

McV's Litigation Practice Group Wins Landmark Case

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McV Litigation Practice Group News

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This past week our Litigation Practice Group scored a major win when the U.S. District Court for the District of Puerto Rico issued a decisive landmark ruling confirming—once again—that the Medicare Modernization Act of 2003 broadly preempts local regulation of Medicare Advantage (MA) plans. The Court held that the Office of the Insurance Commissioner cannot apply or enforce Puerto Rico's Prompt Payment Act or its related Ruling Letter against MA organizations.

This is now the fourth of a series of federal decision reaffirming that Congress designed the MA program to operate under a uniform, federal regulatory framework. Except for licensing and solvency, all operational standards—including provider payments, claims processing, and contract terms—are governed exclusively by federal law and CMS regulations.

The Court's permanent injunction makes clear:

- Puerto Rico's Prompt Payment Act cannot be used to regulate MA plans.
- Private contracts referencing local prompt-payment provisions do **not** confer local enforcement authority.
- CMS—not local agencies—sets and enforces the standards governing MA provider payments.

This ruling provides essential clarity for MA organizations and solidifies the federal framework intended by Congress. It also reinforces MMAPA's long-standing position that protecting a stable, federally regulated MA ecosystem ultimately benefits the seniors and disabled individuals who depend on these plans.

McV is proud to have represented MMAPA in this important matter jointly with the firm Winston & Strawn.

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