UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	2:10-cv-04182-CAS-MANx	Date	July 28, 2014
Title	SIERRA MEDICAL SERVICES ALLIANCE, ET AL. V. DAVID MAXWELL-JOLLY, ET AL.		

Present: The Honorable	CHRISTINA A. SNYDER	
CATHERINE JEANG	LAURA ELIAS	N/A
Deputy Clerk	Court Reporter / Recorder	Tape No.
Attorneys Present for Plaintiffs:	Attorneys Present for Defendants	
Kevin Warren	Hadara Stanton	

Proceedings: DEFENDANTS' MOTION FOR SUMMARY JUDGMENT (Dkt. 95, filed October 25, 2013)

I. INTRODUCTION

On June 4, 2010, plaintiffs Sierra Medical Services Alliance ("SEMSA"), Care Flight, Riggs Ambulance Service, Inc. ("Riggs"), American Ambulance Service, Inc., Schaefer Ambulance Service, Inc., American Ambulance of Visalia, Desert Ambulance Service, San Luis Ambulance Service, Inc., First Responder Emergency Medical Services, Inc., Imperial Ambulance Services, Inc., Exeter District Ambulance, Sierra Lifestar, Inc., d.b.a. Lifestar Ambulance, Del Norte Ambulance, Inc., Piner's Ambulance, Inc., American Legion Post 108 Ambulance Service, Progressive Ambulance, Inc., d.b.a, Liberty Ambulance, Hall Ambulance Service, Inc., City Ambulance of Eureka, Inc., Patterson District Ambulance, K.W.P.H. Enterprises, d.b.a., American Ambulance, Community Ambulance Services, Inc., Sierra Ambulance Service, Inc., Care Ambulance Service, Inc., Delano Ambulance Service, Inc., Kern Emergency Medical Transportation Corporation, d.b.a., Kern Ambulance, Manteca District Volunteer Ambulance Service,[1] d.b.a. Manteca District Ambulance Service, filed this action against David Maxwell-Jolly, Former Director of the California Department of Health Care Services (the "Department").[2] The Department is a California agency charged with the administration

[1] On July 18, 2014, Manteca District Ambulance Service voluntarily dismissed its claims. Dkt. 125.

[2] Toby Douglas, the current director of the Department, was automatically substituted for his predecessor in this action pursuant to Federal Rule of Civil Procedure

of California's Medicaid program, Medi-Cal. Plaintiffs provide medical transportation services to Medi-Cal beneficiaries in 31 of 58 California counties. In the instant action, plaintiffs seek to enjoin defendants from enforcing section 51527 of the California Code of Regulations ("section 51527").

Plaintiffs' operative first amended complaint ("FAC") asserts the following claims for relief, all pursuant to the U.S. Constitution: (1) taking private property for public use without just compensation in violation of the Fifth Amendment; (2) procedural due process violations under the Fifth and Fourteenth Amendments; (3) equal protection violations pursuant to the Fourteenth Amendment; (4) substantive due process violations under the Fourteenth Amendment; (5) violations of the Contract Clause, Art. I, § 10; and (6) violations of the Interstate Commerce Clause, Art. I, § 8.[3] Plaintiffs seek an order "enjoining defendants from reimbursing plaintiffs less than their 'usual charges' for the services they provide" and compensatory damages from defendants in their individual capacities in the amount of $180 million. FAC at 33.

Defendants moved for summary judgment on plaintiffs' FAC on October 25, 2013. Dkt. 95. Plaintiffs opposed the motion on June 6, 2014, dkt. 119, and defendants replied on July 11, 2014. Dkt. 123. On July 28, 2014, the Court held a hearing. After considering the parties' arguments, the Court finds and concludes as follows.

II. BACKGROUND

Medicaid is a joint-federal state program that provides federal funding for the provision of medical care to needy individuals, subject to various conditions. To participate in Medicaid, a state must submit a "state plan" that attests to the state's

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25(d).

[3] By order dated December 10, 2012, the Court dismissed all of the claims brought by plaintiffs SEMSA, Riggs, and Careflight, except for their equal protection claims. Dkt. 77. The Court did not dismiss the claims as brought by the other plaintiffs. Id. The Court also dismissed the FAC's claims against Maxwell-Jolly and Douglas in their individual capacities. Id.

compliance with federal regulatory requirements. See 42 C.F.R. § 430.10. As relevant here, federal law requires that a state plan must "[s]pecify that the Medicaid agency will ensure . . . necessary transportation for recipients to and from providers" and "[d]escribe the methods that the agency will use to meet this requirement." 42 C.F.R. § 431.53.

According to the State Plan, payment rates for these medical transportation services are set at either the "lesser of usual charges or the limits specified in the California Code of Regulations." Statement of Undisputed Facts ("SUF") ¶ 10. The State Plan describes a particular methodology for determining these payment limits or reimbursement rates. Id. ¶ 11. The reimbursement rates for medical transportation services are set forth in section 51527 of the California Code of Regulations. However, plaintiffs assert that defendants set these payment rates without a proper evidentiary base or pertinent input from the public, in violation of the State Plan and California law. Statement of Genuine Disputes ("SGD") ¶ 36. In addition, because medical transportation providers must respond to every emergency call in their jurisdiction, they cannot choose to decline to provide service to Medi-Cal clients despite the unreasonably low reimbursement rates. Id. ¶ 24. As such, plaintiffs contend that defendants' "unilaterally" setting these arbitrarily low payment rates for medical transportation services deprived them of their private property without just compensation and violated their due process rights, among other violations of their federal constitutional rights.

III. LEGAL STANDARD

Summary judgment is appropriate where "there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). The moving party bears the initial burden of identifying relevant portions of the record that demonstrate the absence of a fact or facts necessary for one or more essential elements of each claim upon which the moving party seeks judgment. See Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986).

If the moving party meets its initial burden, the opposing party must then set out specific facts showing a genuine issue for trial in order to defeat the motion. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 250 (1986); see also Fed. R. Civ. P. 56(c), (e). The nonmoving party must not simply rely on the pleadings and must do more than make "conclusory allegations [in] an affidavit." Lujan v. Nat'l Wildlife Fed'n, 497 U.S. 871,

888 (1990); see also Celotex, 477 U.S. at 324. Summary judgment must be granted for the moving party if the nonmoving party "fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." Id. at 322; see also Abromson v. Am. Pac. Corp., 114 F.3d 898, 902 (9th Cir. 1997).

In light of the facts presented by the nonmoving party, along with any undisputed facts, the Court must decide whether the moving party is entitled to judgment as a matter of law. See T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass'n, 809 F.2d 626, 631 & n.3 (9th Cir. 1987). When deciding a motion for summary judgment, "the inferences to be drawn from the underlying facts . . . must be viewed in the light most favorable to the party opposing the motion." Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 587 (1986) (citation omitted); Valley Nat'l Bank of Ariz. v. A.E. Rouse & Co., 121 F.3d 1332, 1335 (9th Cir. 1997). Summary judgment for the moving party is proper when a rational trier of fact would not be able to find for the nonmoving party on the claims at issue. See Matsushita, 475 U.S. at 587.

IV. ANALYSIS

A. The Eleventh Amendment

At the outset, defendants argue that plaintiffs' case is barred by the Eleventh Amendment. The Eleventh Amendment prohibits federal jurisdiction over suits against a state or state agency unless the state or agency consents to the suit. See Seminole Tribe of Florida v. Florida, 517 U.S. 44, 53 (1996); Pennhurst State School & Hosp. v. Halderman, 465 U.S. 89, 100 (1984); Quern v. Jordan, 440 U.S. 332, 342 (1979). State officers acting in their official capacities receive the same immunity as the government agency that employs them. Hafer v. Melo, 502 U.S. 21, 23 (1991). A state official is not immune, however, when sued in an official capacity for prospective relief. Ex Parte Young, 209 U.S. 123 (1908); Edelman v. Jordan, 415 U.S. 651, 664 (1974); Will v. Michigan Dep't State Police, 491 U.S. 58, 90-91 (1989).

Defendants assert that plaintiffs claims are barred because they seek monetary relief, in the form of the increased reimbursements that plaintiffs believe they were entitled to over the past decade. Even assuming that the Eleventh Amendment does apply

here, however, the Eleventh Amendment would at most circumscribe the relief available, rather than entirely foreclose plaintiffs' claims. This is so because plaintiffs seek prospective injunctive relief in the form of an "order permanently enjoining Defendants from reimbursing [p]laintiffs less than their 'usual charges' for the services they provide to [d]efendant's Medi-Cal clients." FAC at 33; cf. Cardenas v. Anzai, 311 F.3d 929, 935 (9th Cir. 2002) (explaining that "an injunction requiring a state official to conform his administration of a federal welfare program to federal law was prospective and thus not barred by the Eleventh Amendment, but that an order that the official remit the amounts he had wrongfully withheld in the past was retrospective and thus impermissible"). Accordingly, the Court concludes that the Eleventh Amendment does not conclusively bar plaintiffs' claims. Because the Court further concludes that summary judgment must be granted against plaintiffs on the merits of the FAC, the Court does not reach the question of whether the Eleventh Amendment forecloses plaintiffs from receiving certain remedies.

B. Takings Claim

Plaintiffs assert that section 51527 is an unconstitutional taking of their private property, in violation of the Fifth Amendment. The "Takings Clause" of the Fifth Amendment provides that private property shall not "be taken for public use, without just compensation." U.S. Const. amend. V. "In order to state a claim under the Takings Clause, a plaintiff must first demonstrate that he possesses a 'property interest' that is constitutionally protected." Turnacliff v. Westly, 546 F.3d 1113, 1118-19 (9th Cir. 2008) (internal citations omitted).

Plaintiffs' takings claim fails as a matter of law, because plaintiffs do not have a property interest in the reimbursement rates set by section 51527. A virtually identical takings claim was squarely rejected by the Ninth Circuit in Managed Pharmacy Care v. Sebelius, 716 F.3d 1235 (9th Cir. 2013). In Managed Pharmacy Care, the Ninth Circuit held that "[b]ecause participation in Medicaid is voluntary, ... providers do not have a property interest in a particular reimbursement rate." Id. at 1252. This conclusion disposes of plaintiffs' claim here: without a property interest in the reimbursement rate, nothing has been taken from plaintiffs, and there can be no violation of the Fifth Amendment.

Plaintiffs attempt to distinguish Managed Pharmacy Care by arguing that they are not asserting a takings claim based on reimbursement rates, but instead based "upon the fact that their private property is repeatedly taken from them without just compensation because they have no real option to cease providing services to Medi-Cal beneficiaries." Opp. 9. Specifically, plaintiffs argue that California law requires them to treat all patients within their operating area, without regard to their Medi-Cal status or ability to pay. Plaintiffs argue that defendants have taken advantage of plaintiffs' legal obligation to provide care by setting rates for plaintiffs at much lower rates than similarly situated non-emergency providers who are under no obligation to provide services to Medi-Cal beneficiaries.

The Court finds this argument unpersuasive. First, Managed Pharmacy Care expressly held that providers cannot state a takings claim even when they are under a legal obligation to provide care. The hospital at issue in Managed Pharmacy Care asserted a takings claim based in part on "state laws restricting the expulsion of patients from skilled nursing facilities." Id. Notwithstanding these obligations to provide care, the Ninth Circuit held that the providers nonetheless lacked a property interest in a particular level of reimbursement because the providers "can hardly expect that reimbursement rates will never change." Id. This conclusion applies with even greater force here, where the pertinent reimbursement rates have remained fixed since 2002 and it is plaintiffs who seek to increase the rates. Zaretsky Decl. ¶ 6.

Second, and more importantly, even if this Court were to assume that plaintiffs' obligation to provide care could create a takings claim, plaintiffs would still not have a takings claim based on the reimbursement rates set by section 51527. Instead, the taking at issue would be the law obligating plaintiffs to, as they put it, use their "ambulances, equipment, medical supplies, fuel, wages . . . etc. . . . [to] provid[e] medical transportation services to Medi-Cal beneficiaries." Opp. 11. However, plaintiffs do not identify, much less assert a takings claim against, the statute or regulation which obligates them to provide these services. See PSGD ¶ 30 (generally describing legal obligations without citing any specific statute or regulation). Indeed, there is at least some suggestion in plaintiffs' opposition papers that these obligations may be a matter of contract. Staffan Decl. ¶ 10. In any event, plaintiffs cannot assert that section 51527 works a taking by citing an obligation imposed from some other source. Accordingly, the Court concludes that plaintiffs' takings claim fails as a matter of law.

C. Due Process

Plaintiffs assert that section 51527 deprives them of property without due process, in violation of the Fifth and Fourteenth Amendments. The due process clause of the Fourteenth Amendment prohibits the government from depriving persons of "life, liberty, or property, without due process of law." U.S. Const. amend. XIV. Plaintiffs assert two variants of this claim: first as a "procedural due process" claim, second as a "substantive due process" claim. See Denney v. Drug Enforcement Admin., 508 F. Supp. 2d 815, 833 (E.D. Cal. 2007) ("The Due Process Clause guarantees two types of due process: procedural and substantive."). Both theories, however, are predicated on the same underlying contention that defendants deprived plaintiffs of some liberty or property interest. See Buckingham v. Sec'y of U.S. Dep't of Agric., 603 F.3d 1073, 1081 (9th Cir. 2010) ("To be entitled to procedural due process, a party must show a liberty or property interest in the benefit for which protection is sought."); Nunez v. City of Los Angeles, 147 F.3d 867, 871 (9th Cir. 1998) ("To establish a substantive due process claim, a plaintiff must, as a threshold matter, show a government deprivation of life, liberty, or property."). Accordingly, these claims fail for substantially the same reason as plaintiffs' takings claim, namely that plaintiffs' lack a property interest in the reimbursement rates set by section 51527. Without a property interest, plaintiffs have not been deprived of anything, and therefore their due process claims must fail as a matter of law.

D. Equal Protection

Plaintiffs contend that defendants' failure to increase the reimbursment rate for emergency transportation violates the equal protection clause of the Fourteenth Amendment. "The Equal Protection Clause of the Fourteenth Amendment commands that no State shall deny to any person within its jurisdiction the equal protection of the laws, which is essentially a direction that all persons similarly situated should be treated alike." City of Cleburne v. Cleburne Living Center, 473 U.S. 432, 439 (1985) (internal quotation marks and citation omitted). To establish a violation of equal protection, a petitioner must show both that he was similarly situated to others who received preferential treatment, Cleburne, 473 U.S. at 439, and that there was a discriminatory motive or intent behind that different treatment. McLean v. Crabtree, 173 F.3d 1176, 1185 (9th Cir. 1999); Thomas v. Borg, 159 F.3d 1147, 1150 (9th Cir. 1998). A mere

demonstration of inequality is not enough: "[t]here must be an allegation of invidiousness or illegitimacy in the statutory scheme before a cognizable [equal protection] claim arises." McQueary v. Blodgett, 924 F.2d 829, 835 (9th Cir. 1991). Moreover, unless the alleged discrimination involves a suspect class of persons or a fundamental right, a challenged statute satisfies equal protection if it bears a rational relation to a legitimate governmental interest. See United States v. Klein, 860 F.2d 1489 (9th Cir. 1988), overruled on other grounds by United States v. Nordby, 225 F.3d 1053 (9th Cir. 2000)); City of New Orleans v. Dukes, 427 U.S. 297 (1976) (explaining that federal courts employ a presumption that governmental classifications do not violate the Equal Protection Clause unless they burden a suspect class or a fundamental interest).

Here, plaintiffs point to two different types of disparate treatment that they claim violates the Equal Protection Clause. First, plaintiffs argue that public ambulance providers are reimbursed at higher rates than private ambulance services like the plaintiffs. See Cal. Welf. & Inst. Code § 141.05.94(g). Because private ambulance providers are not a suspect class, this claim is tested under rational basis review: the difference in reimbursement rates must have a rational relation to a legitimate state interest. The Court concludes that under this "lenient standard," San Antonio Indep. Sch. Dist. v. Rodriguez, 411 U.S. 1, 104 (1973), the difference in reimbursement rates between public and private ambulance providers does not violate the Equal Protection Clause. Under federal Medicare regulations, reimbursement of public providers, unlike reimbursement of private providers, counts toward the state's obligation to pay a share of Medicare expenses. 42 C.F.R. § 433.51. From the state's perspective, then, reimbursement of public emergency transportation is costless, as it will substitute dollar-for-dollar for Medicare expenses that the state would otherwise be obligated to pay. As the same cannot be said for reimbursement of private emergency transportation, structuring reimbursement rates to favor public entities is rationally related to a legitimate government purpose, namely maximizing California's receipt of federal funds. Accordingly, the Court concludes that the discrepancy in reimbursement rates does not deny plaintiffs equal protection of the law.

Second, plaintiffs contend that, unlike the reimbursement rates of providers of other types of medical services, the reimbursement rates for emergency medical transportation have not been set and reviewed in accordance with state and federal law. See Opp. 15 ("This is the basis for the equal protection claim, because [d]efendant does

consider an evidentiary base for other providers, in contrast to arbitrarily and capriciously setting [p]laintiffs' reimbursement rates."). This claim is predicated on the underlying premise that the manner in which defendants set the reimbursement rates violated state and federal law. As such, this equal protection claim is nothing more than a statutory claim: plaintiffs contend that defendants followed the law for other medical providers, but not for them. But a "construction of the equal protection clause which would find a violation of federal right in every departure by state officers from state law is not to be favored." Snowden v. Hughes, 321 U.S. 1, 11-12 (1944); see also Sylvia Dev. Corp. v. Calvert Cnty., Md., 48 F.3d 810, 825 (4th Cir. 1995) ("If disparate treatment alone were sufficient to warrant a constitutional remedy, then every blunder by a local authority, in which the authority erroneously or mistakenly treats an individual differently than it treats another who is similarly situated, would rise to the level of a federal constitutional claim.").

This is all the more true here, where plaintiffs appear to rely on violations of statutes for which there may or may not be a private right of action. See, e.g., Developmental Servs. Network v. Douglas, 666 F.3d 540, 546 (9th Cir. 2011) (no private right of action to enforce provision of Medicare act); California Ass'n of Rural Health Clinics v. Douglas, 738 F.3d 1007, 1013 (9th Cir. 2013) (private right of action to enforce different provision of Medicare act). Plaintiff may not sidestep the private-right-of-action inquiry by bootstrapping their statutory claims through the Equal Protection Clause. Cf. dkt. 77 at 7 n.4 (rejecting defendants' contention that plaintiffs lack a private right of action because "[u]nlike the challenges brought pursuant to the Supremacy Clause and Section 30(A) of the Medicaid Act, plaintiffs' claims in this action are premised solely on violations of plaintiffs' protected rights under the U.S. Constitution"). If plaintiffs wish to bring a statutory claim, they must do so explicitly. Accordingly, the Court concludes that plaintiffs' claim under the Equal Protection Clause must fail.

E. Contracts Clause

The "Contracts Clause" provides that "[n]o State shall . . . pass any . . . law impairing the Obligation of Contracts." U.S. Const. art. I, § 10. Though written in absolute terms, the Supreme Court narrowly construes the Contracts Clause to ensure that local governments can effectively exercise their police powers. Seltzer v. Cochrane, 104 F.3d 234, 235 (9th Cir. 1996). State governmental entities "must possess broad power to

adopt general regulatory measures without being concerned that private contracts will be impaired, or even destroyed, as a result." United States Trust Co. v. New Jersey, 431 U.S. 1, 22 (1977). However, a "higher level of scrutiny is required" when the legislative interference involves a public rather than a private obligation. Univ. of Haw. Prof'l Assembly v. Cayetano, 183 F.3d 1096, 1107 (9th Cir. 1999).

Here, plaintiffs assert that defendants' failure to increase Medi-Cal reimbursement rates has impaired plaintiffs' contracts with "various municipalities and special districts that require them to provide emergency service to all persons in need." Opp. 17. In analyzing this claim, the Court begins with the threshold inquiry in all Contracts Clause cases: whether the state has substantially impaired a contractual relationship. This threshold inquiry "has three components: 'whether there is a contractual relationship, whether a change in law impairs that contractual relationship, and whether the impairment is substantial.'" RUI One Corp. v. City of Berkeley, 371 F.3d 1137, 1147 (9th Cir. 2004) (quoting Gen. Motors Corp. v. Romein, 503 U.S. 181, 186 (1992)).

Plaintiffs meet the first prong of this threshold inquiry, as they contend—and defendants do not dispute—that plaintiffs have contracts with various cities, counties, and special districts. SGD ¶ 25. Defendants argue that these contracts do not qualify for protection under the Contracts Clause, because the Clause only prohibits interference with contracts between plaintiffs and the state, not contracts between plaintiffs and third parties. Defendants' argument is misplaced: although the Contracts Clause requires a "higher level of scrutiny" when evaluating contracts involving a state, the Contracts Clause prohibits unjustified interference with all contracts, including contracts to which state is not a party. Cayetano, 183 F.3d at 1107.

However, plaintiffs' Contracts Clause claim fails at the next step, as plaintiffs have not shown that defendants' failure to increase the reimbursement rates has substantially impaired plaintiffs' contracts with the cities and special districts. Plaintiffs concede that their contracts with these entities do not provide for plaintiffs to receive any reimbursement at all for the transportation of Medi-Cal patients. SGD ¶ 33. Instead, these contracts obligate plaintiffs to transport patients regardless of their Medi-Cal status, or ability to pay. Id. ¶ 28. Under the terms of these contracts, plaintiffs must transport Medi-Cal patients for free: plaintiffs receive their payment, if any, pursuant to separate Medi-Cal Provider Agreements, not their contracts with the cities and special districts.

Id. ¶ 33. In other words, the contracts at issue do not contain any provision that sets reimbursement rates for emergency medical transportation. But the Contracts Clause only subjects "state statutes that impair a specific (explicit or implicit) contractual provision to constitutional scrutiny." RUI One Corp., 371 F.3d at 1151. Accordingly, defendants' decision not to increase reimbursement rates cannot impair plaintiffs' contracts with the cities and special districts, because those contracts do not provide for reimbursement. Plaintiffs' Contracts Clause claim cannot survive summary judgment.

F. Commerce Clause

The Commerce Clause provides that "Congress shall have Power . . . [t]o regulate Commerce . . . among the several States." U.S. Const., art. I, § 8, cl. 3. "This affirmative grant of power does not explicitly control the several states, but it 'has long been understood to have a 'negative' aspect that denies the States the power unjustifiably to discriminate against or burden the interstate flow of articles of commerce.'" Rocky Mountain Farmers Union v. Corey, 730 F.3d 1070, 1087 (9th Cir. 2013) (quoting Or. Waste Sys., Inc. v. Dep't of Envtl. Quality of State of Or., 511 U.S. 93, 98 (1994)); see also Nat'l Ass'n of Optometrists & Opticians v. Harris, 682 F.3d 1144, 1148 (9th Cir. 2012) ("Modern dormant Commerce Clause jurisprudence primarily "is driven by concern about economic protectionism—that is, regulatory measures designed to benefit in-state economic interests by burdening out-of-state competitors." (quoting Dep't of Revenue v. Davis, 553 U.S. 328, 337-38 (2008))). Plaintiff asserts that defendants have violated this "dormant" Commerce Clause, because Medi-Cal reimbursement rates set the payment level for non-California medical transportation firms, as well as for services provided to Medi-Cal recipents outside California.

This claim fails, for two reasons. First, the claim fails on the merits. Plaintiffs do not dispute that section 51527 sets equal reimbursement rates for in-state and out-of-state providers, as well as for services rendered in-state and out-of-state. Because section 51527 does not discriminate, it only violates the dormant Commerce Clause if it imposes a burden on interstate commerce that is clearly excessive when measured against its local benefits. See Rocky Mountain Farmers Union v. Corey, 730 F.3d 1070, 1087-88 (9th Cir. 2013) ("Absent discrimination, we will uphold the law 'unless the burden imposed on [interstate] commerce is clearly excessive in relation to the putative local benefits.'" (quoting Pike v. Bruce Church, Inc., 397 U.S. 137, 142 (1970))). But the record is devoid

of any evidence that section 51526 "burdens" interstate commerce. At most, plaintiffs have provided evidence that section 51527 burdens particular emergency medical transportation providers, by not compensating them as well as they would prefer. And "the [Commerce] Clause protects the interstate market, not particular interstate firms, from prohibitive or burdensome regulations." Exxon Corp. v. Governor of Maryland, 437 U.S. 117, 127-28 (1978); see also id. ("It may be true that the consuming public will be injured by the [regulation], but again that argument relates to the wisdom of the statute, not to its burden on commerce."). In the absence of any showing that section 51527 actually interferes with interstate commerce, plaintiffs' claim must fail. See Nat'l Ass'n of Optometrists, 682 F.3d at 1148 ("[A] state regulation does not become vulnerable to invalidation under the dormant Commerce Clause merely because it affects interstate commerce.").

Second, there is a disconnect between plaintiffs' claim and the relief sought. Even assuming that defendants' regulation of Medi-Cal reimbursement rates did violate the dormant Commerce Clause, the conclusion that would follow would be that defendants lacked the authority to set reimbursement rates for providers and services outside California. Plaintiffs, however, seek not to preclude defendants from setting reimbursement rates, but rather an injunction ordering defendants to set those rates at a different level. Accordingly, the Court concludes that summary judgment is also appropriate because plaintiffs would not receive the relief they seek even if they prevailed on the merits of their claim.

V. CONCLUSION

In accordance with the foregoing, defendants' motion for summary judgment is hereby GRANTED.

IT IS SO ORDERED.

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