SUPREME JUDICIAL COURT
SITTING AS THE LAW COURT

Law Court Docket No. And-25-479

ASHLEY LYNNE, et. al.
Plaintiffs/Appellees

v.

DEPARTMENT OF HEALTH AND HUMAN SERVICES, et al.
Defendants/Appellants

ON APPEAL FROM THE SUPERIOR COURT
ANDROSCOGGIN COUNTY

BRIEF OF PLAINTIFFS/APPELLEES ASHLEY LYNNE, et al.

Carly R. Cosgrove, Esq. | Bar Roll No.: 010256
Sheldon J. Tepler, Esq. | Bar Roll No.: 2837
HARDY, WOLF & DOWNING, P.A.
186 Lisbon Street, P.O. Box 3065
Lewiston, Maine 04243-3065
Telephone (207) 784-1589
Attorneys for Plaintiffs/Appellees

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

CASE LAW

FEDERAL STATUTORY PROVISIONS

STATE STATUTORY PROVISIONS

CONSTITUTIONAL PROVISIONS

I. INTRODUCTION

This appeal concerns the proper application of Maine's MaineCare lien statute, 22 M.R.S. § 14, and the limits imposed by federal Medicaid law on a state's ability to recover medical payments from a personal injury settlement. After LW settled her third-party tort claim for $160,000—significantly less than the estimated $375,000 value of her damages—the Department of Health and Human Services asserted a statutory MaineCare lien for the full amount it paid for LW's medical treatment: $34,078.70. When DHHS refused LW's request to compromise the lien, LW invoked the procedure expressly provided by Maine law and asked the Superior Court to determine "a reasonable amount in satisfaction of the statutory lien, consistent with federal law." 22 M.R.S. § 14(2-F).

Upon summary judgment, the Superior Court performed the task assigned to it by the Legislature. Using the undisputed facts regarding the value of LW's claim, the amount of the settlement, and the amount MaineCare actually paid for LW's treatment, the court determined that $14,540.25 constituted a reasonable amount in satisfaction of DHHS's lien. The Court therefore denied DHHS's motion for summary judgment, granted summary judgment to LW, and declared that the reduced lien amount was consistent with federal law.

DHHS now asks this Court to reverse that decision. In doing so, however, DHHS mischaracterizes both the Superior Court's ruling and the governing law. The

court did not create a mandatory formula for MaineCare lien determinations, nor did it expand Maine statutory law. Instead, it applied the procedure the Legislature expressly created in § 14(2-F): a case-specific judicial determination of a reasonable lien amount that complies with federal Medicaid law. That approach is fully consistent with the Supreme Court's decisions in *Arkansas Department of Health & Human Services v. Ahlborn* and *Wos v. E.M.A.*, which hold that Medicaid reimbursement is limited to the portion of a settlement representing payment for medical care and that states retain flexibility to design procedures for allocating settlement proceeds.

Because the Superior Court followed Maine's statutory framework, relied on undisputed facts, and determined a reasonable lien amount consistent with federal law, its decision was well within the bounds of the authority granted to it by the Legislature. Accordingly, the judgment should be affirmed.

II. STATEMENT OF THE FACTS AND PROCEDURAL HISTORY.

A. Statement of the Facts.

On or about April 10, 2021, Appellee LW ("LW" and/or "Appellee") suffered a personal injury for which she needed medical treatment (the "Third-Party Tort Claim). Appendix ("A.") at 51, ¶ 3. At all times relevant, LW was a recipient of MaineCare, which is administered by Defendant Department of Health and Human

Services ("DHHS.") A. at 51-52, ¶ 4. The medical bills paid by DHHS for LW's injuries were $34,078.70. A. at 52, ¶ 7.

On or around May 18, 2023, LW filed a civil lawsuit against the tortfeasor in the Third-Party Tort Claim in the Androscoggin Superior Court. A. at 56, ¶ 1. Expert witness Attorney Christopher Dinan asserted the proposition that the value of the underlying tort damages in her case was $375,000. *Id*., ¶ 2. On or around October 24, 2024, the civil lawsuit regarding the Third-Party Tort Claim settled for $160,000 (the "Settlement"). *Id*., ¶ 3. At that time, DHHS asserted a lien of $34,078.70. *Id*., ¶ 4. After the resolution of the case by the Settlement, LW requested that DHHS reduce its lien. *Id*., ¶ 5. DHHS denied LW's request and refused to reduce its lien. *Id*., ¶ 6.

When determining whether or not to reduce a MaineCare lien, some of the factors that DHHS may consider are: whether a reduction was requested; the final gross settlement amount; any potential liability and/or causation problems; and whether the respective parties accepted a compromised settlement amount and if so, why; any *Id*., ¶ 7. Additionally, DHHS considers factors such as the final lien settlement, whether there are other liens, and whether the MaineCare member is getting a portion of the settlement as "primary factors" when determining whether to reduce lien. A. at 57, ¶ 9. *See also* 22 M.R.S. § 14.

DHHS decided not to reduce its lien without considering any of these factors or without having necessary facts about the underlying case. *Id*., ¶ 10. DHHS's reasoning for not considering the enumerated factors upon LW's request for a lien reduction is that they try to make it simple, and if they did consider the factors in cases with a reduction request, then they would never get any work done, as they try not to get caught up in these issues on individual cases when they have hundreds of cases. *Id*., ¶ 12.

On or around August 26, 2024, LW filed this complaint for declaratory action against Appellants' DHHS and Sara Gagne-Holmes in response to their denial of her lien reduction request. *Id*., ¶ 13.

B. Procedural History.

Appellant DHHS initiated summary judgment by filing its Motion for Summary Judgment with its Memorandum of Law in Support of Summary Judgment on March 13, 2025 ("Appellant's Motion"). *See* A. at 44-46, 65-76. Appellants' Motion alleges that Appellees cannot establish that DHHS must decrease its "statutory MaineCare lien consistent with federal law" so that summary judgment must be entered in its favor. *Id.* at 65. Appellees filed an Opposition to Appellant's Motion, arguing that Maine law dictates the procedure for allocation medical expenses, and it is the "reasonable value" of said expenses; that there is a genuine

issue of material fact regarding what the "reasonable value" is; and that Appellant's proposed formula cannot be used. *See* A. at 77-92.

On October 6, 2025, the Androscoggin Superior Court (*Archer, J.*) issued its decision on summary judgment, denying Appellant's Motion, entering summary judgment in favor of Appellees, and declaring that "the amount of $14,540.25 is a reasonable amount in satisfaction of the . . . MaineCare lien and is consistent with federal law." A. at 18. Accordingly, the Court ruled that DHHS was entitled to receive only $14,540.25 for its MaineCare lien as said amount was both reasonable and consistent with federal law.

This timely appeal followed.

III. STATEMENT OF THE ISSUES PRESENTED FOR REVIEW.

This appeal presents the following issues:

(1) Whether the trial court correctly determined that $14,540.25 was a reasonable amount in satisfaction of DHHS's statutory MaineCare lien, consistent with federal law?

(2) Whether the Superior Court's Order expands Maine statutory law or prescribes a required method for determining a MaineCare lien?

(3) Whether DHHS' attempt to enforce their lien takes Appellee's property without due process and violates her rights under the U.S. Constitution?

IV. STANDARD OF REVIEW

A party appealing a decision "committed to the reasonable discretion" of the Superior Court by statute, bears the burden of demonstrating the court "abused its

discretion in reaching the decision under appeal." *Sager v. Town of Bowdoinham*, 2004 ME 40, ¶ 11, 845 A.2d 567. Maine statute provides the parties in this appeal a mechanism to ask the Superior Court for an order "to determine a *reasonable amount* in satisfaction of [DHHS's] statutory lien, consistent with federal law." 22 M.R. S. § 14(2-F)(emphasis added). The Superior Court is given discretion to choose from a range of reasonable choices, provided the lien reduction is consistent with federal Medicaid law. *See Sager*, 2004 ME 40, ¶¶ 10-11 (state statute allowing municipal officers to "make such [tax] abatements as they believe reasonable" for disabled or poor taxpayers gave the municipal officers a range of reasonable choices).

The Law Court may find an abuse of discretion only on a showing the Superior Court "exceeded the bounds of reasonable choices available to it, considering the facts and circumstances of the particular case and the governing law." *Sager*, 2004 ME 40, ¶ 11. The appellant cannot meet its burden by demonstrating the Superior Court "could have made choices more acceptable to the appellant or even to a reviewing court." *Id*.

Pursuant to Maine statute, the Superior Court's decision is required to be "consistent with federal law." 22 M.R.S. § 14(2-F). Any reimbursement to DHHS from a portion of settlement funds not "designated as payments for medical care" is also pre-empted by the anti-lien provision of federal Medicaid law. *Wos v. E.M.A.*,

568 U.S. 627, 630 (2013). This Court's review of the Superior Court's interpretation of federal Medicaid law is *de novo*, although this Court will not "substitute its judgment" for that of the decision-maker below. *Doane v. Dep't of Health and Human Servs.*, 2021 ME 28, ¶ 15, 250 A.3d 1101. A grant of summary judgment will be affirmed if there are no genuine issues of material facts and the undisputed facts show that the prevailing party was entitled to judgment as a matter of law. *Klein v. Univ. of Me. Sys.*, 2022 ME 17, ¶ 6, 271 A.3d 777.

V. ARGUMENT.

A. Federal and State Statutory Framework

The Medicaid Act, found in 42 U.S.C. § 1396 *et seq*., does not expressly dictate states that administer Medicaid programs, including Maine through MaineCare, are required to determine the portion of a settlement award that constitutes medical expenses, as the Medicaid Act gives states considerable latitude to design administrative and judicial procedures to ensure a prompt and fair allocation of damages. *See Wos,* 568 U.S. 627 (2013). The Medicaid Act (the "Act") does, however, require a states' Medicaid plan to observe federal requirements and rules in order for said states to participate in the program and received federal funding. See 42 U.S.C. § 1396; *Ark. HHS v. Ahlborn,* 547 U.S. 268, 275-278. Two of these "requirements and rules" are the "anti-lien provision" and the "third party lien provision."

Under the anti-lien provision, "[n]o lien may be imposed against the property of any individual prior to [her] death on account of medical assistance ***paid or to be paid*** on [her] behalf under the State plan." 42 U.S.C. § 1396p(a)(1) (emphasis added). Effectively, the third-party lien provision acts as an exception to the anti-lien provision, requiring that states must "establish procedures by which state Medicaid plans may be reimbursed by third-party tortfeasors for payments the plans make on behalf of injured persons to whom tortfeasors are legally liable." *Sw. Fiduciary, Inc. v. Arizona Health Care Cost Containment Sys. Admin.*, 249 P.3d 1104, 1106 (Ariz. Ct. App. 2011); *see Ahlborn*, 547 U.S. at 275-77; 42 U.S.C. § 1396a(a)(25)(B), (H); *see also* A. at 13. Using these regulations and rules stemming from the Act, Maine enacted its Medicaid (MaineCare) statute, 22 M.R.S. § 14 (the "Statute"), which is discussed subsequently and in detail below.

As both the Superior Court Order and Appellant-Defendant's Motion and Brief state, two of the leading cases regarding the application of the Medicaid Act and the "friction" between the two provisions are *Ahlborn* and *Wos.* See A. at 8-19, 44-50, 65-76. Rather than repeat the analysis of both Appellant and the trial court on this specific issue, this Brief intends to focus on the most relevant and related analysis about these two provisions from these two cases. Specifically, in *Ahlborn*, the Supreme Court found that, if the state Department of Health and Human Services recovered its entire lien, it would violate the anti-lien provision because it took

settlement funds from the plaintiff that were allocated for their other damages. *Ahlborn*, 547 U.S. 268 at 284-285. The Court held that the anti-lien provision limits the recovery by a Medicaid lienholder to the "portion of the judgment that represented payments for medical care" meaning medical payments actually made, and the state program could only recover the stipulated portion representing said payments. *Id*. at 274-275; A. at 13-14.

In *Wos*, the Supreme Court clarified *Ahlborn's* holding, finding that states "have considerable latitude to design administrative and judicial procedures to ensure a prompt and fair allocation of damages" if they comply with federal law and the anti-lien provision. 568 U.S. 627, 641 (2013). The Court went on to state: "In some instances, no estimate will be necessary or appropriate. . . [w]hen there has been a judicial finding or approval of an allocation between medical and nonmedical damages--in the form of either a jury verdict, court decree, or stipulation binding on all parties--that is the end of the matter." *Id*. at 638. Regardless, as the Superior Court correctly reasoned, neither *Ahlborn* nor *Wos* prescribed a "formula" or specific procedure to determine the attributable portion of medical payments. A. at 15.

In Maine, the legislature, through the Statute, has stated the following "recovery procedure":

> When benefits are provided or will be provided to a member under the MaineCare program. . . for the medical costs of injury, disease, disability or similar occurrence for which a 3rd party is, or may be, liable, the commissioner may recover from that party the cost of the

> benefits provided. . . The commissioner's right to recover the cost of benefits provided constitutes a statutory lien on the proceeds of an award or settlement from a 3rd party if recovery for MaineCare costs was or could have been included in the recipient's claim for damages from the 3rd party to the ***extent of the recovery for medical expenses. The commissioner is entitled to recover the cost of the benefits actually paid out*** when the commissioner has determined that collection will be cost-effective to the extent that there are proceeds available for such recovery after the deduction of reasonable attorney's fees and litigation costs from the gross award or settlement. In determining whether collection will be cost-effective, the commissioner shall consider all factors that diminish potential recovery by the department, including but not limited to questions of liability and comparative negligence or other legal defenses, exigencies of trial that reduce a settlement or award in order to resolve the recipient's claim and limits on the amount of applicable insurance coverage that reduce the claim to the amount recoverable by the recipient . . . The commissioner may, at the commissioner's discretion, compromise, or otherwise settle and execute a release of, any claim or waive any claim, in whole or in part, if the commissioner determines the collection will not be cost-effective or that the best possible outcome requires compromise, release or settlement. 22 M.R.S. § 14(1) (emphasis added).

The Statute then continues to determine and prescribe specific methods of disbursement under its express recovery procedure, which is discussed in detail below. See § 14(2-F). A plain language reading of the Statute shows not only that it complies with the third-party lien provision, the anti-lien provision, and federal case law, thereby making it "consistent with federal law", but also that the focus of the determination of the allocation for medical payments made is what is "reasonable." Accordingly, as long as the Superior Court's declaration of the MaineCare lien at $14,540.25 remains reasonable and consistent with federal law, its ruling should be affirmed.

B. The Amount of DHHS's Statutory MaineCare Lien, as Determined by the Trial Court – $14,540.25 – is Both Reasonable and Consistent with Federal Law.

The Statute further contains a specific, enumerated procedure for disbursement of any "award, judgment, or settlement" when MaineCare pays for medical treatment in a third-party claim. § 14(2-F). The Legislature, in response and compliance with the federal requirements and rules discussed above[1], enacted § 14(2-F), which provides in relevant part:

> [A] disbursement of any award, judgment or settlement may not be made to a recipient without the recipient or the recipient's attorney first paying to the department that amount of the award, judgment or settlement that constitutes reimbursement for medical payments made or obtaining from the department a release of any obligation owed to it for medical benefits provided to the recipient. If a dispute arises between the recipient and the commissioner as to the settlement of any claim that the commissioner may have under this section, the 3rd party or the recipient's attorney shall withhold from disbursement to the recipient an amount equal to the commissioner's claim. Either party may apply to the Superior Court or the District Court in which an action based upon the recipient's claim could have been commenced for an order ***to determine a reasonable amount in satisfaction of the statutory lien, consistent with federal law.*** § 14(2-F) (emphasis added).

From this, the Statute expressly provides a specific procedure for judicial determination of the medical expenses, permitting either party to apply to the Court for an order to determine a "reasonable amount" in satisfaction of the statutory lien, consistent with federal law. *Id*. Where Appellee has invoked this procedure under

[1] The third-party lien provision and the anti-lien provision.

the Statute, this Courts, and originally the Superior Courts, task is to determine what that reasonable amount is. A. at 57, ¶ 13. Per above and by the Statute, DHHS's right to recover constitutes a lien on the proceeds of Appellees' settlement award to the extent of the recovery for ***medical expenses actually paid***, thus tying the lien amount to the part of the settlement representing medical costs. *See* § 14 (emphasis added); 42 U.S.C. § 1396p(a)(1). Furthermore, DHHS is only entitled to "recover the cost of the benefit actually paid out" when there are sufficient proceeds available for such recovery after deducting certain expenses. 22 MR.S. § 14. In sum, the Statute limits DHHS's lien recovery to the medical expense component of the award or settlement, and even then, it limits it only up to the amount DHHS actually paid, just as the anti-lien provision requires. *See* § 14; § 1396p(a)(1).

Here, regarding reasonableness, the determination that Appellant is entitled to $14,540.25 to satisfy its MaineCare lien is more than reasonable under the circumstances. See A. at 18. First, pursuant to federal law, specifically the anti-lien provision, the amount to use for medical bills, and therefore, the amount of medical bills that are reasonable, is the amount of medical bills actually paid. *See* § 1396p(a)(1); § 14(2-F). Second, in this case, the parties have agreed that the settlement amount is $160,000; the total value of the claim is $375,000; and that MaineCare only actually made payments in the amount of $34,078.70 for LW's medical treatment. A. at 52, ¶¶ 7, 10-11; 56, ¶¶ 2-4; 61, ¶¶ 2-4. Thus, there is no

genuine issue of material fact regarding these figures and what "amounts" to use to determine what is "reasonable." It follows that the Superior Court's determination, by using a statute-and-case-law-guided calculation for allocation that it deemed reasonable with said reasonable figures under said specific facts and circumstances, that $14,540.25 satisfies DHHS's MaineCare lien is therefore, reasonable.

The next question then, is whether the amount of the MaineCare lien, as determined by the trial court, is consistent with federal law. See § 14(2-F); A. at 15. To that, the answer must be yes. As discussed in significant detail above, the relevant federal law and case law require the following: no lien can be put on a settlement or award for anything other than what was "paid or to be paid" for medical expenses; each state must set up procedures by which Medicaid may be reimbursed should it make payments on behalf of injured persons to whom third-parties are liable; states are given "considerable latitude" to design said procedures; and, although a "formula" may be used to determine allocation, it is not required. *See Wos,* 568 U.S. 627, 634, 641–43 (2013); *Ahlborn*, 547 U.S. 268, 283 (2006); 42 U.S.C. § 1396p(a)(1); 22 M.R.S. § 14; A. at 15. Here, the procedures established and enforced by the Statute, and followed by the trial court in this case, meet all the requirements pursuant to federal law. The Statute permits and designs a procedure for DHHS to recover for payments made in third-party tortfeasor situations to satisfy the third-party lien provision, but also protects the anti-lien provision by only allowing

reimbursement to Medicaid for medical payments made, while finally giving the State a procedure to determine said reimbursement amount through its courts. *Id*. Thus, the Statutes' procedure is consistent with federal law. It follows, then, that the Superior Court's determination that $14,540.25 satisfies DHHS's MaineCare lien is also consistent with federal law, as the Court followed the procedure in the Statute and used some of the latitude given to it by the Statute to decide an amount that was reasonable under the circumstances. Accordingly, because the decision of the Superior Court setting the lien amount at $14,540.25 was both reasonable and consistent with federal law, it should be affirmed.

C. The Superior Courts' Order Does Not Expand Maine Statutory Law or Prescribe a Required Method for Determining a MaineCare Lien.

DHHS's contention that the Superior Court's Order effectively imposes a mandatory formula governing MaineCare lien determinations in all settlement cases mischaracterizes the analysis of the decision and its holding. *See* A. at 16-19. The Order does not purport to establish a universally applicable rule or formula; instead, it reflects the Court's fact-specific determination of a "reasonable amount in satisfaction of the statutory lien" under 22 M.R.S. § 14(2-F) based on the undisputed factual record in this case. *See* A. at 18, C.

As discussed throughout this brief, § 14(2-F) expressly directs the trial court to determine a reasonable amount in satisfaction of the statutory lien, if it is consistent with federal law, when a dispute arises regarding reimbursement. Said

statutory language contemplates a case-by-case determination grounded in the facts presented to the court. *Id.*; *see also* § 14(1). Nothing in the statute requires courts to adopt a single allocation methodology applicable to all settlements, and nothing in the Order of the Superior Court suggests that it intended to do so. *Id*.; *see* A. at 8-19. Rather, the trial court evaluated the factual record before it and found that $14,540.25 constituted a reasonable amount to satisfy the MaineCare lien here. *Id*.

An analysis of Law Court precedent governing statutory interpretation reinforces this point and thereby the Superior Court's ruling. When interpreting a statute, courts begin with the plain meaning of the statutory language and construe the statute to avoid absurd, illogical, or inconsistent results. *Waterman v. Wheeler*, 2025 ME 96, ¶ 4, 347 A.3d 1028. Courts also interpret statutes "to give effect to the Legislature's intent," considering the statutory language within the broader statutory scheme. *Dickau v. Vt. Mut. Ins. Co.*, 2014 ME 158, ¶ 19, 107 A.3d 621. Where the Legislature uses flexible language—such as the directive that courts determine a "reasonable amount"—the statute leaves room for case-specific judicial determinations rather than mandating a single rigid formula. See *State v. Dubois Livestock, Inc.*, 2017 ME 223, ¶¶ 6-7, 174 A.3d 308 (explaining that statutory interpretation requires courts to apply the statute's plain language and ordinary meaning, but also legislative history and intent). Applying those principles here, § 14(2-F) does not prescribe a mathematical formula for allocating settlement

proceeds: instead, it assigns the Superior Court the task of determining a reasonable amount that satisfies the MaineCare lien while remaining consistent with federal law. A judicial determination grounded in the specific facts of the case is therefore precisely what the Statute contemplates. *See* §§ 14(1), (2-F).

Furthermore, a review of federal precedent likewise confirms that no single formula governs allocation of settlement proceeds for purposes of Medicaid reimbursement. The United States Supreme Court has repeatedly explained that while states may recover from the portion of a settlement attributable to medical expenses, the Medicaid Act does not prescribe a uniform method for determining that portion in an unallocated settlement. *Wos*, 568 U.S. 627, 634, 641–43 (2013) (recognizing that states retain "considerable latitude" to design procedures for allocating settlement proceeds); *Ahlborn*, 547 U.S. 268, 280–82 (2006) (limiting recovery to the portion of a settlement representing payment for medical care but not prescribing a method for determining that portion); *see also Gallardo ex rel. Vassallo v. Marstiller*, 596 U.S. 420, 425–29 (2022) (reaffirming that Medicaid recovery is limited to settlement funds representing payment for medical care). In fact, and as touched on previously, *Wos* expressly recognized that allocation may occur through stipulation, judicial determination, or other procedures designed to reach a fair allocation in the case. 568 U.S. at 638. That framework necessarily

rejects the notion that courts must employ a "formula" whenever a Medicaid (or MaineCare) lien dispute arises.

The Superior Court's Order is fully consistent with this framework. The Court acknowledged that neither *Ahlborn* nor *Wos* mandates a specific formula for allocating medical expenses in a settlement and instead applied a proportional analysis based on the undisputed numbers in the record. *See* A. at 12-15, 18. Additionally, nothing in the Order states that the same approach must be applied whenever a MaineCare recipient settles a claim, nor could such a categorical rule be reconciled with § 14(2-F)'s directive that courts determine a reasonable amount based on the circumstances. The Court's analysis therefore represents the exercise of its statutory role under § 14(2-F) to determine a reasonable amount in this case—not the adoption of a rule that must govern all future cases.

Nor would a rigid formula be consistent with federal law. The Supreme Court has emphasized that Medicaid reimbursement must be limited to the portion of a settlement attributable to medical expenses, but that allocation must remain flexible enough to ensure that states do not improperly encroach on portions of a recovery representing other damages. *Ahlborn*, 547 U.S. at 280–82; *Wos*, 568 U.S. at 633–34. A case-specific judicial determination, such as the one made by the Superior Court here is precisely the type of procedure contemplated by the Supreme Court as consistent with the Medicaid Act. Accordingly, the Superior Court did not expand

Maine statutory law or impose a universal allocation formula: it performed the task assigned by § 14(2-F). Because trial court's ruling reflects this procedure, DHHS's speculation about its application in other cases provides no basis for reversal.

D. DHHS's Attempt to Enforce Its Claimed Lien Against the Non-Medical Portion of Appellee's Settlement Would Raise Serious Constitutional Concerns.

Even apart from the case law and statutory grounds above, MaineCare's attempt to seize $34,078.70 from the Settlement raises serious constitutional concerns. While the Superior Court did not address Appellee's constitutional argument in its Order since it determined $14,540.25 was a reasonable amount, consistent with federal law, for DHHS's statutory MaineCare lien, it is a significant consideration here as DHHS's arguments and logic, if persuasive to this Court, could violate a plaintiff's constitutional rights. See A. at 18, n.6.

Under the Fifth Amendment of the United States Constitution, "no person shall be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation." U.S. Const. amend. V. Under the Fourteenth Amendment of the United States Constitution, a State cannot "deprive any person of life, liberty, or property, without due process of law." U.S. Const. amend. XIV. Here, Appellees Settlement from the Third-Party Tort Claim are her property interests, as, by law, once damages were recovered from the tortfeasor, those funds belonged to her except to the extent a valid lien covered a

portion of the Settlement. See 42 U.S.C. § 1396p(a)(1); 22 M.R.S. § 14(2-F). Here, Appellee acknowledges that DHHS has a right to reimbursement for the medical expenses it paid but disputes the extent of that right. The portion of the Settlement that is not attributable to the reasonable amount of medical expenses – which, as discussed above, is consistent with federal law – paid towards Appellees treatment as a result of the Third-Party Tort Claim is her property, meant to compensate her for her medical treatment for her injury. A. at 51-52, ¶¶ 3-7; 56, ¶¶ 3-4.

As discussed above, *Ahlbor*n follows this principle, as the Court noted that the federal Medicaid laws "anti-lien provision" protects a Medicaid recipient's property rights by prohibiting liens on anything other than medical expense recoveries. 547 U.S. 268, 283; § 1396p(a)(1). A Medicaid lien that reaches beyond the medical expense portion of a settlement is not permitted because they are limited to payments for medical care. *Id.* at 285. Here, DHHS seeks to precisely do that by claiming the entire $34,078.70 from the Settlement. While *Ahlborn* did not deem this unlawful under the Fifth or Fourteenth Amendments, it recognizes the non-medical portion of a settlement as the injured party's own property, not property of Medicaid or its state programs like MaineCare. *Id.*

Because DHHS has no lawful claim to Appellees property yet are asserting their right to a "automatic statutory lien of $34,078.70," they are violating her rights under the Due Process Clause of the Fifth and Fourteenth Amendments of the

Constitution. See U.S. Const. amend. V, XIV; A. at 52, ¶ 8. Therefore, not only should the Superior Court's ruling stand, but the Court should consider DHHS's proposed formula and ruling a constitutional violation of Appellees rights.

VI. CONCLUSION.

For the foregoing reasons, the Superior Court correctly applied Maine law and federal Medicaid law when it determined the amount necessary to satisfy DHHS's statutory MaineCare lien. The Court acted pursuant to the authority expressly granted by 22 M.R.S. § 14(2-F), which authorizes the trial court to determine "a reasonable amount in satisfaction of the statutory lien, consistent with federal law" when a dispute arises regarding reimbursement.

Based on the undisputed facts, the Superior Court determined that $14,540.25 constituted an appropriate amount to satisfy DHHS's lien. That determination was consistent with both Maine's statutory framework and the federal limitations recognized in *federal Medicaid law.* Thus, because the Superior Court properly exercised the authority granted to it by the Legislature and reached a result consistent with governing federal law, its judgment should be affirmed.

Accordingly, Appellees respectfully request that this Court affirm the Order of the Superior Court denying DHHS's motion for summary judgment, granting summary judgment in favor of LW, and declaring that $14,540.25 is a reasonable amount in satisfaction of DHHS's MaineCare lien.

Dated this 16th day of March 2026.

Respectfully submitted,

By: /s/ *Carly R. Cosgrove, Esq.*_____

Carly R. Cosgrove, Esq. | Bar Roll No.: 010256
Sheldon J. Tepler, Esq. | Bar Roll No.: 2837
HARDY, WOLF & DOWNING, P.A.
186 Lisbon Street, P.O. Box 3065
Lewiston, Maine 04243-3065
Telephone (207) 784-1589
Attorneys for Plaintiff/Appellees
Ashley Lynne, et al.

CERTIFICATE OF SERVICE

I, Carly R. Cosgrove, Esq., hereby certify that two copies of the foregoing Brief of Appellees Ashley Lynne, et. al., were served upon counsel of record as follows:

Via E-mail and U.S. Mail

Brendan Kreckel, Esq.
Assistant Attorney General
6 State House Station
Augusta, ME 04333-0006
brendan.kreckel@maine.gov

Clayton Adams, Esq.
Assistant Attorney General
6 State House Station
Augusta, ME 04333-0006
clayton.a.adams@maine.gov

Dated: _____ ____*/s/ Carly R. Cosgrove, Esq*_____

Carly R. Cosgrove, Esq. | Bar No.: 010256
Hardy, Wolf & Downing, P.A.
186 Lisbon Street, P.O. Box 3065
Lewiston, Maine 04243-3065
(207) 784-1589
ccosgrove@hardywolf.com
Attorneys for Plaintiff/Appellees Ashley Lynne, et al.

STATE OF MAINE

SUPREME JUDICIAL COURT
Sitting as the Law Court
DOCKET NO.: And-25-479

ASHLEY LYNNE, et al., Plaintiff/Appellee VS. DEPARTMENT OF HEALTH AND HUMAN SERVICES, et al., Defendants/Appellants	CERTIFICATE OF SIGNATURE AND COMPLIANCE

I am filing an electronic copy of a brief with this certificate. I will file the paper copies as required by M.R. App. P. 7(A)(i). I certify that I have prepared (or participated in preparing) the brief and that the brief and associated documents are filed in good faith, conform to the page or word limits in the M.R. App. P. 7A(f), and conform to the form and formatting requirements of M.R. App. P. 7A(g). For this Certification, I relied on the word count function of the word-processing software used to prepare this brief (Microsoft Word 365), which has counted 5,009 words in this brief.

Name of parties for whom the brief is filed: Appellees Ashley Lynne, et al.
Attorney's name: Carly R. Cosgrove, Esq.
Attorney's Maine Bar No.: 010256
Attorney's e-mail address: ccosgrove@hardywolf.com
Attorney's address: P.O. Box 2065, 186 Lisbon Street, Lewiston, ME 04243-3065
Attorney's telephone number: 207-784-1589
Date: March 16, 2026