

STATE OF MICHIGAN
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January 29, 2025

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This Letter Sent VIA Email Only

Re: *Waskul, et al. v. Washtenaw County Community Mental Health, et al.*,
2:16-cv-10936-LVP-EAS (E.D. Mich.)

Dear Senators, Representatives, and Directors:

MCL 18.1396 directs that the Attorney General notify you in the event of a settlement or consent judgment in excess of \$200,000. Accordingly, I am notifying you that on Monday, January 27, 2025, Eastern District of Michigan Judge Linda V. Parker issued an order approving a settlement agreement in the above-referenced

matter. As described below, the settlement requires the Michigan Department of Health and Human Services (MDHHS) to make various policy and contract changes for specific Medicaid services. Public Act 121 of 2024 appropriates baseline funds (\$11.5 million gross and \$4.0 million General Fund / General Purpose) to MDHHS to implement these changes.

This lawsuit was filed in 2016 by six Washtenaw County Community Mental Health Medicaid beneficiaries on the Habilitation Supports Waiver who receive Community Living Supports services through self-determination arrangements, as well as an association that represents similarly situated Medicaid beneficiaries. Two of the six named beneficiaries voluntarily withdrew from the lawsuit, leaving four named beneficiaries and the association as plaintiffs. The defendants in the lawsuit are MDHHS; MDHHS Director Elizabeth Hertel, in her official capacity; pre-paid inpatient health plan Community Mental Health Partnership of Southeast Michigan; and Washtenaw County Community Mental Health. The settlement is only between Plaintiffs, MDHHS, and Director Hertel.

The settlement requires MDHHS to make Medicaid policy changes and to amend its pre-paid inpatient health plan contract to, among other things, establish minimum fee schedules for certain Medicaid beneficiaries' self-determination budgets so long as various contingencies are met. The settlement also requires Plaintiffs, MDHHS, and Director Hertel to negotiate attorneys' fees and costs. At this time, the amount MDHHS will pay in attorneys' fees and costs is unknown, though it will likely exceed \$200,000.

The parties engaged in extensive negotiations, resulting in this settlement. Had this matter proceeded to trial, the cost of injunctive relief and attorneys' fees and costs considerably in excess of the costs to implement this settlement were possible.

Sincerely,

A handwritten signature in blue ink that reads "Ashley Steffen". The signature is fluid and cursive, with the first name "Ashley" and last name "Steffen" clearly legible.

Ashley Steffen
Director, Office of Legislative Affairs
Michigan Department of Attorney General

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