STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS

IQUAN STEADMAN,

Petitioner,

vs. Case No. 21-2902MTR

AGENCY FOR HEALTH CARE ADMINISTRATION,

Respondent.
_____/

FINAL ORDER

The final hearing in this matter was conducted before Brittany O. Finkbeiner, Administrative Law Judge of the Division of Administrative Hearings ("DOAH"), on November 17, 2021, in Tallahassee and by Zoom conference.

APPEARANCES

For Petitioner: Floyd B. Faglie, Esquire
Staunton & Faglie, PL
189 East Walnut Street
Monticello, Florida 32344

For Respondent: Alexander R. Boler, Esquire
2073 Summit Lake Drive, Suite 300
Tallahassee, Florida 32317

STATEMENT OF THE ISSUE

The issue to be determined in this case is the amount of money to be reimbursed to Respondent, the Agency for Health Care Administration ("AHCA"), for medical expenses paid on behalf of Petitioner, Iquan Steadman ("Mr. Steadman"), a Medicaid recipient, following a tort settlement recovered from a third party.

PRELIMINARY STATEMENT

On September 22, 2021, Mr. Steadman filed a Petition to Determine Amount Payable to Agency for Health Care Administration in Satisfaction of Medicaid Lien ("Petition"). On the same date, DOAH notified AHCA of Mr. Steadman's Petition for an administrative proceeding to determine the amount payable to AHCA to satisfy the Medicaid lien. Through his Petition, Mr. Steadman challenged AHCA's lien for medical expenses following his recovery from a third party.

AHCA seeks reimbursement from Mr. Steadman for medical expenses covered by Medicaid on his behalf. AHCA calculated the amount it believes it is owed using the default formula set forth in section 409.910(11)(f), Florida Statutes. Mr. Steadman asserts that reimbursement of a lesser portion of his recovery is warranted pursuant to section 409.910(17)(b).

Prior to the final hearing, Mr. Steadman and AHCA filed a Joint Pre-hearing Stipulation, agreeing to several facts upon which the undersigned relied. At the hearing, Petitioner's Exhibits 1 through 10 were admitted into evidence. AHCA raised hearsay objections to Petitioner's Exhibits 6 and 7, which the undersigned noted and analyzed in weighing the evidence.[1] Mr. Steadman presented the testimony of Douglas J. McCarron, Esquire, as a fact and expert witness; and R. Vinson Barrett, Esquire, as an expert witness. AHCA did not present any witnesses or offer exhibits into evidence.

[1] In considering the evidence in this case, the undersigned is bound by the limitations on the use of hearsay in administrative proceedings, as set forth in section 120.57(1)(c), Florida Statutes, which states, "[h]earsay evidence may be used for the purpose of supplementing or explaining other evidence, but it shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions." Petitioner's Exhibits 6 and 7, although hearsay, were used to supplement other nonhearsay evidence—witness testimony that was based on personal knowledge and professional experience. Accordingly, the undersigned considered the exhibits over AHCA's objection.

The one-volume Transcript of the final hearing was filed with DOAH on December 16, 2021. Following two extensions of time requested by the parties, both parties submitted proposed final orders, which were duly considered in the preparation of this Final Order.

FINDINGS OF FACT

Stipulated Facts

1. On October 12, 2017, Mr. Steadman was shot in his left knee at a gas station. He was 20 years old at the time. Mr. Steadman underwent numerous surgeries to repair his left knee, but ultimately his left knee had to be fused. Mr. Steadman is now permanently disabled and unable to bend his left leg. He requires assistance in ambulating.

2. Mr. Steadman's medical care related to the injury was paid by Medicaid. Medicaid, through AHCA, provided $102,660.17 in benefits. Medicaid, through a Medicaid managed care organization known as Molina Healthcare of Florida, provided $5,729.52 in benefits. Medicaid, through a Medicaid managed care organization known as Simply Healthcare Plans, provided $28,993.97 in benefits. The sum of these benefits, $137,383.66, constituted Mr. Steadman's entire claim for past medical expenses.

3. Mr. Steadman pursued a personal injury action against the owners and operators of the premises ("Defendants") where the shooting occurred to recover all of his damages.

4. Mr. Steadman's personal injury action was settled through a series of confidential settlements in a lump-sum unallocated amount of $1,400,000.

5. During the pendency of Mr. Steadman's personal injury action, AHCA was notified of the action and asserted a $102,660.17 Medicaid lien against Mr. Steadman's cause of action and the attendant settlement.

6. AHCA did not commence a civil action to enforce its rights under section 409.910 or intervene or join in Mr. Steadman's action against the Defendants.

7. AHCA was notified of Mr. Steadman's settlement by letter.

8. AHCA has not filed a motion to set aside, void, or otherwise dispute Mr. Steadman's settlement.

9. The Medicaid program, through AHCA, spent $102,660.17 on behalf of Mr. Steadman, all of which represents expenditures for Mr. Steadman's past medical expenses.

10. Mr. Steadman's taxable costs incurred in securing the settlement totaled $60,839.95.

11. Application of the default formula in section 409.910(11)(f) to Mr. Steadman's $1,400,000 settlement requires payment to AHCA of the full Medicaid lien in the amount of $102,660.17.

12. Mr. Steadman has deposited the full Medicaid lien amount in an interest-bearing account for the benefit of AHCA pending an administrative determination of AHCA's rights, and this constitutes final agency action within the meaning of chapter 120, pursuant to section 409.910(17).

Testimony of Douglas J. McCarron

13. Mr. McCarron has been a trial attorney in Florida since 1996. He has handled jury trials throughout his entire career. The primary focus of his current practice is representing plaintiffs in wrongful death or catastrophic injury cases. Within that specialty, Mr. McCarron handles a lot of cases involving negligent security with respect to crime victims.

14. In order to provide representation to his clients, Mr. McCarron stays abreast of jury verdicts and continuously educates himself on the changes over time in the value of damages, costs of long-term care, and proper charges for medical care. He collaborates with his law partners on a regular basis in a round-table setting, where they discuss cases together and strategize on representing their clients.

15. As a routine part of his daily practice, Mr. McCarron makes assessments concerning the full value of damages suffered by injured parties

to maximize his representation of clients. This includes the process of allocating settlements in the context of health insurance liens.

16. Mr. McCarron represented Mr. Steadman in the personal injury lawsuit underlying the present case. Over the course of that representation, Mr. McCarron has extensively reviewed all of Mr. Steadman's medical records, met with his last treating surgeon, reviewed surveillance video from the injury-causing event, and ordered a life care plan to be prepared.

17. Mr. McCarron explained that in Mr. Steadman's case, a life care planner prepared a report projecting Mr. Steadman's future medical needs and an economist calculated the present value of those needs, as well as the present value of his lost future wages.

18. Mr. Steadman was injured while he was patronizing a gas station with friends in North Miami. As Mr. Steadman was exiting the convenience store area of the gas station, several masked individuals came onto the property and began shooting. Mr. Steadman ran back towards the convenience store amid the gunshots and was struck by a bullet behind his left knee. He was able to hop back into the convenience store, where he collapsed. Fire rescue and police were called, and Mr. Steadman was transported to Jackson Memorial Hospital, which is the Level I Trauma Center in Miami-Dade County. Police were never able to determine the identities of the assailants or any reason for the shooting.

19. At the hospital, Mr. Steadman was rushed into surgery, which included orthopedic surgery with an external fixator and a vascular bypass of the lower extremity. He was initially in the hospital for about two months before he was discharged to a rehab center, where he remained for over a year, going back and forth to the hospital for multiple surgeries. Ultimately, Mr. Steadman was given the option to have his leg amputated above the knee or have his knee fused to make it immobile. He chose to have his knee fused. The initial surgery to fuse his knee was not successful and Mr. Steadman required a second surgery. He also had numerous surgeries to restore feeling

to his foot. As a result of his injuries, Mr. Steadman has no flexion in his left knee, which prevents him from bending or squatting and causes him to walk with a noticeable limp. He continually suffers from physical and neuropathic pain. In addition to physical pain, Mr. Steadman also struggles with self-consciousness and depression.

20. Mr. Steadman has a high school education. Prior to being injured, he was working two jobs—one in the fast food industry and one as a carpenter. He is unable to perform the manual tasks required for these jobs as a result of his injury. Further, he is unable to participate in physical activities that he used to enjoy. Mr. Steadman will continue to suffer the effects of the injury for the remainder of his life. His doctors expect that he will need joint replacements to address wear and tear associated with his irregular gait. He is also likely to need a total knee or hip replacement and a subsequent revision.

21. Mr. McCarron testified that, based on his professional training and experience, Mr. Steadman's damages have a value between $10,000,000 and $12,000,000. Mr. McCarron calculated this estimate to include the value of Mr. Steadman's past and future medical costs; past and future lost wages; and pain and suffering.

22. Mr. McCarron explained that, in Mr. Steadman's case, a life care planner prepared a report projecting Mr. Steadman's future medical needs; and an economist calculated the present value of those needs, as well as the present value of his lost future wages. Mr. McCarron testified that, in his career, he has reviewed around 250 similar life care plans and economist reports; and Mr. Steadman's was typical of others he had seen. Mr. McCarron used the information in the life care plan and economist report to help inform his calculation of economic damages.

23. Mr. McCarron estimated that Mr. Steadman's economic damages, which includes future healthcare and lost wages, in addition to the sum of $137,383.66 for past medical expenses, would total $4,479,872.

24. In order to determine the full estimated amount of Mr. Steadman's damages, Mr. McCarron also calculated noneconomic damages, which involves assigning a monetary amount to pain and suffering. Mr. McCarron testified that, based on the complexity of Mr. Steadman's medical condition and the extent of his pain and suffering, a Miami-Dade jury would likely award around $5,300,000. To arrive at that number, Mr. McCarron estimated $100,000 per year for the remaining 53 years of Mr. Steadman's remaining life expectancy.

25. Mr. McCarron testified that a personal injury action was pursued against the operator of the gas station and the property owner based on the theory of negligent security. The parties eventually settled for $1,400,000.

26. Mr. McCarron testified that the $1,400,000 settlement did not fully compensate Mr. Steadman for the full value of his damages. He further explained that, based on a value of $10,000,000, which he believed was a conservative estimate of all damages, Mr. Steadman's recovery of $1,400,000 constituted only 14 percent of the value of his damages. He testified that, because Mr. Steadman recovered only 14 percent of his damages in the settlement, concomitantly, he also recovered only 14 percent of his $137,383.66 claim for past medical expenses, or $19,233.71. Accordingly, he concluded that it would be reasonable and fair to allocate $19,233.71 of the settlement to past medical expenses.

27. Mr. McCarron was accepted as an expert. His testimony was credible. Further, Mr. McCarron's testimony was not countered by AHCA with any evidence that his proposed methodology was inaccurate or that another method would be more appropriate to apply.

Testimony of R. Vinson Barrett

28. Mr. Barrett has been a trial attorney since 1977. In his current practice, he handles jury trials representing clients who have been catastrophically injured. As a routine part of his practice, Mr. Barrett reviews medical records, life care plans, and economist reports. Mr. Barrett testified

that, as part of his practice, he maintains familiarity with settlement allocation in the context of health insurance liens. He also reviews jury verdict reports and keeps up with valuation trends in personal injury settlements. Making assessments concerning the full value of damages is an aspect of every case he has.

29. Mr. Barret is familiar with Mr. Steadman's injuries and his case. In analyzing the value of Mr. Steadman's case, Mr. Barrett studied jury verdicts in similar cases. He explained that, in Mr. Steadman's case, the life care plan and economist report detailed that Mr. Steadman's economic damages were $4,479,872, consisting of $137,383.66 in past medical expenses, $152,552 in past lost earnings, $117,399 in future lost wages, and $4,072,538 in future medical expenses. Mr. Barrett testified that he had reviewed numerous life care plans and economist reports in the past and Mr. Steadman's reports were typical and similar to others he had seen. Based on his research, along with his training and experience, Mr. Barrett testified that a conservative value of his overall damages would be $10,000,000.

30. Mr. Barrett explained that he was aware that Mr. Steadman's case settled for $1,400,000. He testified that the settlement amount did not fully compensate Mr. Steadman for the value of the damages he suffered. Mr. Barrett further testified that, using the value of $10,000,000 for all damages, the $1,400,000 settlement represents a 14 percent recovery of the full value. Therefore, he concluded that it would be reasonable to proportionally allocate 14 percent of the $137,383.66 Medicaid expended in past medical expenses, which equals $19,233.71.

31. Mr. Barrett was accepted as an expert. His testimony was credible. Further, Mr. Barrett's testimony was not countered by AHCA with any evidence that his proposed methodology was inaccurate or that another method would be more appropriate to apply.

Ultimate Facts

32. Based on the testimony from Mr. McCarron and Mr. Barrett that the $1,400,000 settlement does not fully compensate Mr. Steadman for his damages, Mr. Steadman argues that a lesser portion of the medical costs should be calculated to reimburse Medicaid, instead of the full amount of the lien. Mr. Steadman proposes that a ratio be applied based on the true value of his damages ($10,000,000) compared to the amount that he actually recovered ($1,400,000). Using these numbers, Mr. Steadman's settlement represents approximately a 14 percent recovery of the full value of his damages. In similar fashion, the Medicaid lien should be reduced to 14 percent, or approximately $19,233.71 ($137,383.66 x .14). Therefore, Mr. Steadman asserts that $19,233.71 is the portion of his third-party settlement that represents the equitable, fair, and reasonable amount the Florida Medicaid program should recoup for its payments toward his medical care.

33. All of the expenditures Medicaid spent on Mr. Steadman's behalf are attributed to past medical expenses. No portion of the $137,383.66 Medicaid lien represents future medical expenses.

34. The undersigned finds that the unrebutted testimony at the final hearing demonstrates that the full value of Mr. Steadman's damages equals $10,000,000. Further, based on the evidence in the record, Mr. Steadman met his burden of proving, by clear and convincing evidence, that a lesser portion of his settlement should be allocated as reimbursement for medical expenses than the amount AHCA calculated using the rebuttable formula set forth in section 409.910(11)(f). Accordingly, the undersigned finds that the competent substantial evidence adduced at the final hearing establishes that AHCA should be reimbursed in the amount of $19,233.71 from Mr. Steadman's recovery of $1,400,000 from a third party to satisfy the Medicaid lien.

CONCLUSIONS OF LAW

35. DOAH has jurisdiction over the subject matter and parties in this proceeding pursuant to sections 120.569, 120.57(1), and 409.910(17)(b). DOAH has final order authority. § 409.910(17)(b), Fla. Stat.

36. AHCA is the Medicaid agency for the State of Florida, as provided under federal law, and administers Florida's Medicaid program. *See* § 409.901(2), Fla. Stat.

37. The federal Medicaid program "provide[s] federal financial assistance to States that choose to reimburse certain costs of medical treatment for needy persons." *Harris v. McRae*, 448 U.S. 297, 301 (1980). While a state's participation is optional, once a state elects to participate in the federal Medicaid program, it must comply with federal requirements governing the program. *Id.*; and 42 U.S.C. § 1396, *et seq.*

38. As a condition for receipt of federal Medicaid funds, states are required to seek reimbursement for medical expenses from Medicaid recipients who later recover from liable third parties. *See Ark. Dep't of Health & Hum. Servs. v. Ahlborn*, 547 U.S. 268, 276 (2006); and 42 U.S.C. § 1396a. To comply with this federal requirement, the Florida Legislature enacted section 409.910, Florida's "Medicaid Third-Party Liability Act," which requires AHCA to seek reimbursement for Medicaid funds paid for a recipient's medical care when that recipient later receives a personal injury judgment or settlement from a third party. *See Smith v. Ag. for Health Care Admin.*, 24 So. 3d 590 (Fla. 5th DCA 2009). The Legislature expressly set forth in section 409.910(1):

> It is the intent of the Legislature that Medicaid be the payor of last resort for medically necessary goods and services furnished to Medicaid recipients. All other sources of payment for medical care are primary to medical assistance provided by Medicaid. If benefits of a liable third party are discovered or become available after medical assistance has been provided by Medicaid, it is the

> intent of the Legislature that Medicaid be repaid in full and prior to any other person, program, or entity. Medicaid is to be repaid in full from, and to the extent of, any third-party benefits, regardless of whether a recipient is made whole or other creditors paid. Principles of common law and equity as to assignment, lien, and subrogation are abrogated to the extent necessary to ensure full recovery by Medicaid from third-party resources. It is intended that if the resources of a liable third party become available at any time, the public treasury should not bear the burden of medical assistance to the extent of such resources.

39. Accordingly, by accepting Medicaid benefits, Medicaid recipients automatically subrogate their rights to any third-party benefits for the full amount of medical assistance provided by Medicaid and automatically assign to the Agency the right, title, and interest to those benefits, other than those excluded by federal law. *See* § 409.910(6)(a) and (b), Fla. Stat.; *see also* 42 U.S.C. § 1396k(a)(1)(requiring states participating in the federal Medicaid program to provide, as a condition of Medicaid eligibility, assignment to the state of the right to payment for medical care from any third party). Section 409.910 creates an automatic lien on any such judgment or settlement with a third party for the full amount of medical expenses Medicaid paid on behalf of the Medicaid recipient. *See* § 409.910(6)(c), Fla. Stat.

40. However, the obligation to reimburse AHCA (and Medicaid) following recovery from a third party is not unbridled. Pursuant to 42 U.S.C. §§ 1396a(a)(25)(A), (B), and (H), 1396k(a), and 1396p(a), AHCA may only assert a Medicaid lien against that portion of a petitioner's award from a third party that represents the costs of the medical assistance made available for the individual. *See Ahlborn*, 547 U.S. at 278; *Wos v. E.M.A.*, 568 U.S. 627, 633, 133 S. Ct. 1391, 1396 (2013); and *Harrell v. State*, 143 So. 3d 478, 480 (Fla. 1st DCA 2014). The federal Medicaid statute's anti-lien provision,

42 U.S.C. § 1396p(a)(1), prohibits a state from attaching a lien for medical assistance on a Medicaid recipient's property other than that portion of a Medicaid recipient's recovery designated as payment for medical care. *See also* §§ 409.910(4), (6)(b)1., and (11)(f)4., which provides that the Agency may not recover more than it paid for the Medicaid recipient's medical treatment.

41. As *Ahlborn* explains, the anti-lien provision of the federal Medicaid Act circumscribes these obligations by authorizing payment to a state only from those portions of a Medicaid recipient's third-party settlement recovery allocated for payment of medical care. *Ahlborn*, 547 U.S. at 285; s*ee also E.M.A. ex rel. Plyler v. Cansler*, 674 F.3d 290, 312 (4th Cir. 2012)("As the unanimous *Ahlborn* Court's decision makes clear, federal Medicaid law limits a state's recovery to settlement proceeds that are shown to be properly allocable to past medical expenses.").

42. The Florida Supreme Court interprets federal law to limit AHCA's lien authority to the portion of a third-party tort recovery representing past medical expenses. *Giraldo v. Ag. for Health Care Admin.*, 248 So. 3d 53, 54 (Fla. 2018). The Court held that the section 409.910(17)(b) procedure must be read to comply with the federal law, and thus effectively excised the portions that would allow the Agency to impose a lien on recovered future medical expense damages. *Giraldo*, 248 So. 3d at 56.[2]

43. Section 409.910(11) establishes a formula to determine the amount AHCA may recover for medical assistance benefits paid from a judgment, award, or settlement from a third party. Section 409.910(11)(f) states, in pertinent part:

---

[2] In *Gallardo v. Dudek*, 963 F.3d 1167 (11th Cir. 2020), *cert. granted*, 141 S. Ct. 2884 (Jul. 2, 2021) (No. 21-1263), the Eleventh Circuit Court of Appeals determined that amounts in a settlement agreement fairly allocable to both past and future medical expenses are subject to AHCA's lien. However, this is contrary to the Florida Supreme Court's holding in *Giraldo*. State courts, however, are not required to follow the decisions of intermediate federal appellate courts on questions of federal law. *See Carnival Corp. v. Carlisle*, 953 So. 2d 461, 465 (Fla. 2007). Neither party to the present case argues that future medical expenses should be included in the relevant calculation.

> Notwithstanding any provision in this section to the contrary, in the event of an action in tort against a third party in which the recipient or his or her legal representative is a party which results in a judgment, award, or settlement from a third party, the amount recovered shall be distributed as follows:
>
> 1. After attorney's fees and taxable costs as defined by the Florida Rules of Civil Procedure, one-half of the remaining recovery shall be paid to the agency up to the total amount of medical assistance provided by Medicaid.
>
> 2. The remaining amount of the recovery shall be paid to the recipient.
>
> 3. For purposes of calculating the agency's recovery of medical assistance benefits paid, the fee for services of an attorney retained by the recipient or his or her legal representative shall be calculated at 25 percent of the judgment, award, or settlement.
>
> 4. Notwithstanding any provision of this section to the contrary, the agency shall be entitled to all medical coverage benefits up to the total amount of medical assistance provided by Medicaid. For purposes of this paragraph, "medical coverage" means any benefits under health insurance, a health maintenance organization, a preferred provider arrangement, or a prepaid health clinic, and the portion of benefits designated for medical payments under coverage for workers' compensation, personal injury protection, and casualty.

44. In summary, section 409.910(11)(f) establishes that AHCA's recovery for a Medicaid lien is limited to the lesser of: (1) its full lien; or (2) one-half of the total award, after deducting attorney's fees of 25 percent of the recovery and all taxable costs, up to, but not to exceed, the total amount actually paid by Medicaid on the recipient's behalf. *See Ag. for Health Care Admin. v. Riley*,

119 So. 3d 514, 515 n.3 (Fla. 2d DCA 2013). In the present case, using the section 409.910(11)(f) formula, Mr. Steadman's recovery ($1,400,000) is sufficient to fully satisfy the medical assistance provided by Florida Medicaid. Therefore, the Agency is authorized to seek recovery of the full amount of its lien ($137,383.66).

45. However, section 409.910(17)(b) provides a method by which a Medicaid recipient may contest the amount designated as recovered medical expenses payable under section 409.910(11)(f). Following the U.S. Supreme Court decision in *Wos*, the Florida Legislature created an administrative process to determine the portion of the judgment, award, or settlement in a tort action that is properly allocable to medical expenses; and, thus, the portion of the recovery that may be used to reimburse the Medicaid lien. Section 409.910(17)(b) states:

> If federal law limits the agency to reimbursement from the recovered medical expense damages, a recipient, or his or her legal representative, may contest the amount designated as recovered medical expense damages payable to the agency pursuant to the formula specified in paragraph (11)(f) by filing a petition under chapter 120 within 21 days after the date of payment of funds to the agency or after the date of placing the full amount of the third-party benefits in the trust account for the benefit of the agency pursuant to paragraph (a). The petition shall be filed with the Division of Administrative Hearings. For purposes of chapter 120, the payment of funds to the agency or the placement of the full amount of the third-party benefits in the trust account for the benefit of the agency constitutes final agency action and notice thereof. Final order authority for the proceedings specified in this subsection rests with the Division of Administrative Hearings. This procedure is the exclusive method for challenging the amount of third-party benefits payable to the agency. *In order to successfully challenge the amount designated as recovered medical expenses, the recipient must*

> *prove, by clear and convincing evidence, that the portion of the total recovery which should be allocated as past and future medical expenses is less than the amount calculated by the agency pursuant to the formula set forth in paragraph (11)(f).* Alternatively, the recipient must prove by clear and convincing evidence that Medicaid provided a lesser amount of medical assistance than that asserted by the agency. (emphasis supplied).

46. Section 409.910(17)(b) establishes that the section 409.910(11)(f) formula constitutes a default allocation of the amount of a settlement that is attributable to medical costs, and sets forth an administrative procedure for an adversarial challenge of that allocation. *See Harrell*, 143 So. 3d at 480 ("[A] plaintiff must be given the opportunity to seek reduction of the amount of a Medicaid lien established by the statutory formula outlined in section 409.910(11)(f), by demonstrating, with evidence, that the lien amount exceeds the amount recovered for medical expenses.").

47. In order to successfully challenge the amount payable to AHCA, the burden is on the Medicaid recipient to prove, by clear and convincing evidence, that a lesser portion of the total recovery should be allocated as reimbursement for past medical expenses than the amount AHCA calculated. § 409.910(17)(b), Fla. Stat. In other words, in this matter, if Mr. Steadman can demonstrate that the portion of the settlement attributed to past medical expenses is less than the amount AHCA calculated using the section 409.910(11)(f) formula, the amount he must reimburse AHCA may be reduced below $137,383.66.

48. With respect to Mr. Steadman's $1,400,000 settlement, the undersigned finds that Mr. Steadman persuasively demonstrated that a lesser portion of his third-party recovery should be allocated to satisfy AHCA's Medicaid lien, instead of the default amount calculated under section 409.910(11)(f).

49. Regarding the specific amount of a petitioner's settlement that should be allotted to reimburse AHCA, the Florida Legislature, despite establishing a procedure for a Medicaid recipient to challenge the amount of a Medicaid lien, provided little guidance as to the standard DOAH should use to determine what portion of the third-party recovery should represent past medical expenses.

50. Mr. Steadman contends that the Medicaid lien should be reduced using a ratio that factors in the full value of his damages. Mr. Steadman specifically asserts that only $19,233.71 of the total settlement amount should be attributed to past medical expenses ($137,383.66 x .14). Mr. Steadman maintains that his calculation apportions a more reasonable share of the settlement to him in light of his significant injuries.

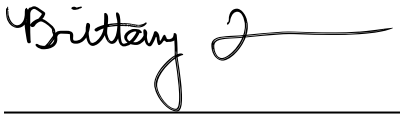
51. AHCA, on the other hand, opposes Mr. Steadman's pro rata calculation. However, AHCA did not elicit testimony or present other evidence to contradict the expert testimony on Mr. Steadman's behalf. When, as in the present case, a petitioner presents substantially detailed and uncontradicted evidence to support the reduction of a Medicaid lien using the pro rata method, and AHCA fails to present evidence that the proposed methodology is "inaccurate or that another method would be more appropriate to apply," the petitioner has met his burden. *Soto v. Ag. for Health Care Admin.*, 313 So. 3d 143 (Fla. 1st DCA 2020); *See also Eady v. State, Ag. for Health Care Admin.*, 279 So. 3d 1249, 1259 (Fla. 1st DCA 2019).

52. Mr. Steadman proved, by clear and convincing evidence, that $19,233.71 is the portion of his settlement "which should be allocated as past … medical expenses," pursuant to section 409.910(17)(b). Accordingly, AHCA is entitled to be reimbursed in the amount of $19,233.71 from Mr. Steadman's $1,400,000 settlement.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is ORDERED that Petitioner, Iquan Steadman, shall pay Respondent, Agency for Health Care Administration, the amount of $19,233.71 in satisfaction of its Medicaid lien.

DONE AND ORDERED this 8th day of February, 2022, in Tallahassee, Leon County, Florida.



BRITTANY O. FINKBEINER
Administrative Law Judge
1230 Apalachee Parkway
Tallahassee, Florida 32399-3060
(850) 488-9675
www.doah.state.fl.us

Filed with the Clerk of the
Division of Administrative Hearings
this 8th day of February, 2022.

COPIES FURNISHED:

Alexander R. Boler, Esquire
2073 Summit Lake Drive, Suite 300
Tallahassee, Florida 32317

Floyd B. Faglie, Esquire
Staunton & Faglie, PL
189 East Walnut Street
Monticello, Florida 32344

Shena L. Grantham, Esquire
Agency for Health Care Administration
Building 3, Room 3407B
2727 Mahan Drive
Tallahassee, Florida 32308

Simone Marstiller, Secretary
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 1
Tallahassee, Florida 32308-5407

Josefina M. Tamayo, General Counsel
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 3
Tallahassee, Florida 32308

Richard J. Shoop, Agency Clerk
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 3
Tallahassee, Florida 32308

Thomas M. Hoeler, Esquire
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 3
Tallahassee, Florida 32308

NOTICE OF RIGHT TO JUDICIAL REVIEW

A party who is adversely affected by this Final Order is entitled to judicial review pursuant to section 120.68, Florida Statutes. Review proceedings are governed by the Florida Rules of Appellate Procedure. Such proceedings are commenced by filing the original notice of administrative appeal with the agency clerk of the Division of Administrative Hearings within 30 days of rendition of the order to be reviewed, and a copy of the notice, accompanied by any filing fees prescribed by law, with the clerk of the district court of appeal in the appellate district where the agency maintains its headquarters or where a party resides or as otherwise provided by law.