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**November 19, 2010  
For Immediate Release**

Greenville, NC – Three families, representing tens of thousands of North Carolina residents, have settled a lawsuit against the North Carolina Department of Health and Human Services (NC DHHS) after experiencing multiple due process violations in the N.C. Medicaid system when mental health and developmental disability services for their children were denied, terminated, or reduced without proper notice or hearing rights and based on improper standards.

Penny McCartney, Selena McMillan, and Greg Tipton, on behalf of their disabled minor children and represented by Legal Services of Southern Piedmont (LSSP) and the National Health Law Program (NHeLP), filed the lawsuit, *DTM v. Cansler*, in 2008 in federal court in North Carolina's Eastern District. Among the problems alleged in the class action suit were illegal interruptions in approved services, improper and untimely notices from the state agency responsible for the services, failure to send notices to parents and legal guardians, failure to consider the recipient's current needs at appeal hearings, failure to continue services during the appeal process, long delays in deciding appeals, failure to continue services when recipients changed medical providers, and misinformation and discouragement of requests for services and appeals.

Earlier this year the Fourth Circuit Court of Appeals denied the state agency's appeal of a 2009 District Court Order denying its motions to dismiss the case. The District

Court then approved the parties' settlement at a November 10 hearing.

When the settlement agreement was reached, Douglas Sea, attorney with LSSP, called the settlement, "a victory for vulnerable citizens" and thanked state officials and their attorneys for their cooperation in seeking a resolution of the case and changes to the system.

The settlement requires that NC DHHS, the state agency in charge of these services, implement detailed new procedures designed to correct many of the problems alleged in the lawsuit. Significant improvements are expected in the way the state agency notifies Medicaid service recipients of decisions about their services and the continuation of services without illegal interruptions. A new state statute passed by the General Assembly in 2010 also provides protections to address concerns raised in this case.

According to Jane Perkins, attorney with NHeLP, "the new procedures and notices will be a national model."

After the changes agreed upon in the settlement are implemented by the state agency, LSSP and NHeLP will monitor compliance for a period of six months to ensure the new procedures have been properly implemented and that recipients are not continuing to experience the previous problems.

The National Health Law Program works with and on behalf of limited-income people, people with disabilities, and children to improve their access to quality health care, and to enforce their legal rights to health. NHeLP works with courts, government agencies, and Congress to ensure quality health care for the most vulnerable members of our society.

Legal Services of Southern Piedmont's mission is to assure a full measure of justice for those in need. LSSP provides a wide range of civil legal assistance to eligible low-income persons in the Charlotte metropolitan area and west-central NC. LSSP accomplishes its mission through a variety of legal advocacy strategies including individual

advice and representation, community education, collaboration with other agencies, legislative and administrative advocacy, and impact litigation. More information, including the settlement documents from this case, can be found at [www.lssp.org](http://www.lssp.org).

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