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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
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9 Janice Hennessy-Waller, et al.,

10 Plaintiffs,

11 v.

12 Jami Snyder,

13 Defendant.
14

No. CV-20-00335-TUC-SHR

**Order re: Plaintiffs’ Motion for
Preliminary Injunction**

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16 Pending before the Court is Plaintiffs D.H. and John Doe’s Motion for Preliminary
17 Injunction, asking the Court to enjoin Defendant Jami Snyder, Director of the Arizona
18 Health Care Cost Containment System (“AHCCCS”), “from further enforcement of” a
19 regulation that excludes gender reassignment surgery from coverage and to “order
20 AHCCCS to cover male chest reconstruction surgery for D.H. and John.” (Doc. 3 ep 2.¹)
21 Defendant has responded (Doc. 18) and Plaintiffs have replied (Doc. 25.) Oral argument
22 was held on February 5, 2021. (Doc. 48.) For the reasons that follow, the Court will deny
23 Plaintiffs’ Motion.

24 **I. Background**

25 The following facts are derived from Plaintiffs’ Complaint (Doc. 1) and sworn
26 declarations submitted in support of their Motion for Preliminary Injunction (Docs. 4, 5).
27 Plaintiffs are minors—D.H. is seventeen and John is fifteen years old—who are enrolled

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¹Unless otherwise noted, “Doc.” refers to documents in the CM/ECF docket online,
and “ep” refers to the electronic page number.

1 in Arizona’s Medicaid program known as AHCCCS. Plaintiffs were born as females, have
2 been diagnosed with gender dysphoria, and have since transitioned to live as males with
3 the recommendation and support of their healthcare providers. As part of their treatment
4 for gender dysphoria, Plaintiffs started taking testosterone over one year ago. Since then,
5 Plaintiffs’ healthcare providers have recommended they obtain “male chest reconstruction
6 surgery”²—that is, the permanent removal of their breasts—“to further alleviate [their]
7 gender dysphoria.”

8 AHCCCS, however, specifically excludes the following from coverage:

- 9 a. Infertility services, reversal of surgically induced infertility
10 (sterilization), and *gender reassignment surgeries*;
11 b. Pregnancy termination counseling services;
12 c. Pregnancy terminations, unless required by state or federal
13 law;
14 d. Services or items furnished solely for cosmetic purposes;
15 and
16 e. Hysterectomies unless determined medically necessary.

17 Ariz. Admin. Code R9-22-205(B)(4) (emphasis added).

18 On August 2, 2020, Plaintiffs filed their Complaint against AHCCCS Director Jami
19 Snyder, in her official capacity, alleging AHCCCS’s policy of excluding gender
20 reassignment surgery from coverage pursuant to R9-22-205(B)(4)(a) (the “Challenged
21 Exclusion”) violates various provisions of Title XIX of the Social Security Act, 42 U.S.C.
22 §§ 1396–1396w-5 (“Medicaid Act”), Section 1557 of the Patient Protection and
23 Affordable Care Act, 42 U.S.C. § 18116 (“Section 1557”), and the Equal Protection Clause
24 of the Fourteenth Amendment to the United States Constitution. In their Complaint,
25 Plaintiffs seek: (1) class certification³; (2) “preliminary and permanent injunctions

26 ²Also known as “male chest contouring” or “top surgery,” this procedure includes,
27 essentially, a double mastectomy. *See Standards of Care for the Health of Transsexual,*
28 *Transgender, and Gender Non-Conforming People 7th Version*, World Professional
Association for Transgender Health (“WPATH”), p. 63.

³Plaintiffs’ Motion for Class Certification (Doc. 40) remains pending and the Court
will address it in a separate order.

1 prohibiting Defendant from any further enforcement or application of the Challenged
2 Exclusion” and “directing Defendant and [her] agents to provide Medicaid coverage for
3 medically necessary male chest reconstruction surgery”; and (3) declaratory judgment that
4 the denial of coverage for male chest reconstruction surgery violates the Medicaid Act,
5 Section 1557, and Equal Protection Clause. (Doc. 1, ep 25-26.)

6 In their Motion for Preliminary Injunction (“Motion”), Plaintiffs seek to
7 “preliminarily enjoin Defendant[] from further enforcement of the regulation and order
8 AHCCCS to cover male chest reconstruction surgery for D.H. and John.” (Doc. 3 ep 2.)
9 In their proposed order, Plaintiffs request the Court order: (1) “Defendant[] shall be
10 immediately enjoined from further enforcement of Ariz. Admin. Code R9-22-
11 205(B)(4)(A), on the grounds that it violates the Medicaid Act’s EPSDT [Early and
12 Periodic Screening, Diagnostic and Treatment] and Comparability Requirements, Section
13 1557 of the [Patient Protection and] Affordable Care Act, and the Equal Protection Clause
14 of the United States Constitution”; and (2) the “Arizona Healthcare Cost Containment
15 System shall provide coverage for Plaintiffs’ male chest reconstruction surgeries,
16 consistent with all other requirements of federal law.” (Doc. 3-1.)

17 After oral argument,⁴ the parties submitted supplemental briefing as to whether
18 Plaintiffs were required to exhaust their administrative remedies before seeking relief in
19 court. (Docs. 62, 64.) The parties agree Plaintiffs are not required to exhaust their
20 administrative remedies because they seek injunctive relief under 42 U.S.C. § 1983. (Docs.
21 59, 64.) *See Patsy v. Bd. of Regents*, 457 U.S. 496 (1982).⁵ Accordingly, this Court has
22 jurisdiction pursuant to U.S.C. §§ 1331 and 1343(a)(3)-(4).

23 **II. Preliminary Injunction Standard**

24 “A preliminary injunction is ‘an extraordinary and drastic remedy, one that should
25 not be granted unless the movant, *by a clear showing*, carries the burden of persuasion.’”

26
27 ⁴The parties did not request an evidentiary hearing on the motion and, at the status
28 conference held on December 11, 2020, the parties stated such a hearing was not necessary.
(Doc. 38.)

⁵Unless otherwise noted by the Court, internal quotations and citations have been
omitted when quoting and citing case law throughout this Order.

1 *Lopez v. Brewer*, 680 F.3d 1068, 1072 (9th Cir. 2012) (quoting *Mazurek v. Armstrong*, 520
2 U.S. 968, 972 (1997) (emphasis in original)); *see also Am. Beverage Ass'n v. City & Cnty.*
3 *of S.F.*, 916 F.3d 749, 754 (9th Cir. 2019). “A plaintiff seeking a preliminary injunction
4 must establish that he is likely to succeed on the merits, likely to suffer irreparable harm in
5 the absence of preliminary relief, that the balance of equities tips in his favor, and that an
6 injunction is in the public interest.” *Monarch Content Mgmt. LLC v. Ariz. Dep't of Gaming*,
7 971 F.3d 1021, 1027 (9th Cir. 2020) (quoting *Winter v. Nat. Res. Def. Council, Inc.*, 555
8 U.S. 7, 20 (2008)); *see also All. for the Wild Rockies v. Cottrell*, 632 F.3d 1127, 1132 (9th
9 Cir. 2011). A plaintiff must show more than a mere “possibility” of irreparable harm—he
10 must “demonstrate that irreparable injury is *likely* in the absence of an injunction.” *Winter*,
11 555 U.S. at 22 (emphasis in original); *see also Park Vill. Apartment Tenants Ass'n v.*
12 *Mortimer Howard Tr.*, 636 F.3d 1150, 1160 (9th Cir. 2011) (injunction will not issue if
13 party seeking injunctive relief shows “mere possibility of some remote future injury, or a
14 conjectural or hypothetical injury”). The Ninth Circuit Court of Appeals, employing a
15 sliding scale analysis, has also stated: “‘serious questions going to the merits’ and a
16 hardship balance that tips sharply toward the plaintiff can support issuance of an injunction,
17 assuming the other two elements of the *Winter* test are also met.” *Drakes Bay Oyster Co.*
18 *v. Jewell*, 747 F.3d 1073, 1085 (9th Cir. 2013) (quoting *All. for the Wild Rockies*, 632 F.3d
19 at 1132) (sliding-scale test “remains viable” after *Winter* though movants “must also satisfy
20 the other *Winter* factors”).

21 The standard a party must meet to obtain injunctive relief depends on the type of
22 injunction sought. A prohibitory injunction “restrain[s] a party from taking action and
23 effectively “freezes the positions of the parties until the court can hear the case on the
24 merits.” *Edmo v. Idaho Dep't of Corr.*, 358 F.Supp. 3d 1103, 1122 (D. Idaho 2018)
25 (quoting *Heckler v. Lopez*, 463 U.S. 1328, 1333 (1983)). In contrast, a mandatory
26 injunction is one that “orders a responsible party to take action,” *Meghrig v. KFC W., Inc.*,
27 516 U.S. 479, 484 (1996), and therefore “‘goes well beyond simply maintaining the status
28 quo [p]endente lite [and] is particularly disfavored.’” *Marlyn Nutraceuticals, Inc. v. Mucos*
Pharma GmbH & Co., 571 F.3d 873, 879 (9th Cir. 2009) (alterations in original) (quoting

1 *Anderson v. United States*, 612 F.2d 1112, 1114 (9th Cir. 1979)); *see also Stanley v. Univ.*
2 *of S. Cal.*, 13 F.3d 1313, 1320 (9th Cir. 1994) (prohibitory injunction maintains status quo,
3 whereas mandatory injunction goes well beyond maintaining status quo). “Mandatory
4 injunctions, while subject to a higher standard than prohibitory injunctions, are permissible
5 when ‘extreme or very serious damage will result’ that is not ‘capable of compensation in
6 damages,’ and the merits of the case are not ‘doubtful.’” *Hernandez v. Sessions*, 872 F.3d
7 976, 999 (9th Cir. 2017) (quoting *Marlyn Nutraceuticals*, 571 F.3d at 879); *see also*
8 *Anderson*, 612 F.2d at 1115. Therefore “[s]uch mandatory preliminary relief is subject to
9 heightened scrutiny and should not be issued unless the facts and law clearly favor the
10 moving party.” *Dahl v. HEM Pharm. Corp.*, 7 F.3d 1399, 1403 (9th Cir. 1993).

11 Defendant asserts the injunction sought here is a mandatory one and, therefore, is
12 subject to higher scrutiny. (Doc. 18 ep 8.) Plaintiffs argue it is a prohibitive injunction
13 because they seek to “enjoin Defendant from enforcing a regulation that prohibits coverage
14 for surgeries to treat gender dysphoria, including male chest reconstruction surgery.” (Doc.
15 25 ep 4.) At oral argument, Plaintiffs reiterated this, relying on *M.R. v. Dreyfus*, 697 F.3d
16 706 (9th Cir. 2012); however, this case is distinguishable. Like the instant case, plaintiffs
17 in *M.R.* sought to enjoin the state from enforcing a state Medicaid regulation. Unlike the
18 instant case, the regulation in *M.R.* was new and enacted to save money during an economic
19 downturn which would have resulted in a decrease in Medicaid benefits that beneficiaries
20 were previously receiving and were entitled to by law. Enjoining the regulation here would
21 not result in a decrease in benefits Plaintiffs are receiving—rather, the injunction seeks to
22 not only enjoin enforcement of the regulation but also to force AHCCCS to provide a
23 benefit it has never before provided. That is, the plaintiffs in *M.R.* sought to *preserve* the
24 status quo; whereas here, Plaintiffs seek to go well beyond the status quo. Additionally,
25 the plaintiffs in *M.R.* presented far more undisputed evidence in support of their claims
26 than the Plaintiffs have here.

27 At oral argument, Plaintiffs also asserted they were “seeking an opportunity to
28 demonstrate the medical necessity of male chest reconstruction surgery and are asking the
Court to enjoin enforcement of [the Challenged] [E]xclusion as to D.H. and John Doe so

1 they can demonstrate to [AHCCCS] that this procedure is, in fact, medically necessary for
2 them.” (OA Transcript Feb. 5, 2021 ep 9-10, 15.) This, however, is contrary to their
3 Motion where they specifically state: “Plaintiffs move to preliminarily enjoin Defendant[]
4 from further enforcement of the regulation and order AHCCCS to cover male chest
5 reconstruction surgery for D.H. and John.” (Doc. 3 ep 2.) Further, as noted above,
6 Plaintiffs’ proposed order would declare the Challenged Exclusion unlawful and
7 unconstitutional and would order AHCCCS to provide coverage for the surgeries Plaintiffs
8 seek. (Doc. 3-1.) By Plaintiffs’ own argument and proposed order, they seek an injunction
9 that not only enjoins Defendant from enforcing the law, but orders Defendant to take an
10 affirmative action by providing coverage for a medical procedure that would be otherwise
11 excluded, thus going well beyond the status quo. *See Meghriq*, 516 U.S. at 484; *see also*
12 *Marlyn Nutraceuticals*, 571 F.3d at 879. Therefore, the injunction sought here is a
13 mandatory one and is subject to the higher scrutiny described above. *See Heckler*, 463
14 U.S. at 1333-34 (injunction directing Secretary of Health and Human Services to pay
15 benefits on an interim basis to parties who had not yet been found to be disabled was “in
16 substance, if not in terms, a mandatory one”); *see also Katie A., ex rel. Ludin v. L.A. Cnty.*,
17 481 F.3d 1150, 1156 (9th Cir. 2007) (applying heightened standard for mandatory
18 preliminary injunction where class of children enrolled in California’s Medicaid program
19 claimed state violated Medicaid Act by failing to provide certain mental health services);
20 *Toomey v. State of Ariz., et al.*, 4:19-cv-00035-RM-LAB (Doc. 162, ep 8-9) (preliminary
21 injunction “barring [d]efendants from enforcing the categorical exclusion of coverage for
22 ‘[g]ender reassignment surgery’” is mandatory injunction because it goes beyond
23 maintaining status quo).

24 **III. Discussion**

25 **A. Likelihood of Prevailing on the Merits**

26 Based on the record before the Court, Plaintiffs have not shown they are likely to
27 prevail on the merits of their claims because they have not clearly shown the surgery they
28 seek is medically necessary for them, that it is a safe and effective treatment for gender

1 dysphoria in adolescents, or that the Challenged Exclusion violates the Medicaid Act,
2 Section 1557, or the Equal Protection Clause. *See Dahl*, 7 F.3d at 1403.

3 *1. Medicaid's EPSDT Provision*

4 The Medicaid Act provides medical assistance to eligible individuals⁶ in
5 participating states. Although states are not required to participate in the Medicaid
6 program, once a state chooses to participate and accept matching federal funds, it must
7 comply with federal Medicaid law. *See Wilder v. Va. Hosp. Ass'n*, 110 S. Ct. 2510, 2513
8 (1990). EPSDT services for eligible individuals under age 21 are among the mandatory
9 categories of medical assistance a state must provide. *Katie A.*, 481 F.3d at 1154. EPSDT
10 services are defined in § 1396d(r), and include: "Such other necessary health care,
11 diagnostic services, treatment, and other measures described in subsection (a) to correct or
12 ameliorate defects and physical and mental illnesses and conditions discovered by the
13 screening services, whether or not such services are covered under the State plan."
14 § 1396d(r)(5). "Under § 1396d(r)(5), states must cover every type of health care or service
15 necessary for EPSDT corrective or ameliorative purposes that is allowable under
16 § 1396d(a). Although states have the option of not providing certain 'optional' services
17 listed in § 1396d(a) to other populations, they must provide all of the services listed in
18 § 1396d(a) to eligible children when such services are found to be medically necessary."
19 *Katie A.*, 481 F.3d at 1154. Further, Arizona law incorporates § 1396d(r)(5) by reference
20 and provides a variety of EPSDT services "are covered for a member less than 21 years of
21 age," including: "Other necessary health care, diagnostic services, treatment, and measures
22 required by 42 U.S.C. 1396d(r)(5)." Ariz. Admin. Code R9-22-213(a)(1-10).

23 Plaintiffs assert the EPSDT provisions are "extremely broad" and include the
24 surgeries they seek, as the surgeries are necessary to "correct or ameliorate" Plaintiffs'
25 gender dysphoria. (Doc. 3 ep 9-10.) Plaintiffs also assert there is "broad consensus within
26 the medical community that male chest reconstruction surgery is a safe and effective
27 treatment for gender dysphoria." (Doc. 3 ep 10.) Relying on expert declarations,

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⁶There is no dispute Plaintiffs are eligible, enrolled members of AHCCCS.

1 Defendant counters “there is legitimate debate” about whether such surgery corrects or
2 ameliorates “the underlying conditions of persons, particularly children, who seek such
3 surgeries.” (Doc. 18 ep 12.) As to Plaintiffs’ specific case, Defendant points out Plaintiffs
4 have not provided their medical records, “have not been finally assessed for suitability for
5 surgery by the surgeon who would perform the procedures,” and have not provided a
6 declaration or opinion of any medical doctor who has treated John. (Doc. 18 ep 12-13.)
7 Defendant further asserts Plaintiffs have not demonstrated medical necessity and argues
8 AHCCCS is not required “to cover every service, especially services that have yet to be
9 determined to be safe and effective.” (Doc. 18 ep 13.) Lastly, Defendant notes that
10 although EPSDT is a mandatory set of services AHCCCS must cover, it does not
11 specifically list the services required and there is no case law recognizing gender
12 reassignment surgery as an EPSDT requirement. (Doc. 18 ep 13.)

13 As Defendant notes, a state’s obligation to cover health care or services necessary
14 for EPSDT corrective or ameliorative purposes is “subject to certain limits; for example, a
15 state need not pay for experimental medical procedures.” *Katie A.*, 481 F.3d at 1154, n.10.
16 States must also “provide such methods and procedures relating to the utilization of, and
17 the payment for, care and services available under the plan . . . as may be necessary to
18 safeguard against unnecessary utilization of such care and services to assure that payments
19 are consistent with efficiency, economy and quality of care” 42 U.S.C.
20 § 1396a(a)(30)(A). The Eighth Circuit explained this principle when it concluded states
21 were not required to cover organ transplants because they were not considered safe or
22 proven at the time: “Medicaid was not designed to fund risky, unproven procedures, but
23 to provide the largest number of necessary medical services to the greatest number of needy
24 people.” *Ellis v. Patterson*, 859 F.2d 52, 55 (8th Cir. 1988). Defendant goes on to cite
25 several cases from other jurisdictions that suggest the surgeries Plaintiffs seek here are
26 “experimental,” “risky,” or otherwise “unproven,” and, therefore asserts “it is not improper
27 to exclude coverage for a service that continues to be the subject of legitimate debate as to
28 its safety and efficacy.” (Doc. 18 ep 13-14.)

The parties have submitted several declarations in support of and opposition to the

1 Motion. Plaintiffs have submitted declarations from: D.H.; D.H.'s mother; D.H.'s
2 pediatrician, Dr. Cronyn; D.H.'s counselor, Tamar Reed⁷; John; John's caregiver; and
3 John's therapist, Mischa Cohen Peck, PhD.⁸ (Docs. 4, 5.) Plaintiffs have also provided
4 declarations from two experts retained for this litigation: Dr. Aron Janssen, a
5 child/adolescent psychiatrist, who specializes in treating children and adolescents with
6 gender dysphoria (Doc. 5-4 ep 2; Doc. 25 ep 14-30), and Dr. Loren S. Schechter, a plastic
7 surgeon who specializes in gender reassignment surgery and who would perform the
8 surgeries for Plaintiffs (Doc. 5-5 ep 2-3; Doc. 25 ep 31-44). Both experts have reviewed
9 the declarations provided by Dr. Cronyn, Reed, Dr. Peck, as well as John Doe's medical
10 records from Dr. Veenod Chulani at the Phoenix Children's Hospital Gender Support
11 Program.⁹ (Doc. 5-4 ep 6, Doc. 5-5 ep 8.) Drs. Janssen and Schechter are members of the
12 World Professional Association for Transgender Health ("WPATH") and rely on
13 WPATH's "Standards of Care for the Health of Transsexual, Transgender, and Gender
14 Non-Conforming People" ("WPATH SOC") for their opinions that the surgery Plaintiffs
15 seek is a safe and effective procedure for treating gender dysphoria in minors such as D.H.
16 and John. (Doc. 5 ep 22-33, 49-63.) According to Dr. Schechter: "The purpose of the
17 WPATH SOC is to assist health providers in delivering medical care to transgender people
18 to provide them with safe and effective treatment for gender dysphoria, in order to
19 maximize their overall health, psychological well-being, and self-fulfillment." (Doc. 5-4
20 ep 4; Doc. 5-5 ep 9.)

21 Dr. Janssen is a contributing author to the forthcoming eighth version of the

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23 ⁷Reed is a Licensed Professional Counselor who specializes in working with young
24 LGBT people. (Doc. 5-2.) D.H. was diagnosed with gender dysphoria before seeing Reed;
25 Reed confirmed this diagnosis and her "treatment of D.H. focused on his gender dysphoria,
26 anxiety, trauma, and oppositional [defiant] disorder." (Doc. 5-2.)

27 ⁸Dr. Peck has a Master of Social Work and a PhD in Social Welfare, is a member
28 of WPATH, and practices as a clinical therapist specializing in issues regarding sexuality,
sexual orientation, and gender identity. (Doc. 4-2.) Dr. Peck started seeing John "to help
him address the increasing psychological distress he has experienced because of his gender
dysphoria. Although John was diagnosed with gender dysphoria before seeing Dr. Peck,
she has confirmed this diagnosis and has also diagnosed him with post-traumatic stress
disorder stemming from early life attachment trauma. (Doc. 4-2.)

⁹These records have not been disclosed to Defendant and therefore were unavailable
to Defendant's experts.

1 WPATH SOC and has treated over 300 children and adolescents with gender dysphoria.
2 (Doc. 5-4 ep 3-4.) Despite providing his detailed opinion that male chest reconstruction
3 surgery is safe and effective for adolescents and that “[c]ategorically excluding coverage
4 for male chest reconstruction surgery to treat gender dysphoria has no basis in the
5 prevailing standards of care, peer-reviewed and medical literature,” he has not opined as to
6 whether D.H. and John themselves are suitable candidates for the surgery. (Doc. 5-4 ep
7 33; Doc. 25 ep 29.) Indeed, although Dr. Janssen states “[s]urgical treatment is [] medically
8 necessary for *some* transgender youth in order to alleviate their gender dysphoria,”
9 Dr. Janssen has never met, examined, or consulted with D.H. or John to determine whether
10 surgery is medically necessary for them. (Doc. 5-4 ep 11 (emphasis added).)

11 Dr. Schechter is also a contributing author of the current version of the WPATH
12 SOC and has performed approximately 100–150 “top” surgeries on patients under the age
13 of 21. (Doc. 5 ep 4.) Dr. Schechter has provided virtual consultations to D.H. and John
14 but has not examined them in person or conducted a final consultation to assess skin
15 elasticity and other concerns, due to the circumstances of the COVID-19 pandemic. (Doc.
16 5 ep 14-16.) Dr. Schechter has opined D.H. and John “appear[] to be [] good candidate[s]
17 for male chest reconstruction surgery” and he is “confident” they are fully aware of the
18 risks and benefits of the procedure, and that the surgery “is a safe, effective, and medically
19 necessary treatment for each of them, assuming the absence of any pathology.” (Doc. 5 ep
20 15-18.)

21 Defendant has also provided declarations from two experts: Dr. Michael K.
22 Laidlaw, who is an endocrinologist, and Dr. Stephen E. Levine, a psychiatrist specializing
23 in sexuality. (Doc. 18-1 ep 30, Doc. 18-2 ep 3-4.) Dr. Laidlaw has been retained to provide
24 his expert opinion as to the standards of care for treating minors diagnosed with gender
25 dysphoria and the appropriateness of D.H. and John undergoing male chest reconstruction
26 surgery. (Doc. 18-1 ep 3-4.) According to Dr. Laidlaw, the purported “professional
27 consensus” embodied in the WPATH SOC “exists only within the confines of [WPATH]”
28 and there has been no high-quality study showing male chest reconstruction surgery is safe,
effective, or optimal for treating minors with gender dysphoria.” (Doc. 18-1 ep 12.)

1 Specifically, he challenges a study cited by Dr. Schechter for its flawed methodology and
2 cites a different study that “questions the long-term effectiveness of gender reassignment
3 surgery,” by examining the rate of completed suicides in individuals who had undergone
4 gender reassignment surgery. (Doc. 18-1 ep 12-13.) He also points to a 2016 final decision
5 memo in which the Centers for Medicare & Medicaid Services (“CMS”) declined to issue
6 a National Coverage Determination on gender reassignment surgery for Medicare
7 beneficiaries with gender dysphoria “because the clinical evidence is inconclusive for the
8 Medicare population.” (Doc. 18-1 ep 13.) *See* CTRS. FOR MEDICARE & MEDICAID,
9 DECISION MEMO FOR GENDER DYSPHORIA AND GENDER REASSIGNMENT SURGERY (CAG-
10 00446N) (Aug. 30, 2016), [https://www.cms.gov/medicare-coverage-database/details/nca-](https://www.cms.gov/medicare-coverage-database/details/nca-decision-memo.aspx?NCAId=282)
11 [decision-memo.aspx?NCAId=282](https://www.cms.gov/medicare-coverage-database/details/nca-decision-memo.aspx?NCAId=282) (last visited March 17, 2021). Although that decision
12 does not apply to Medicaid, it is instructive that CMS found the clinical evidence is
13 “inconclusive” for the Medicare population—which is comprised of mostly adults 65 years
14 and older and certain disabled individuals under age 65. *See* 42 U.S.C. § 1395c. This
15 finding suggests that if the clinical evidence is inconclusive for adults, then it is likely
16 inconclusive for children, such as Plaintiffs. Dr. Laidlaw also opines that irreversible male
17 chest reconstruction surgery should not be performed on D.H. or John because, in the
18 absence of any imaging, laboratory, or other objective testing, there is no way to predict
19 whether a minor with gender dysphoria, such as D.H. or John, will outgrow the condition.
20 (Doc. 18-1 ep 15.) Additionally, he opines such surgery is inappropriate for minors
21 because they are “still undergoing brain development and as such they are immature with
22 respect to intellect, emotion, judgment, and self-control” and, therefore, “there is a
23 significant chance that a young person may later regret removing an organ that cannot be
24 replaced.” (Doc. 18-1 ep 15.)

25 Dr. Levine was an early member of WPATH and Chairman of the Standards of Care
26 Committee that developed the fifth version of the WPATH SOC.¹⁰ (Doc. 18-2 ep 3-4.) He

27 ¹⁰Dr. Levine was a member from 1974 to 2001 before the organization changed its
28 name to WPATH—it had previously been known as the Harry Benjamin International
Gender Dysphoria Association—and he resigned his membership in 2002 “due to [his]
regretful conclusion that the organization and its recommendations had become dominated

1 founded and serves as co-director of the Case Western Reserve University Gender Identity
2 Clinic, and has been retained to provide his expert opinion on the standards of care for
3 treating adolescents with gender dysphoria. (Doc. 18-2 ep 3-4, 18.) Dr. Levine explains
4 that “WPATH represents a self-selected subset of the mental health professions,
5 endocrinologists, and surgeons along with its many non-professional trans members; it
6 does not capture the clinical experiences of others.” (Doc. 18-2 ep 20.) Therefore, he
7 opines: “WPATH claims to speak for the medical profession; however, it does not
8 welcome skepticism and therefore, deviates from the philosophical core of medical
9 science.” (Doc. 18-2 ep 20.) He further opines there are no reliable scientific data to
10 support surgical intervention in adolescents with gender dysphoria. (Doc. 18-2 ep 27-34.)
11 Dr. Levine also explains chest reconstruction surgery “should not be construed as a
12 curative intervention for gender dysphoria” because it will not eliminate the incongruence
13 of female genitalia, as most transgender males do not have genital reconstruction surgery
14 because “[i]t is expensive, fraught with complications” and is “unable to produce the
15 normal functions of a penis.” (Doc. 18-2 ep 33-34.) Dr. Levine also points out the risks
16 associated with transitioning, the lack of any reliable way to predict which patients’ gender
17 dysphoria will persist or desist into adulthood, and notes several studies that indicate
18 mental health outcomes do not significantly improve for transgender individuals who
19 undergo surgery. (Doc. 18-2 ep 34-41.)

20 Defendant also provided a recent opinion from the United Kingdom’s High Court
21 of Justice, which reviewed a National Health Service (“NHS”) clinic’s practice of
22 prescribing puberty-suppressing medication to individuals under age 18 with gender
23 dysphoria. (Doc. 47.) There, claimants argued that persons under age 18 are not competent
24 to consent to such treatment and that the information being provided to such individuals
25 was insufficient and misleading to ensure they could provide informed consent. *Bell v.*
26 *Tavistock and Portman NHS Foundation Trust*, 2020 EWHC 3274 (Dec. 1, 2020). The
27 court heard testimony from several experts (one of which is a WPATH member), and

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by politics and ideology, rather than by scientific process, as it was years earlier.” (Doc.
18-2 ep 4, 18.)

1 defendants argued the practice of prescribing puberty-suppressing medication to children
2 under age 18 was “required in accordance with the international frameworks of WPATH
3 and the Endocrine Society and by the domestic regulatory frameworks.” *Id.* ¶¶ 57, 60, 97.
4 The court nonetheless concluded: “it is right to call the treatment experimental or
5 innovative in the sense that there are currently limited studies/evidence of the efficacy or
6 long-term effects of the treatment.” *Id.* ¶ 148. Although that case did not involve surgery
7 and is not controlling authority, the UK decision regarding puberty-suppressing medication
8 being experimental suggests the irreversible surgery Plaintiffs seek here is also
9 experimental and perhaps risky, which, in turn, casts doubt on the merits of their claims.
10 *See Hernandez*, 872 F.3d at 999; *see also Dahl*, 7 F.3d at 1403.

11 Based on the record and, in particular, the conflicting opinions provided by well-
12 qualified experts and the lack of any evidence showing Plaintiffs have been evaluated by a
13 psychologist or psychiatrist, the Court finds Plaintiffs have not clearly shown the surgery
14 is medically necessary for them or that it is safe and effective for correcting or ameliorating
15 their gender dysphoria. *See Dahl*, 7 F.3d at 1403. Accordingly, the merits of Plaintiffs’
16 EPSDT claim are doubtful. *See Hernandez*, 872 F.3d at 999.

17 2. *Medicaid’s Comparability Requirements*

18 Under the Medicaid Act, the medical assistance made available to a qualified
19 individual enrolled in a state plan “shall not be less in amount, duration, or scope than the
20 medical assistance made available to any other such individual.” 42 U.S.C. § 1396d(n).
21 This provision is known as the “comparability requirement.” Section 1396a(10)(A) further
22 states the medical assistance made available must “at least” include “the care and services
23 listed in paragraphs (1) through (5), (17), (21), (28), and (29) of section 1396d(a),” which
24 do not expressly include gender reassignment surgery or chest reconstruction surgery,
25 generally. *See* §§ 1396d(a)(1)–(5), (17), (21), (28), (29).

26 Plaintiffs argue the Challenged Exclusion violates Medicaid’s comparability
27 requirement because “AHCCCS covers the same services when necessary to treat other
28 conditions.” (Doc. 3 ep 10-11.) In other words, Plaintiffs assert the only reason AHCCCS
will not cover the surgery is because it is prescribed to treat gender dysphoria, instead of

1 some other condition, for which the surgery would be covered. (Doc. 25 ep 7.) In support
2 of their argument, Plaintiffs cite a recent district court decision that found Wisconsin’s
3 Medicaid policy that excluded transgender care had failed to make certain surgeries
4 available to transgender individuals, and therefore, discriminated on the basis of diagnosis.
5 *See Flack v. Wis. Dep’t of Health Servs.*, 395 F. Supp. 3d 1001, 1019 (W.D. Wis. 2019).
6 As explained in Section III.A.3 of this Order, *Flack* is distinguishable and not controlling.

7 Defendant argues the Challenged Exclusion does not violate the comparability
8 requirement because: (1) “the exclusion applies to all transgender persons alike”; and (2)
9 the comparability requirement “requires comparable services for individuals with
10 comparable needs.” (Doc. 18 ep 14.) Specifically, Defendant contends “the needs for
11 relief from gender dysphoria are unique—they are not the same as the needs of a person
12 who seeks [breast] reconstruction after a mastectomy” and this “is particularly true as to
13 children.” (*Id.*) Defendant further asserts Plaintiffs’ argument “begs the question whether
14 reconstruction following a mastectomy is based on the same needs as chest reconstruction
15 to treat a child’s gender dysphoria.” (*Id.*)

16 Based on the record at this stage of litigation, the Court concludes Plaintiffs have
17 not shown the facts clearly favor their position that the Challenged Exclusion violates
18 Medicaid’s comparability requirement. *See Dahl*, 7 F.3d at 1403. Not only is it disputed
19 whether the surgery is safe and effective for minors as explained above, but Plaintiffs have
20 not clearly shown the needs of adolescent transgender boys seeking this surgery are
21 comparable to the needs of other patients who require such surgery, such as adult women
22 with breast cancer—the population that most commonly requires surgical removal of their
23 breasts, whether termed “double mastectomy” or “male chest reconstruction surgery.” *See*
24 *supra* note 2. Therefore, the merits of Plaintiffs’ claim here are doubtful. *See Hernandez*,
25 872 F.3d at 999.

26 3. *Equal Protection Clause and Section 1557 of the Affordable Care Act*

27 Plaintiffs are also unlikely to succeed on the merits of their claim that the Challenged
28 Exclusion violates the Equal Protection Clause of the Fourteenth Amendment and Section
1557 of the Patient Protection and Affordable Care Act (ACA). (Doc. 3 ep 11-15.) The

1 Equal Protection Clause provides: “No State shall . . . deny to any person within its
2 jurisdiction the equal protection of the laws.” U.S. CONST. amend. XIV, § 1. Similarly,
3 Section 1557 of the ACA, codified at 42 U.S.C. § 18116, provides: “an individual shall
4 not, [on the basis of sex] . . . be excluded from participation in, be denied the benefits of,
5 or be subjected to discrimination under, any health program or activity, any part of which
6 is receiving Federal financial assistance”¹¹ To prevail on their discrimination claim,
7 Plaintiffs must show: (1) AHCCCS is federally funded; (2) Plaintiffs were denied benefits
8 of or otherwise discriminated against by AHCCCS on the basis of their membership in a
9 protected class—here, on the basis of their sex; and (3) the denial of benefits or
10 discrimination was a but-for cause of Plaintiffs’ injuries. *See* 42 U.S.C. § 18116(a). The
11 parties do not dispute AHCCCS receives federal funds, but sharply dispute the other
12 elements of Plaintiffs’ claims.

13 Plaintiffs argue they were denied the benefits of and discriminated against by
14 AHCCCS because they are transgender. (Doc. 3 ep 11-12; Doc. 25 ep 8.) To support this,
15 Plaintiffs assert that under *Bostock v. Clayton Cnty., Ga.*, 140 S. Ct. 1731 (2020),
16 “[d]iscrimination because a person is transgender is discrimination because of sex.” (Doc.
17 3 ep 12.) According to Plaintiffs, the fact AHCCCS would cover the surgery “for other
18 medically necessary reasons, such as to treat breast cancer or traumatic injury, but refuses
19 to do so for the treatment of gender dysphoria, demonstrates the [Challenged Exclusion]
20 on its face discriminates based on transgender status and thus on sex.” (Doc. 3 ep 13; Doc.
21 25 ep 8.) Plaintiffs also cite several cases from other states to support their position,
22 including *Flack*, 395 F. Supp. 3d 1001, *Boyden v. Conlin*, 341 F. Supp. 3d 979 (W.D. Wis.
23 2018), and *Kadel v. Folwell*, 446 F. Supp. 3d 1 (M.D.N.C. 2020).

24 First, Plaintiffs’ reliance on *Bostock* is unpersuasive. The Supreme Court expressly
25 limited its holding to Title VII claims involving employers who discriminated against

26
27 ¹¹Section 1557 does not expressly say “on the basis of sex,” but rather references
28 title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 et seq., which provides:
“No person in the United States shall, on the basis of sex, be excluded from participation
in, be denied the benefits of, or be subjected to discrimination under any education program
or activity receiving Federal financial assistance”

1 employees because of their gay or transgender status when it wrote: “An employer who
2 fires an individual merely for being gay or transgender defies the law.” 140 S. Ct. at 1754.
3 *Bostock* did not involve or purport to deal with a state Medicaid plan exclusion for surgical
4 treatment for gender dysphoria in minors.

5 Second, Plaintiffs’ reliance on cases from other states is also unavailing. *Boyden* is
6 factually distinguishable, as plaintiffs there were adults who challenged Wisconsin’s state-
7 sponsored private health plan’s exclusion of “[p]rocedures, services, and supplies related
8 to surgery and sex hormones associated with gender reassignment.” 341 F. Supp. 3d at
9 982. It did not involve Medicaid, the plaintiffs were not minors, and the exclusion
10 challenged was significantly different than the Challenged Exclusion here. Similarly,
11 *Kadel* is distinguishable, as it also involved a challenge to a state-sponsored private health
12 plan’s exclusion of treatment sought “in conjunction with proposed gender transformation”
13 or “in connection with sex changes or modifications.” 446 F. Supp. 3d at 7. Again, that
14 exclusion is significantly different from the one here, and that case did not involve
15 Medicaid or minor plaintiffs.

16 The most similar case Plaintiffs cite is *Flack*, 395 F. Supp. 3d 1001, in which
17 transgender adults challenged a Wisconsin regulation that excludes from Medicaid
18 coverage not only surgical treatment for gender dysphoria, but also “[d]rugs, including
19 hormone therapy, associated with transsexual surgery or medically unnecessary alteration
20 of sexual anatomy or characteristics.” Wis. Admin. Code §§ DHS 107.03(23)-(24). The
21 plaintiffs there similarly argued the regulation violated the Equal Protection Clause and
22 § 1557 by discriminating on the basis of sex. *Flack*, 395 F. Supp. 3d at 1014, 1019-20.
23 There, the defendants’ only argument was the State of Wisconsin “could not have
24 understood that Title IX would impose on it a new anti-discrimination requirement when
25 this federal law passed” because “the Seventh Circuit did not hold that sexual orientation
26 and transgender status discrimination were covered under Title VII and Title IX,
27 respectively, until decades after the enactment of Title IX.” *Id.* The court found the
28 defendants’ argument unpersuasive and granted plaintiffs’ motion for summary judgment
on their Equal Protection and § 1557 claims, as well as their Medicaid comparability

1 requirement claim. *Id.* at 1014-15, 1019, 1022. In contrast, the Challenged Exclusion here
2 only excludes gender reassignment *surgery*—it does not exclude coverage for other
3 treatments for gender dysphoria such as hormone therapy. Indeed, Plaintiffs have been
4 receiving hormone therapy covered by AHCCCS for at least one year. More importantly,
5 *Flack* involved *adult* plaintiffs—not minors such as the Plaintiffs here. *See id.* at 1010.
6 Defendant argues that because AHCCCS covers hormone treatment and mental health
7 counseling for the treatment of gender dysphoria, “there is no discrimination against
8 transgender persons or the elimination of coverage for all gender transition treatment” and,
9 therefore, “Plaintiffs have failed to establish their high burden.” (Doc. 18 ep 16.) The
10 Court is inclined to agree at this stage of the litigation, especially considering Plaintiffs
11 have not clearly shown the surgery they seek is safe and effective for treating gender
12 dysphoria in adolescents.

13 Third, although Plaintiffs would be denied coverage for the surgery due to the
14 Challenged Exclusion, they have not clearly shown such a denial would be made on the
15 basis of sex. As noted, AHCCCS clearly covers certain treatments for gender dysphoria.
16 And although AHCCCS does not cover the surgery Plaintiffs seek for the purpose of
17 treating gender dysphoria, Plaintiffs have not clearly shown AHCCCS denies coverage on
18 the basis of sex and not on the basis of some other permissible rationale.

19 Finally, as explained above, *Bostock* does not apply to the ACA and, unlike the
20 Medicaid exclusions challenged in the other cases Plaintiffs cite, the Challenged Exclusion
21 here does not exclude coverage for all gender dysphoria treatments. To reiterate, Plaintiffs
22 have not clearly shown the surgical treatment they seek is safe and effective for
23 adolescents. Accordingly, the merits of Plaintiffs’ Equal Protection and § 1557 claims are
24 doubtful. *See Hernandez*, 872 F.3d at 999.

25 B. Irreparable Harm

26 Plaintiffs argue they will be irreparably harmed in the absence of an injunction
27 because such harm is “presumed for violations of constitutional rights” and the continued
28 denial of coverage for the surgery will cause them irreparable physical and emotional harm.
(Doc. 3 ep 15.) Specifically, Plaintiffs assert that without immediate relief, their gender

1 dysphoria “will become increasingly debilitating,” as both D.H. and John have histories of
2 suicidal ideation. (Doc. 3 ep 16.) Additionally, Plaintiffs contend prolonged use of the
3 chest binders they wear, “without which neither . . . would be able to function, can cause
4 significant damage to the skin and tissues,” which could result in additional scarring from
5 the surgery. (*Id.*)

6 Defendant counters the distress experienced by Plaintiffs does not rise to the level
7 of irreparable harm and argues “there is significant doubt whether Plaintiffs have a
8 constitutional right to have AHCCCS pay for this surgery.” (Doc. 18 ep 12.) Defendant
9 asserts Plaintiffs have not shown irreparable harm because, according to the Diagnostic
10 and Statistical Manual of Mental Disorders Fifth Edition (“DSM-5”), gender dysphoria
11 does not persist into adulthood for most children and, specifically, “[i]n natal females,
12 persistence has ranged from 12% to 50%.” (Doc. 18 ep 9 (quoting DSM-5 at 455).)
13 Defendant also asserts Plaintiffs have not demonstrated they are capable of providing
14 informed consent, given their “other significant psychological disorders which pre-date
15 their gender dysphoria.” (Doc. 18 ep 9.) As to Plaintiff D.H.’s assertion that wearing a
16 binder could cause irreparable harm, Defendant counters that D.H. has worn a binder for
17 five years without developing any skin conditions or exacerbating his asthma, so
18 irreparable harm is unlikely. (Doc. ep 10.) Defendant also asserts John’s long-standing
19 and pre-existing “chronic post-traumatic stress disorder from early life attachment trauma”
20 “should be addressed before irreversible surgical procedures are employed,” and notes that
21 Plaintiffs have not provided a declaration from any medical doctor who is treating John.
22 (Doc. 18 ep 10.)

23 As explained above, the Supreme Court’s “frequently reiterated standard requires
24 plaintiffs seeking preliminary relief to demonstrate that irreparable injury is *likely* in the
25 absence of an injunction.” *Winter*, 555 U.S. at 22. And because Plaintiffs seek a mandatory
26 injunction, they must demonstrate that “extreme or very serious damage will result,” that
27 such damage “is not capable of compensation in damages,” and that “the merits of the case
28 are not doubtful.” *Hernandez*, 872 F.3d at 999. Although the Court agrees the deterioration
of Plaintiffs’ mental health could *possibly* result in extreme or very serious damage,

1 Plaintiffs have not met their heightened burden under the mandatory injunction standard.
2 *See Anderson*, 612 F.2d at 1115. Furthermore, as Judge Rosemary Márquez explained in
3 her February 26, 2021 order denying a motion for preliminary injunction in a factually
4 different case that involves a similar insurance policy exclusion, it is not clear “the injury
5 complained of is [not] capable of compensation in damages,” as Plaintiffs here could
6 potentially pay for the surgeries out-of-pocket and be reimbursed by Defendant if they
7 prevail on the merits of their claims. *See Toomey v. State of Arizona, et al.*, No. CV-19-
8 00035-TUC-RM, Doc. 162 (denying motion for preliminary injunction where plaintiff
9 sought to enjoin enforcement of policy excluding coverage for gender reassignment
10 surgery in private employer-sponsored health plan).¹²

11 Furthermore, the Court will deny the motion because the preliminary injunctive
12 relief sought is identical to the ultimate relief sought in the underlying complaint. “It is so
13 well settled as not to require citation of authority that the usual function of a preliminary
14 injunction is to preserve the status quo ante litem pending a determination of the action on
15 the merits.” *Tanner Motor Livery, Ltd. v. Avis, Inc.*, 316 F.2d 804, 808 (9th Cir. 1963).
16 Therefore, “it is not usually proper to grant the moving party the full relief to which he
17 might be entitled if successful at the conclusion of a trial.” *Id.* This is particularly true
18 when the relief sought would completely change, rather than preserve, the status quo. As
19 explained above, the status quo here is that AHCCCS will not cover the surgeries Plaintiffs
20 seek because of the Challenged Exclusion. The relief sought here would not preserve the
21 status quo, but rather would completely change it and is identical to the ultimate relief
22 sought in Plaintiffs’ Complaint. Accordingly, the Court finds it premature to grant such
23 relief prior to discovery and summary judgment briefing and therefore needs not address
24 the remaining *Winter* factors. *See Monarch*, 971 F.3d at 1032, n.10; *Toomey*, No. CV-19-
25 00035-TUC-RM, Doc. 162; *see also Winter*, 555 U.S. at 20.

26
27 ¹²Like the Challenged Exclusion in the instant case, the health insurance policy at
28 issue in *Toomey* “specifically exclude[s] . . . (16) Gender reassignment surgery.” CV-19-
00035-TUC-RM Doc. 86-1 ep 58-59. Unlike the instant case, however, *Toomey* involves
a private employer-sponsored health plan and the plaintiff is an adult seeking coverage for
a hysterectomy—a surgery that is covered for treatment of other medical conditions.

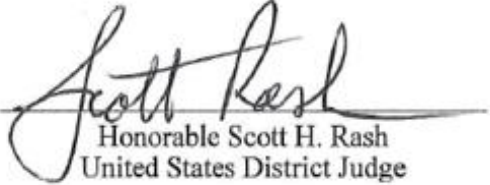
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IV. Conclusion

For the foregoing reasons, the Court concludes Plaintiffs have not met the heightened standard for a mandatory injunction to issue. Accordingly,

IT IS ORDERED Plaintiff's Motion for Preliminary Injunction (Doc. 3) is **DENIED**.

Dated this 30th day of March, 2021.



Honorable Scott H. Rash
United States District Judge