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UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

STATE OF CALIFORNIA, *et al.*;  
  
  
  
  
  
  
  
  
  
  
Plaintiffs,  
  
v.  
  
ALEX M. AZAR II, *et al.*,  
  
  
  
  
Defendants.

Case: 3:19-CV-02552-WHA  
  
**MOTION TO INTERVENE  
BY MICHAELA BRUCKSHAW;  
BETTINA JOYNER; MARCK  
JUVONEN; ELESHA MARTIN;  
JENNIFER MENDIVIL; LINDA  
MURPHY; SANDRA SUMNER;  
ELNAZ TOUSSI; RICHARD  
VELADOR; AND ERIC WRIGHT**

Date: July 25, 2019  
Time: 8:00 AM  
Courtroom: 12, 19<sup>th</sup> Floor  
Judge: Hon. William Alsup

Complaint Filed: May 13, 2019  
Trial Date: Not yet set

**TABLE OF CONTENTS**

1

2

3

4 TABLE OF AUTHORITIES ..... iii

5 MOTION TO INTERVENE..... 1

6 MEMORANDUM OF POINTS AND AUTHORITIES ..... 2

7

8 FACTS ..... 3

9 A. Regulatory Background..... 3

10 B. Movants Are Homecare Providers Whose Medicaid Payments Are Being Diverted To

11 Unions Against Their Will..... 4

12 ARGUMENT ..... 7

13 I. Movant Providers May Intervene Pursuant to FRCP 24(a)(2) ..... 7

14 A. The Motion to Intervene Is Timely..... 7

15 B. Movant Providers Have a Significantly Protectable Interest..... 8

16 C. Preventing Implementation of the CMS Rule Would Impair Movant Providers’

17 Interests ..... 9

18 D. Defendants Do Not Adequately Represent Movant Providers’ Interests ..... 9

19 II. Alternatively, Movant Providers Should Be Granted Permissive Intervention ..... 11

20 CONCLUSION..... 13

21

22

23

24

**TABLE OF AUTHORITIES**

**Cases**

*Associated Dog Clubs v. Vilsack*,  
44 F.Supp.3d 1 (D.D.C. 2014) ..... 10

*Cal. Dep’t of Toxic Substance Ctrl. v. Commercial Realty Project, Inc.*,  
309 F.3d 1113 (9th Cir. 2002) ..... 8

*California ex rel. Lockyer v. United States*,  
450 F.3d 436 (9th Cir. 2006) ..... 8

*Center for Biological Diversity v. U.S. Bureau of Land Management*,  
266 F.R.D. 369 (D. Arizona 2010) ..... 10

*Forest Conservation Council v. U.S. Forest Serv.*,  
66 F.3d 1489 (9th Cir. 1995) ..... 10

*Fresno Cty. v. Andrus*,  
622 F.2d 436 (9th Cir. 1980) ..... 8

*Harris v. Quinn*,  
573 U.S. 616 (2014)..... 4

*Janus v. AFSCME*,  
138 S. Ct. 2448 (2018)..... 9

*Nuesse v. Camp*,  
385 F.2d 694 (D.C. Cir. 1967)..... 8

*Nw. Forest Res. Council v. Glickman*,  
82 F.3d 825 (9th Cir. 1996) ..... 7

*Sagebrush Rebellion, Inc. v. Watt*,  
713 F.2d 525 (9th Cir. 1983) ..... 9

*Sw. Ctr. for Biodiversity v. Berg*,  
268 F.3d 810 (9th Cir. 2001) ..... 7

*Trbovich v. United Mine Workers*,  
404 U.S. 528 (1972)..... 9

*United States v. City of Los Angeles*,  
288 F.3d 391 (9th Cir. 2002) ..... 10

1

2 *United States v. State of Oregon*,  
745 F.2d 550 (9th Cir. 1984) ..... 7

3 *Wilderness Soc. v. U.S. Forest Serv.*,  
4 630 F.3d 1173 (9th Cir. 2011) ..... 8

5 *Ysursa v. Pocatello Educ Ass’n*,  
555 US. 353 (2009)..... 13

6 **Statutes**

7 42 U.S.C. § 1396a(a)(32)..... *passim*

8 42 U.S.C. § 1983..... 7

9 5 Ill. Comp. Stat. 315/6(f)..... 3

10 5 U.S.C. § 703..... 2, 6

11 Cal. Welf. & Inst. Code § 12300 ..... 5

12 Cal. Welf. & Inst. Code § 12301.6(i)(2)..... 3

13 Conn. Gen. Stat. § 17b-706b(b)(3) ..... 3

14 Federal Rule of Civil Procedure 24. .... 1, 9, 11

15 Mass. Gen. Laws ch. 118E, § 73(b)..... 3

16 Minn. Stat. § 256B.0711(h) ..... 3

17 Or. Rev. Stat. § 292.055..... 3

18 Vt. Stat. Ann. tit. 21, § 1634(b)(3)..... 3

19 Wash. Rev. Code § 41.56.113..... 3

20 **Regulations**

21 42 C.F.R. § 447.10(g)(4)..... 3, 6, 11, 12

22 79 Fed. Reg. 2949 ..... 2

23 79 Fed. Reg. 3001-03 ..... 2

24

1 84 Fed. Reg. 19718 ..... 4  
2  
3 84 Fed. Reg. 19719 ..... 4  
4 84 Fed. Reg. 19723 ..... 4

5 **Other Authorities**

6 Maxford Nelsen, *Getting Organized at Home: Why Allowing States to Siphon Medicaid Funds to*  
7 *Unions Harms Caregivers and Compromises Program Integrity* (Freedom Found. 2018),  
8 [https://www.freedomfoundation.com/wp-content/uploads/2018/07/Getting-Organized-at-](https://www.freedomfoundation.com/wp-content/uploads/2018/07/Getting-Organized-at-Home.pdf)  
9 [Home.pdf](https://www.freedomfoundation.com/wp-content/uploads/2018/07/Getting-Organized-at-Home.pdf). ..... 4  
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**MOTION TO INTERVENE**

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that July 25, 2019 or as soon thereafter as the matter may be heard, in the courtroom of the Honorable William Alsup, Courtroom 12, 19th Floor, 450 Golden Gate Avenue, San Francisco, California 94102, proposed Intervenors Michaela Bruckshaw, Bettina Joyner, Marck Juvonen, Elesha Martin, Jennifer Mendivil, Linda Murphy, Sandra Sumner, Elnaz Toussi, Richard Velador, and Eric Wright (collectively “Movant Providers”) will, and hereby do, move for leave to intervene in this action pursuant to Federal Rule of Civil Procedure 24.

Movant Providers’ motion is made on the grounds that they are entitled to intervene as of right under Federal Rule of Civil Procedure 24(a)(2) because: (1) their motion is timely; (2) they have a “significantly protectable interest” in the subject of this case; (3) the disposition of this case may, as a practical matter, impair Movant Providers’ interests; and (4) those interests are not adequately represented by the existing parties. Alternatively, Movant Providers should be permitted to intervene under Federal Rule of Civil Procedure 24(b)(1) because they seek to address common questions of law with the existing action, and intervention will not unduly delay or prejudice the adjudication of the rights of the original parties.

Movant Providers’ motion is based upon the attached Memorandum of Points and Authorities; the accompanying Declarations of Michaela Bruckshaw, Bettina Joyner, Marck Juvonen, Elesha Martin, Jennifer Mendivil, Linda Murphy, Sandra Sumner, Elnaz Toussi, Richard Velador, and Eric Wright; the accompanying Proposed Answer; the complete files and records of this action; and such other argument or evidence as the Court may hear.

**MEMORANDUM OF POINTS AND AUTHORITIES**

1  
2 California, Washington, Oregon, Connecticut, and Massachusetts (“Plaintiff States”) brought  
3 this action against Alex M. Azar II, Secretary of the U.S. Department of Health and Human Ser-  
4 vices (“HHS”) and HHS. Plaintiff States allege that the promulgation of the final rule “Medicaid  
5 Program: Reassignment of Medicaid Provider Claims,” 84 Fed Reg. 19718, (“2019 Final Rule”)  
6 by HHS’ Centers for Medicare and Medicaid Services (“CMS”) is invalid under the Administra-  
7 tive Procedure Act. Compl. (Dkt. 1). The 2019 Final Rule rescinds a previous *ultra vires* regulation  
8 issued in 2014 (“2014 Final Rule”), 79 Fed. Reg. 2949, 3001-03 (Jan. 16, 2014). The 2014 Final  
9 Rule created a new regulatory exception to Medicaid’s direct payment requirement, 42 U.S.C. §  
10 1396a(a)(32) (“Section 32”), which rule purported to permit states, including Plaintiff States, to  
11 divert Medicaid payments owed to homecare providers for their services to persons with disabili-  
12 ties to mandatory union representatives, their political action committees (PACs), and affiliated  
13 funds.

14 Several homecare providers and two unions seek to intervene here as Plaintiff-Intervenors and  
15 in opposition to the 2019 Final Rule. *See* Mot. to Intervene (Dkt. 8). In this motion, several  
16 homecare providers—Michaela Bruckshaw, Bettina Joyner, Marck Juvonen, Elesha Martin, Linda  
17 Murphy, Jennifer Mendivil, Sandra Sumner, Elnaz Toussi, Richard Velador, and Eric Wright (col-  
18 lectively, “Movant Providers”)—now seek to intervene as defendants to defend the 2019 Final  
19 Rule, to pursue a cross-claim that the 2014 Final Rule is invalid under Section 32 and the Admin-  
20 istrative Procedure Act (APA), 5 U.S.C. § 703, and to pursue a counterclaim against California,  
21 Oregon, and Washington for violating their rights under Section 32. Movant Providers request that  
22 the Court permit them to intervene as a matter of right under Federal Rule of Civil Procedure  
23 24(a)(2) or as a permissive matter under Federal Rule of Civil Procedure 24(b)(1).

FACTS

A. Regulatory Background

The Medicaid Act mandates that payments for services be made directly to the provider of those services, and cannot be diverted to any third party, save as expressly permitted. Section 32 states that “no payment under the plan for any care or service provided to an individual shall be made to anyone other than such individual or the person or institution providing such care or service, under an assignment or power of attorney or otherwise, except that—” 42 U.S.C. § 1396a(a)(32) (emphasis added). The statute then sets forth several specific exceptions. None of these exceptions permit states to pay Medicaid payments owed to providers for their services to third-party unions, their political action committees, or affiliated funds.

In its 2014 Final Rule, CMS recognized that Section 32 “does not expressly provide for additional exceptions to the direct payment principle.” 79 Fed. Reg. 2947, 2949 (Jan. 16, 2014). CMS nevertheless created a new regulatory exception to Section 32’s direct payment principle at 42 C.F.R. § 447.10(g)(4) (“Subsection (g)(4)”). The regulatory exception provides that, “[i]n the case of a class of practitioners for which the Medicaid program is the primary source of service revenue, payment may be made to a third party on behalf of the individual practitioner for benefits such as health insurance, skills training and other benefits customary for employees.” *Id.*

The genesis for this new exemption to Section 32 was that, in years prior to 2014, several states had started diverting portions of Medicaid payments owed to independent homecare providers to state-designated union representatives and their PACs.<sup>1</sup> Before the Supreme Court’s decision in

<sup>1</sup> Statutes that authorize the reassignment of union dues from providers include: Cal. Welf. & Inst. Code § 12301.6(i)(2); Conn. Gen. Stat. § 17b-706b(b)(3); 5 Ill. Comp. Stat. 315/6(f); Mass. Gen. Laws ch. 118E, § 73(b); Minn. Stat. § 256B.0711(h); Or. Rev. Stat. § 292.055; Vt. Stat. Ann. tit. 21, § 1634(b)(3); Wash. Rev. Code § 41.56.113.



1 *Harris v. Quinn*, 573 U.S. 616 (2014), the diversion of Medicaid payments to unions was compul-  
2 sory and done irrespective of whether the homecare providers consented to the deductions. *Harris*  
3 held this practice violated the First Amendment. 573 U.S. at 656-57. States now make Medicaid  
4 payments to designated unions and their PACs pursuant to assignments obtained from homecare  
5 providers. *See supra* note 1. The amount of Medicaid funds being so diverted is considerable. In  
6 2017 alone, an estimated \$146 million owed to homecare providers for their services to persons  
7 with disabilities was instead paid to unions.<sup>2</sup>

8 These state payments of Medicaid monies to unions and their affiliated funds, however, violate  
9 the plain language of Section 32. Medicaid payments are being made to someone “other than . . .  
10 the person or institution providing such care or service”—i.e., to a third-party union. 42 U.S.C. §  
11 1396a(a)(32). That these payments are being made pursuant to “assignment[s]” makes the viola-  
12 tion of Section 32 only that much more apparent. *Id.*

13 On May 6, 2019, CMS adopted the 2019 Final Rule to rescind Subsection (g)(4) because it “is  
14 neither explicitly nor implicitly authorized by the statute, which identifies the only permissible  
15 exceptions to the rule that only a provider may receive Medicaid payments.” 84 Fed. Reg. 19718,  
16 19719 (May 9, 2019). The 2019 Final Rule also clarifies that it “forecloses the ability of a practi-  
17 tioner to assign a portion of his or her Medicaid payment to a union.” *Id.* at 19723. However, the  
18 rule acknowledges that practitioners remain free to pay unions through means other than assigning  
19 their Medicaid payments, such as through credit card or bank account deductions. *Id.*

20 **B. Movants Are Homecare Providers Whose Medicaid Payments Are Being Diverted**  
21 **To Unions Against Their Will.**

22 <sup>2</sup> See Maxford Nelsen, *Getting Organized at Home: Why Allowing States to Siphon Medicaid*  
23 *Funds to Unions Harms Caregivers and Compromises Program Integrity*, at 5 (Freedom Found.  
24 2018), <https://www.freedomfoundation.com/wp-content/uploads/2018/07/Getting-Organized-at-Home.pdf>.

1 The Movant Providers are homecare providers whose Medicaid payments are being diverted  
2 to unions against their will. Movant Providers Joyner, Martin, Mendivil, Toussi, and Velador are  
3 homecare providers who provide care to individuals enrolled in California's In-Home-Supportive  
4 Service (IHSS) program, Cal. Welf. & Inst. Code § 12300 et seq. Each signed an assignment that  
5 authorized the State Controller of California to pay a portion of their Medicaid payments to pro-  
6 posed Plaintiff Intervenor United Domestic Workers AFSCME Local 3930 ("UDW").<sup>3</sup> Velador  
7 signed the assignment because he was pressured to do so at a mandatory union orientation. Velador  
8 Decl. at ¶ 4. When these providers later tried to revoke their assignments, their revocations were  
9 denied because the assignments are irrevocable except during annual ten or fifteen-day escape  
10 periods. *See supra* note 3. The State Controller continues to pay Medicaid monies owed to Joyner,  
11 Martin, Mendivil, Toussi, and Velador to UDW over their objections. *Id.*

12 Movant Providers Juvonen, Murphy, and Sumner are homecare providers for individuals en-  
13 rolled in Oregon consumer-directed Medicaid programs.<sup>4</sup> Each signed an assignment that purports  
14 to authorize the Oregon Department of Administrative Services to pay a portion of their Medicaid  
15 payments to proposed Plaintiff Intervenor SEIU 503. *See supra* note 4. Juvonen and Murphy were  
16 led to believe it was mandatory that they do so. Juvonen Decl. ¶ 4; Murphy ¶ 4. Juvonen, Murphy,  
17 and Sumner later tried to stop the diversion of their Medicaid payments to SEIU 503, but to no  
18 avail.<sup>5</sup> The assignments were purportedly irrevocable except during annual escape periods. *See*  
19 Murphy Decl. ¶ 6; Sumner Decl. ¶ 6. Over Juvonen, Murphy, and Sumner's objections, Oregon  
20 continues to divert portions of their Medicaid payments to SEIU 503. *See supra* note 5.

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21  
22 <sup>3</sup> *See* Joyner Decl. ¶¶ 5-7; Martin Decl. ¶¶ 5-7; Toussi Decl. ¶¶ 5-7; Velador Decl. ¶¶ 4-7.

23 <sup>4</sup> *See* Juvonen Decl. ¶¶ 2-4; Murphy Decl. ¶¶ 2-4; Sumner Decl. ¶¶ 2-4.

24 <sup>5</sup> *See* Juvonen Decl. ¶¶ 5-6; Murphy Decl. ¶¶ 5-8; Sumner Decl. ¶¶ 6-7.

1 Movant Providers Bruckshaw and Wright are homecare providers for individuals enrolled in  
2 Washington consumer-directed Medicaid programs. Bruckshaw Decl. ¶¶ 2-4; Wright Decl. ¶¶ 2-  
3 3. Both signed assignments that purport to authorize the Washington Department of Social and  
4 Health Services to pay a portion of their Medicaid payments to SEIU 775 because they were told  
5 it was mandatory. *Id.*; Wright Decl. ¶¶ 2-3. Bruckshaw was misled into assigning a portion of her  
6 Medicaid payments to an SEIU 775 PAC. Bruckshaw Decl. ¶ 5. Bruckshaw attempted several  
7 times to discover how to revoke her assignment, but SEIU 775 gave her no guidance and threatened  
8 her with loss of benefits if she did so. Bruckshaw Decl. ¶ 6. Both Bruckshaw and Wright later  
9 provided notice that they do not consent to the diversion of their Medicaid payments to SEIU 775.  
10 *Id.*; Wright Decl. ¶¶ 5-7. Washington nevertheless continues to redirect portions of their Medicaid  
11 payments to SEIU 775. *Id.* at ¶ 7; Wright Decl. ¶¶ 5-7.

12 Movant Providers have a direct interest in whether Subsection (g)(4) is rescinded because this  
13 extra-statutory exception to Section 32 permits the unwanted diversion of Medicaid payments  
14 owed to them to third-party unions. They seek to intervene in this action to defend the 2019 Final  
15 Rule that rescinds Subsection (g)(4), and to pursue a cross-claim and counterclaim.

16 Their cross-claim against Defendants HHS and Azar alleges that the 2014 Final Rule that cre-  
17 ated Subsection (g)(4) violates the APA (5 U.S.C. § 703), because it conflicts with Section 32's  
18 text and is arbitrary and capricious. *See* Movant Providers' Ans., ¶¶ 161-169. Subsection (g)(4) is  
19 still in effect on the date of this motion and, if the Court enjoins or postpones the effective date of  
20 the 2019 Final Rule as Plaintiffs' request, the regulatory exception at Subsection (g)(4) will remain  
21 in effect. Movant Providers thus request that the Court invalidate Subsection (g)(4) as *ultra vires*.

1 Additionally, Movant Providers counterclaim that California, Oregon, and Washington are depriv-  
 2 ing Movant Providers of their right to direct payment under Section 32, in violation of 42 U.S.C.  
 3 § 1983, by diverting portions of their Medicaid payments to unions against their wishes.

## 4 ARGUMENT

### 5 I. Movant Providers May Intervene Pursuant to FRCP 24(a)(2)

6 Rule 24(a)(2) of the Federal Rules of Civil Procedure provides that anyone who submits a  
 7 timely motion may intervene as of right if the movant:

8 claims an interest relating to the property or transaction that is the subject of the  
 9 action, and is so situated that disposing of the action may as a practical matter im-  
 10 pair or impede the movant's ability to protect its interest, unless existing parties  
 11 adequately represent that interest.

12 To intervene under Rule 24(a)(2): (1) the motion must be timely; (2) the movant must “assert a  
 13 ‘significantly protectable’ interest relating to the property or transaction which is the subject of the  
 14 action”; (3) the disposition of the action may, as a practical matter, impair or impede the movant’s  
 15 ability to protect that interest; and (4) the movant’s interest is inadequately represented by the other  
 16 parties. *Sw. Ctr. for Biodiversity v. Berg*, 268 F.3d 810, 817 (9th Cir. 2001) (citing *Nw. Forest Res.  
 Council v. Glickman*, 82 F.3d 825, 836 (9th Cir. 1996)). These factors will be discussed in turn.

#### 17 A. The Motion to Intervene Is Timely

18 Three elements are relevant to timeliness: (1) the stage of the proceeding when intervention is  
 19 sought; (2) the potential prejudice to the other parties; and (3) the reasons for and length of any  
 20 delay. *United States v. State of Oregon*, 745 F.2d 550, 552 (9th Cir. 1984). All elements point  
 21 towards the Movant Providers’ motion being timely.

22 First, the proceeding is still in its early stages. Defendants have yet to file responsive pleadings,  
 23 which are not due until July 22, 2019. No substantive motions have been filed, no discovery has  
 24 occurred, and no substantive rulings have been issued. *See Nw. Forest Res. Council*, 82 F.3d at

1 837 (finding intervention motion filed before an answer was filed or substantive ruling issued to  
2 be timely).

3 Second, granting Movant Providers' motion will not prejudice any party because this litigation  
4 is in its infancy. The parties have filed no substantive motions, so permitting the Movant Providers  
5 to intervene will not interrupt any motion practice or delay any scheduled hearings.

6 Third, "[a] party seeking to intervene must act as soon as he knows or has reason to know that  
7 his interests might be adversely affected by the outcome of the litigation." *Cal. Dep't of Toxic*  
8 *Substance Ctrl. v. Commercial Realty Project, Inc.*, 309 F.3d 1113, 1120 (9th Cir. 2002) (quoting  
9 *State of Oregon*, 745 F.2d at 589). Movant Providers seek intervention just over a month after  
10 Plaintiffs filed their Complaint. This is a reasonable amount of time for the Movant Providers to  
11 become aware of this litigation, to secure legal counsel, and to file an intervention motion and  
12 proposed responsive pleading. Their intervention motion is timely.

13 **B. Movant Providers Have a Significantly Protectable Interest.**

14 Rule 24(b)'s protectable "'interest' test is primarily a practical guide to disposing of lawsuits  
15 by involving as many apparently concerned persons as is compatible with efficiency and due pro-  
16 cess." *Fresno Cty. v. Andrus*, 622 F.2d 436, 438 (9th Cir. 1980) (quoting *Nuesse v. Camp*, 385  
17 F.2d 694, 700 (D.C. Cir. 1967)). "[A] prospective intervenor 'has a sufficient interest for interven-  
18 tion purposes if it will suffer a practical impairment of its interests as a result of the pending liti-  
19 gation.'" *Wilderness Soc. v. U.S. Forest Serv.*, 630 F.3d 1173, 1179 (9th Cir. 2011) (quoting *Cal-*  
20 *ifornia ex rel. Lockyer v. United States*, 450 F.3d 436, 411 (9th Cir. 2006). This requirement is  
21 construed liberally in favor of potential intervenors. *Id.*

22 Movant Providers satisfy this minimal burden based on their significant interest in stopping  
23 the unwanted diversion of Medicaid payments owed to them to third-party unions. The diversion  
24

1 not only impairs their pecuniary interests, but also impinges on their First Amendment right not to  
 2 be compelled to subsidize union advocacy. *See Harris*, 573 U.S. at 656-57 (holding it unconstitu-  
 3 tional for states to deduct monies from payments made to homecare providers without their con-  
 4 sent); *Janus v. AFSCME*, 138 S. Ct. 2448, 2486 (2018) (holding it unconstitutional for states to  
 5 deduct monies from payments made to public employees without their consent).

6 **C. Preventing Implementation of the CMS Rule Would Impair Movant Providers' In-**  
 7 **terests**

8 Intervention under Rule 24(a) also requires that a potential intervenor's protectable interest be  
 9 at risk of being "impaired or impeded by the disposition of th[e] action." *Berg*, 268 F.3d at 822.  
 10 "[I]f an absentee would be substantially affected in a practical sense by a determination made in  
 11 an action, he should, as a general rule, be entitled to intervene." *Id.* (quoting Fed. R. Civ. P. 24  
 12 Advisory Committee Note to 1966 Amendment).

13 An adverse ruling by this Court would impede Movant Providers' interest in stopping the un-  
 14 wanted diversions of monies from their Medicaid payments to third-party unions. The regulatory  
 15 exception at Subsection (g)(4) permits that diversion and, until rescinded, prevents CMS from  
 16 requiring that states cease violating Section 32 in this manner. Movant Providers have a significant  
 17 interest in defending the 2019 Final Rule that rescinds Subsection (g)(4) and, alternatively, in chal-  
 18 lenging the legality of the 2014 Final Rule that created Subsection (g)(4).

19 **D. Defendants Do Not Adequately Represent Movant Providers' Interests**

20 A movant need only show that his interest may not be adequately represented, and the burden  
 21 for this is minimal. *Sagebrush Rebellion, Inc. v. Watt*, 713 F.2d 525, 528 (9th Cir. 1983); *Trbovich*  
 22 *v. United Mine Workers*, 404 U.S. 528, 538 n.10 (1972).<sup>6</sup> In assessing whether existing parties

23 \_\_\_\_\_  
 24 <sup>6</sup> There is a "presumption of adequate representation . . . when the representative is a governmental  
 body or office charged by law with representing the interests of the absentee." *United States v.*

1 adequately represent the Movant Providers' interests, the Court should consider several factors,  
2 such as whether an existing party "will undoubtedly make all of the intervenor's arguments . . . is  
3 capable of and willing to make such arguments, and whether the intervenor offers a necessary  
4 element to the proceedings that would be neglected." *Sagebrush Rebellion*, 713 F.2d at 528. Mo-  
5 vant Providers' interests are not adequately represented by the parties here.

6 *First*, Movant Providers' interests in defending the 2019 Final Rule are distinct from those of  
7 the Defendants. Defendants represent the federal government's interest in administering its Med-  
8 icaid programs and enforcing HHS' rules and regulations. By contrast, Movant Providers have  
9 financial and constitutional interests in stopping the unwanted diversion of monies from their Med-  
10 icaid payments to subsidize union advocacy. The Movant Providers bring a perspective to this case  
11 not provided by the Defendants because of the direct, personal impact the regulation has on them.  
12 *Cf. Associated Dog Clubs v. Vilsack*, 44 F. Supp. 3d 1, 6-7 (D.D.C. 2014) (permitting party with  
13 distinct interests to intervene to defend federal agency action); *Center for Biological Diversity v.*  
14 *U.S. Bureau of Land Management*, 266 F.R.D. 369, 374-75 (D. Arizona 2010) (same).

15 *Second*, no party represents the Movant Providers' interests with respect to their cross-claim  
16 against Defendants that seeks to invalidate the 2014 Final Rule that created Subsection (g)(4) be-  
17 cause it conflicts with Section 32 and is arbitrary and capricious. Plaintiffs do not represent their  
18 interest because they seek to uphold the 2014 Final Rule. Defendants HHS and Secretary Azar

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*City of Los Angeles*, 288 F.3d 391, 401 (9th Cir. 2002) (quoting *Forest Conservation Council v.*  
22 *U.S. Forest Serv.*, 66 F.3d 1489, 1499 (9th Cir. 1995), abrogated on other grounds by *Wilderness*  
23 *Soc. v. U.S. Forest Serv.*, 630 F.3d 1173 (9th Cir. 2011)). This presumption does not apply to  
24 Movant Providers because Defendants are not charged by law with representing their interests.  
This is especially so with respect to Movant Providers cross-claim against the Defendants for  
promulgating and enforcing the 2014 Final Rule. Any presumption of adequate representation  
given to a government defendant in defending a government action has no application to a cross-  
claim *against* that government defendant.

1 cannot adequately represent Movant Providers' interests with respect to a cross-claim *against*  
2 those Defendants.

3 Movant Providers' cross-claim is an important element to this case that may be neglected if  
4 they are not permitted to intervene. The ultimate question here is whether Subsection (g)(4) is  
5 consistent with Section 32. Defendants created the exception in their 2014 Final Rule and re-  
6 scinded it in their 2019 Final Rule. While Defendants can defend their 2019 Final Rule, they cannot  
7 sue themselves and seek to have the Court invalidate their 2014 Final Rule. Only the Movant  
8 Providers can take this action. The Movant Providers' counterclaim that the 2014 Final Rule and  
9 Subsection (g)(4) are invalid under Section 32 is essential to the completeness of this case.

10 *Third*, no existing party represents the Movant Providers' interests with respect to their coun-  
11 terclaim that California, Oregon, and Washington are depriving them of their right to direct pay-  
12 ment under Section 32 by diverting portions of their Medicaid payments to proposed Plaintiff In-  
13 tervenors UDW and SEIU 503 and to SEIU 775. Defendants HHS and Secretary Azar have not  
14 directly raised this claim, and thus cannot represent Movant Providers with respect to it. Plaintiffs  
15 California, Oregon, and Washington are adverse parties to this counterclaim, as will be Plaintiff  
16 Intervenors UDW and SEIU 503 if they are granted intervention.

17 For these reasons, Movant Providers satisfy all prerequisites for intervention as a matter of  
18 right under Rule 24(a) and should be granted leave to intervene on that basis.

## 19 **II. Alternatively, Movant Providers Should Be Granted Permissive Intervention**

20 Federal Rule of Civil Procedure 24 (b) provides that a timely motion for intervention may be  
21 granted if the movant "has a claim or defense that shares with the main action a common question  
22 of law or fact" and the intervention will not "unduly delay or prejudice the adjudication of the  
23 original parties' rights." Accordingly, an applicant for permissive intervention must prove that (1)  
24



1 his or her motion for intervention is timely; (2) there is at least one common question of law or  
2 fact; and (3) the balancing of undue delay, prejudice to the original parties, and any other relevant  
3 factors favors intervention.

4 All prerequisites are satisfied here. Movant Providers motion is timely for reasons stated be-  
5 fore. Their defense of the 2019 Final Rule that rescinds Subsection (g)(4) for violating Section 32,  
6 and cross-claim that challenges the 2014 Final Rule that created Subsection (g)(4) for violating  
7 Section 32, turn on the same questions of law and fact that govern the main action. That counter-  
8 claim likewise is predicated on Section 32. Permitting the Movant Providers to intervene will not  
9 delay this case, which is just beginning, nor prejudice Plaintiffs or Defendants.

10 In fact, permitting the Movant Providers to intervene will facilitate judicial efficiency. The  
11 Movant Providers can file and maintain their cross claim and counter claims as an independent  
12 case. That case would concern the same questions presented here: Is Subsection (g)(4) consistent  
13 with Section 32? And do states violate Section 32 by redirecting Medicaid payments owed to  
14 homecare provider to third-party unions and their affiliates? It serves the interests of judicial econ-  
15 omy to adjudicate these claims as part of this case, instead of in a parallel case.

16 Equity also favors permitting the Movant Providers to intervene to protect their legal rights  
17 and interests. This is especially so if the proposed Plaintiff-Intervenors are allowed to intervene.  
18 If the Plaintiff-Intervenors homecare providers' ostensible interest in assigning portions of their  
19 Medicaid payments to unions is sufficient to warrant their intervention, then Movant Providers  
20 interests in stopping the unwanted assignment of their Medicaid payments to unions must also be  
21 sufficient. Similarly, if UDW and SEIU 503 are permitted to intervene to defend their practice of  
22 collecting dues from Medicaid payments made to California and Oregon homecare providers, then  
23 homecare providers in those states should be permitted to intervene to stop UDW and SEIU 503  
24

1 from collecting dues from their Medicaid payments. It would be incongruous to permit the putative  
 2 Plaintiff-Intervenors to intervene, but not the Movant Providers.

3 If anything, Movant Providers have a more compelling case for intervention than Plaintiff-  
 4 Intervenors. The latter have multiple alternative means to pay or collect union dues other than  
 5 relying on states to reassign Medicaid payments to unions and their affiliates. Movant Providers,  
 6 by contrast, are having monies seized from Medicaid payments owed to them, and remitted to  
 7 unions, against their will and with no recourse. Movant Providers also have constitutional interests  
 8 at stake, as they are being compelled to subsidize union speech against their will. A state not col-  
 9 lecting dues for a union, by contrast, does not impair union First Amendment rights. *See Ysursa v.*  
 10 *Pocatello Educ Ass'n*, 555 U.S. 353 (2009). Thus, even if the putative Plaintiff-Intervenors are  
 11 denied intervention, the Court should grant the intervention of Movant Providers.

### 12 CONCLUSION

13 Movant Providers respectfully request the Court to allow their intervention in this matter.

14 Date: June 20, 2019

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**CERTIFICATE OF SERVICE**

I certify that on June 20, 2019, a copy of the foregoing Motion to Intervene was filed electronically in this case. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF System.

/s/ Rebekah C. Millard

Rebekah C. Millard

*Counsel for Movant Providers*