions as to whether they requested an expedited appeal under COMAR 10.01.04.04A(3)(c)(ii). Compl. ¶¶ 43, 50, 65, 84. They also do not allege facts to demonstrate that the process is constitutionally deficient. *See Cleveland Bd. of Education v. Loudermill*, 470 U.S. 532, 547 (1985) (explaining that “at some point” a delay in receiving a hearing would become a constitutional violation). Lastly, they do not assert that their request for fair hearing was denied. *See generally* Compl.

The two other individual named Plaintiffs, Farrell and Puzzo, do not allege that they have asked for Medicaid Fair Hearings. Compl. ¶¶ 67-74, 86-94. Plaintiffs make no allegations that such a hearing could not provide the relief that is at the heart of what they seek, *i.e.*, Medicaid eligibility and payment of claims. *See* Compl ¶7. Therefore, Plaintiffs have failed to state a claim for their Article 24 claim against Secretary Seshamani or any of the Defendants. *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (explaining that labels and conclusions will not be sufficient to state a claim); *McCleary-Evans v. Md. Dep’t of Transp.*, 780 F.3d 582, 585 (4th Cir. 2015) (a plaintiff must plead sufficient “facts to satisfy the elements of [the] cause of action....”).

III. Count IV (Mandamus) Should Be Dismissed as Plaintiffs Failed to State a Claim Upon Which Such Extraordinary Relief May Be Granted.

As Maryland Courts have noted, “[m]andamus is generally used to compel inferior tribunals, public officials or administrative agencies to perform their function or perform some particular duty imposed upon them which in its nature is imperative and to the performance of which duty the party applying for the writ has a clear legal right.” *Wilson v. Simms*, 380 Md. 206, 217 (2004) (internal citations and quotations omitted). Mandamus is an extraordinary remedy that the court exercises with great caution, to avoid interfering with legislative prerogative and administrative discretion. *Id.* at 223. *See also LaBuy v. Howes Leather Co.*, 352 U.S. 249 (1957); *United States v. McGarr*, 461 F.2d 1 (7th Cir. 1972). Mandamus only applies “in those cases where another adequate remedy does not exist and where ‘clear and undisputable’ rights are at stake.” *Simms*, 380 Md. at 223, citing *Walter v. Bd. of Com’rs of Montgomery Cty.*, 179 Md. 665, 668 (1941). “It is well settled in this State that a writ of mandamus will not be granted where the petitioner has a specific and adequate legal remedy to meet the justice of the particular case and where the law affords [another] adequate remedy.” *Philip Morris Inc. v. Angeletti*, 358 Md. 689, 712 (2000).

Named Plaintiffs and the Class seek a writ of common law mandamus against all three Defendants “to comply with the non-discretionary duties set forth in COMAR 10.01.04.01-.12 and COMAR 10.09.24.01-.17.” Compl. ¶ 134. The cited regulations concern the Medicaid redetermination and fair hearing processes. Notably, two of the named Plaintiffs, Ms. Farrell and Ms. Puzzo, failed to plead that they availed themselves

of administrative fair hearing process afforded to them under COMAR 10.01.04.01 *et seq.* Compl. ¶¶ 67-74, 86-94. Thus, given the availability of an adequate alternative remedy, Ms. Farrell and Ms. Puzzo are not entitled to the extraordinary relief mandamus provides.

Mandamus is likewise inapplicable to named Plaintiffs Ms. Battle and Mr. Lee, neither of whom pled that they requested an expedited appeal under COMAR 10.01.04.04A(3)(c)(ii). Per the facts pled, Ms. Battle's request for an administrative hearing was submitted on May 27, 2025—a mere five months prior to the filing for the extraordinary relief of mandamus. She did not plead that the Department denied her a fair hearing, only that her request had not been “acknowledged” nor had a hearing date been set as of the time of the filing. Compl. ¶ 65. The administrative review process should be afforded an opportunity to proceed before this Court exercises mandamus over the Defendants. Mr. Lee failed to plead when he submitted his appeal request, Compl. ¶ 84, so—based on the facts alleged in the pleading—it is unclear where in the administrative hearing process Mr. Lee finds himself. Similar to Ms. Battle's circumstances, Mr. Lee should complete the administrative hearing process before availing himself of mandamus relief here. Neither Plaintiff pled that they requested an expedited appeal.

Accordingly, none of the named Plaintiffs have pled the sufficient facts necessary to proceed on a mandamus action at this juncture and this count should be dismissed under Rule 12(b)(6). For the same reason, the same must be true as it pertains to the mandamus claim of the asserted class, warranting dismissal of Count IV (Mandamus).

IV. Count V (Breach of Contract) Should Be Dismissed as Plaintiffs Failed to State a Claim Upon Which Relief May Be Granted.

Finally, Count V must also be dismissed for failure to state a claim upon which relief may be granted. “To prevail in an action for breach of contract, a plaintiff must prove that the defendant owed the plaintiff a contractual obligation and that the defendant breached that obligation.” *Taylor v. NationsBank, N.A.*, 365 Md. 166, 175 (2001), citing *Continental Masonry Co., Inc. v. Verdel Const. Co., Inc.*, 279 Md. 476, 480 (1977). For the following reasons, Plaintiff The Arc failed to allege the facts necessary to proceed on this claim.

The Arc contends that the Department breached its obligation under the Maryland Medical Assistance Provider Agreement (“Provider Agreement”) (Compl. Ex. B) with The Arc. Compl. ¶¶ 139, 141. The Department’s obligations under the Provider Agreement, however, (Compl. Ex. B) are limited in nature:

- A. The Department agrees to reimburse the Provider for medically necessary Services provided to Recipients that are covered by the Maryland Medical Assistance Program at the time of service. Services will be reimbursed in accordance with all Program regulations and fee schedules as reflected in the Code of Maryland Regulations or other rules, action transmittals or guidance issued by the Department.
- B. The Department agrees to provide notice of changes in Program regulations through publication in the Maryland Register.

Provider Agreement, Compl. Ex. B, § II.A-B.

The Department’s obligations under the Agreement for Providers of Home and Community-Based Services Under the Maryland Department of Health’s Developmental Disability Administration Medicaid Waiver Program(s) (“HCBS Agreement”) (Ex. A) are even more limited: “[t]he Department agrees to comply with its requirements and

obligations set forth in the Medicaid Program’s Provider Agreement and applicable laws and regulations.”

The Arc asserts that the Department breached the Provider and HCBS Agreements in three ways: (1) by failing to provide notice and fair hearing to participants in violation of the U.S. Const., the Medicaid Act, and Article 24 of the Maryland Declaration of Rights; (2) by failing to follow federal and State regulations concerning procedural due process owed to participants, and; (3) by failing to reimburse the Arc for services rendered to participants. Compl. ¶ 119. However, the first two specified breaches necessarily concern the Department’s constitutional and statutory obligations to enrolled Medicaid participants (or Medicaid recipients), *not* its contractual obligations to Medicaid providers under the subject agreements. toward the Arc. The Arc has no procedural right to due process on behalf of the named Plaintiffs or the asserted class and, therefore lacks the standing to enforce it through a contract claim in the courts. Accordingly, Defendant’s alleged failings in its duties and obligations towards its recipients cannot form the basis of a breach of contract action for the provider and, as such, Count V must be dismissed to the extent that it concerns those alleged breaches.

As to the third alleged breach, Plaintiff The Arc asserts that the Department was bound to reimburse it for services properly rendered to disenrolled participants. Although The Arc pled that the Department “fail[ed] to reimburse [it] for the services it has provided (and continues to provide to participants in DDA waiver programs[,])” it did not plead that it submitted any claims to the Department for those services rendered to Medicaid recipients, and that those claims were subsequently denied by the Department. Compl. ¶

141. *See also generally* Compl. Indeed, it is a condition precedent to Medicaid reimbursement that the provider first bill for those services in accordance with the Department's Program regulations. *See, e.g.* Provider Agreement, Compl. Ex. B, § II.A (requiring that services be reimbursed "in accordance with all Program regulations and fee schedules as reflected in the Code of Maryland Regulations or other rules, action transmittals or guidance issued by the Department"); COMAR 10.09.36.04 (requiring all Medicaid providers to submit requests for payment according to payment procedures outlined therein). Here, Plaintiff The Arc complains that it has not been paid for services rendered to participants who have been disenrolled and, this way, essentially admits that it has not submitted for the requisite billing for these services, as Medicaid eligibility is a necessary condition for billing such to occur. *See* COMAR 10.09.36.03A(13) (requiring providers, as a condition of Medicaid participation, to first verify a participant's eligibility prior to submitting for reimbursement). The Department necessarily cannot be in breach of its duty to pay for services where The Arc has not yet submitted claims for reimbursement.

The contractual breach here is tenuous at best. The crux of the Plaintiffs' Complaint is that the Department wrongfully disenrolled participants and that breach affected its bottom line. However, there is no certainty that the named Plaintiffs up for redetermination, nor the purported class members, would qualify for continued participation in Medicaid or the Community Pathways waiver, and have their redeterminations approved. Accordingly, if the named participants were not determined eligible and enrolled in the DDA waiver program, the Arc could not have submitted claims for reimbursement for said participants and, therefore, reimbursement was not yet owed.

Moreover, there are many legitimate reasons why a Medicaid claim for reimbursement could be denied—*e.g.* lack of medical necessity for the service, deficient documentation, failing to meet program requirements, untimely filing, etc. *See, e.g.*, COMAR 10.09.36.03; 10.09.36.04; 10.09.36.06; 10.09.36.09. Accordingly, it is presumptuous to suggest, as The Arc does here, that, even if the Named Plaintiffs were redetermined eligible for the waiver, that all of The Arc’s claims for reimbursement for those services would necessarily be adjudicated in its favor and reimbursed. As such, The Arc’s breach of contract claim is simply not yet ripe, as Plaintiff has failed to assert the facts necessary to proceed at this point in time and, by its own admission, many of the conditions precedent have not yet occurred for reimbursement under the subject agreements to be owed. For all of these reasons, Count V should be dismissed for failure to state a claim upon which relief can be granted.

CONCLUSION

For the foregoing reasons, Defendants the Maryland Department of Health, Meena Seshamani, Secretary of the Maryland Department of Health, and the State of Maryland respectfully request that this Court dismiss the Plaintiffs’ Complaint in its entirety.

Respectfully submitted,

ANTHONY G. BROWN
Attorney General of Maryland

/s/ Benjamin A. Bor
BENJAMIN A. BOR (Bar# 30633)
SARAH P. BELARDI (Bar# 20464)
CHRISTOPHER GOZDOR (Bar# 16136)

Assistant Attorneys General
Office of the Attorney General
Maryland Department of Health
300 West Preston Street, Suite 302
Baltimore, Maryland 21201

benjamin.bor@maryland.gov
sarah.belardi1@maryland.gov
christopher.gozdor@maryland.gov
(410) 767-1358 (Ms. Belardi)

*Attorneys for Defendants Maryland
Department of Health, Meena Seshamani,
and State of Maryland*

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of October, 2025 a copy of Defendants' Motion to Dismiss, along with Memorandum in Support of its Motion to Dismiss, and Proposed Order, was served on the following via the Court's electronic filing system, or via electronic mail to the extent that service via the electronic filing system is not possible:

Kevin D. Docherty
Joshua N. Auerbach
Neel K. Lalchandani
BROWN GOLDSTEIN & LEVY, LLP
120 East Baltimore Street, Suite 2500
Baltimore, Maryland 21202
Tel.: (410) 962-1030
kdocherty@browngold.com
jauerbach@browngold.com
nkl@browngold.com

*Counsel for Plaintiffs Ursula Battle; Constance Farrell;
Frank Lee; Yolanda Puzzo and The Arc Montgomery County, Inc.*

/s/ Benjamin A. Bor

Benjamin A. Bor