

SUPREME COURT OF NORTH CAROLINA

Pachas v. N.C. Dep't of Health & Human Servs.

No. 144A18 · No. No. 144A18 · Decided February 1, 2019

SUMMARY

The Supreme Court of North Carolina held that the superior court had jurisdiction to determine whether the North Carolina Department of Health and Human Services violated its prior Medicaid eligibility order. The court vacated the Court of Appeals decision, which had required exhaustion of administrative remedies, and remanded for consideration of whether the agency's CAP-DA waiver complied with the prior order and applicable federal law.

CASE DETAILS

COURT	Supreme Court of North Carolina
WRITING FOR THE COURT	Per Curiam
JURISDICTION	North Carolina
DECIDED	February 1, 2019
DOCKET	No. 144A18
DISPOSITION	vacated
PROCEDURAL POSTURE	Appeal as of right based on a dissenting opinion in the Court of Appeals from a decision affirming the superior court's dismissal of a motion to enforce a prior court order and a petition for writ of mandamus.
STANDARD OF REVIEW	The Supreme Court reviews a Court of Appeals decision for errors of law. N.C. R. App. P. 16(a).
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Carlos Pachas, by his attorney in fact, Julissa Pachas v. North Carolina Department of Health and Human Services

TOPICS

medicare medicaid administrative law appellate procedure exhaustion of remedies
judicial review of agency action

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the superior court had jurisdiction under Rule 70 of the North Carolina Rules of Civil Procedure to determine whether DHHS violated its prior order by terminating Pachas's Medicaid benefits under the CAP-DA program and requiring a deductible.
2. Whether Pachas was required to exhaust administrative remedies before seeking enforcement of the superior court's prior order.
3. Whether the Court of Appeals improperly relied on law-of-the-case authority to limit the superior court's jurisdiction when new facts and legal issues concerning the CAP-DA waiver arose.

HOLDINGS

1. A North Carolina trial court has jurisdiction under Rule 70 to find new facts and determine whether a party disobeyed a prior order directing that party to perform a specific act. The superior court therefore had jurisdiction to determine whether DHHS violated the 17 March 2016 order by terminating Pachas's CAP-DA benefits and requiring a deductible.
2. The Supreme Court did not need to determine whether administrative exhaustion would have been futile or inadequate because the superior court independently had jurisdiction to adjudicate compliance with its own order.
3. Tennessee-Carolina Transportation was inapposite because it concerned the law-of-the-case doctrine, not enforcement of a court order, and did not limit a trial court's Rule 70 jurisdiction to issues involving only the same facts and legal questions decided previously.

KEY QUOTATIONS

"It is well settled that, consistent with their inherent authority to enforce their own orders, North Carolina trial courts have jurisdiction to find new facts and determine whether a party has been "disobedient" under a previous order that required the party to perform a "specific act." (at 17-18)

"Because we conclude that the trial court had jurisdiction over petitioner's motion and petition, we need not determine whether exhaustion of administrative remedies was inadequate or futile here." (at 25-26)

"VACATED AND REMANDED." (at 26)

FACTUAL BACKGROUND

Carlos Pachas, a Medicaid recipient who became completely disabled after a stroke and brain tumor, lived with his wife, two minor children, and his wife's elderly parents, all of whom depended on him for financial support. DHHS initially treated him as a household of one for purposes of determining Medicaid eligibility and required a deductible, but the superior court ruled that the applicable federal statute required consideration of the family of the size involved and ordered Medicaid benefits reinstated and continued under the modified rules. After Pachas entered and left a nursing facility, DHHS terminated his benefits under the CAP-DA waiver program and required a monthly deductible, prompting his motion to enforce the prior order.

PROCEDURAL HISTORY

Pachas previously obtained a superior court order reversing a DHHS Medicaid eligibility decision and requiring reinstatement and continuation of Medicaid benefits under modified rules. After DHHS later required a deductible for CAP-DA benefits, Pachas moved in the cause to enforce the prior order and sought mandamus without pursuing another administrative appeal. The superior court dismissed the motion and petition, the Court of Appeals affirmed in a divided decision on jurisdictional and exhaustion grounds, and the Supreme Court vacated and remanded for consideration of whether DHHS violated the prior order.

DISPOSITION

vacated

REMAND INSTRUCTIONS

The case was remanded to the Court of Appeals to address DHHS's argument that it did not violate the 17 March 2016 order because it allegedly obtained a waiver under 42 U.S.C. § 1396n(c) permitting separate CAP-DA eligibility rules apart from 42 U.S.C. § 1396a(m).

CASES CITED

- Pachas v. N.C. Dep't of Health & Human Servs., ___ N.C. App. ___, 814 S.E.2d 136 (2018)
- Martin v. N.C. Dep't of Health & Human Servs., 194 N.C. App. 716, 670 S.E.2d 629 (2009), disc. rev. denied, 363 N.C. 374, 678 S.E.2d 665 (2009)
- Huang v. N.C. State Univ., 107 N.C. App. 710, 421 S.E.2d 812 (1992)
- Justice for Animals, Inc. v. Robeson County, 164 N.C. App. 366, 595 S.E.2d 773 (2004)
- Tenn.-Carolina Transp., Inc. v. Strick Corp., 286 N.C. 235, 210 S.E.2d 181 (1974)
- State v. Mumford, 364 N.C. 394, 699 S.E.2d 911 (2010)
- State v. Brooks, 337 N.C. 132, 446 S.E.2d 579 (1994)
- Sturgill v. Sturgill, 49 N.C. App. 580, 272 S.E.2d 423 (1980)
- Parker v. Parker, 13 N.C. App. 616, 186 S.E.2d 607 (1972)
- Collins v. Simms, 257 N.C. 1, 125 S.E.2d 298 (1962)
- State v. Colson, 274 N.C. 295, 163 S.E.2d 376 (1968), cert. denied, 393 U.S. 1087 (1969)
- State v. Williams, 274 N.C. 328, 163 S.E.2d 353 (1968)