

Office of the Attorney General

Washington, D.C. 20530

January 23, 1997

The Honorable Thomas B. Griffith
Senate Legal Counsel
United States Senate
Washington, DC 20510-7250

Dear Mr. Griffith:

Pursuant to 2 U.S.C. 288k(b), I am writing to advise you that, after extensive deliberation, I have determined that the Department of Justice cannot continue a defense of certain provisions of the Medicare and Medicaid Acts. Those sections provide special reimbursement, without federal or state oversight of expenditures, exclusively for Christian Science nursing services received in sanatoria "operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts."¹ These statutory provisions have been challenged for the first time in the case of Children's Healthcare Is a Legal Duty (CHILD) v. Vladeck, Civil No. 3-96-63 (D. Minn.), appeal pending, Nos. 96-3936, -3938 (8th Cir.). In our view, the provisions cannot be defended under the Supreme Court's current Establishment Clause jurisprudence.

The Litigation in Question

Children's Healthcare Is a Legal Duty ("CHILD") is an Iowa child advocacy organization. CHILD and two individuals filed suit against the Secretary of Health and Human Services and the Director of the Health Care Finance Administration challenging as Establishment Clause violations those parts of the Medicare and Medicaid Acts that provide federal funding for services received in Christian Science sanatoria. The First Church of Christ, Scientist ("the Church") intervened as a party defendant.

On August 7, 1996, the district court declared the statutory provisions, and their accompanying regulations, violative of the Establishment Clause as an impermissible sectarian preference, and enjoined the Secretary from further implementation of them in

¹ A summary of those provisions is appended as an attachment to this letter.

determining eligibility for benefits under Medicare and Medicaid. The district court rejected the Church's request that the statutory and regulatory provisions simply be expanded to embrace all similarly situated religious groups. A copy of the district court's decision is attached for your convenience.

The district court stayed its injunction pending appeal, and the Secretary is continuing to administer the program. Both the Church and the Department of Justice filed notices of appeal from the district court's decision. Although we defended these provisions in district court, upon further review I have determined that this defense cannot be maintained under the Supreme Court's Establishment Clause jurisprudence, particularly its most recent precedents.

Operation of Christian Science Sanatoria

As the record in the case establishes, Christian Science theology teaches that physical illness is a manifestation of internal spiritual imbalance. As a consequence, Christian Scientists believe that healing for disease and illness should come through prayer, rather than secular medical treatment. Medical treatment, in fact, is deemed to be counterproductive because it diverts attention and energy from prayerful recovery. Christian Scientists can, and often do, hire Christian Science practitioners to pray for them. The Church certifies practitioners and publishes their names in its monthly journal. Listed practitioners charge a daily fee for their services.

In lieu of hospitalization, Christian Scientists who are ill may enter sanatoria, which are certified and licensed by the Church. To qualify for official Church accreditation, these sanatoria must operate in a manner "consistent with the Church's view of the religious and moral teachings of Christian Science and with the policies and standards of the Church" (Plaintiffs' Reply Mem. at 12). These sanatoria provide no medical care, but they do offer room and board and the services of Christian Science nurses. These nurses need not be professionally licensed; instead, their names must be published in the Christian Science Journal. The qualifications for listing in the Journal are "a demonstrable knowledge of Christian Science practice" and a capacity to take care of the sick. The nurses do not perform medical nursing services.

Patients need not be Christian Scientists to be admitted to a sanatorium. Medicare patients, however, must be under the care of a Journal-listed prayer practitioner. They must also require Christian Science nursing services on an inpatient basis. The Church currently licenses 23 sanatoria in the United States.

Operation of Medicare and Medicaid

As you know, Medicare is a federally funded program to provide "basic protection against the costs of hospital, related post-hospital, home health services, and hospice care" for persons over 65 and the disabled. 42 U.S.C. 1395c. The services covered generally encompass medical care under the direction of a physician or registered professional nurse, either in a hospital or at home following hospitalization. 42 U.S.C. 1395d, 1395f, 1395i-3. Nonmedical services, such as room and board and nursing services, are covered only as incidents of medical care. 42 U.S.C. 1395i-3(a)(6), 1395x(m). Payments for custodial care and personal comfort items are excluded. 42 U.S.C. 1395y. The statute provides no general authorization for the payment of nursing care, such as in a nursing home, outside the context of physician-supervised medical treatment. Participating hospitals must satisfy a variety of regulatory criteria governing the provision of licensed physician and nursing care, and they must also operate a utilization and quality control review committee that reviews the need for hospitalization of Medicare patients. 42 U.S.C. 1320c.

Although Medicare does not otherwise pay for nursing services unaffiliated with hospital or physician-supervised care, Congress included in the Medicare statute a special provision for certain Christian Science sanatoria. Congress included those sanatoria "operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts" in the definitions of hospitals and skilled nursing facilities eligible to participate in Medicare. 42 U.S.C. 1395x(e), 1395x(y)(1). These sanatoria are also specifically exempted from Medicare's utilization and quality control review requirements. 42 U.S.C. 1320c-11.

Medicaid is a joint federal-state program designed to provide "medical assistance" and rehabilitation services to the indigent. 42 U.S.C. 1396. States participating in Medicaid must provide a variety of medical services to the needy. Medicaid also authorizes States to provide for the expenses of remedial care that has been "specified by the Secretary." 42 U.S.C. 1396d(a)(25). The Medicaid statute exempts Christian Science sanatoria, by name, from many of the Act's regulatory and oversight procedures. 42 U.S.C. 1396a(a), 1396g(e)(1).

Establishment Clause Infirmities of the Challenged Provisions

The Supreme Court has stated that the "clearest command of the Establishment Clause" is that "one religious denomination cannot be officially preferred over another." Larson v. Valente, 456 U.S. 228, 244 (1982); see also Epperson v. Arkansas, 393 U.S. 97, 104, 106 (1968) ("The State may not adopt programs or

practices * * * which aid or oppose any religion * * *. This prohibition is absolute."). The Establishment Clause "compels the State to pursue a course of neutrality toward religion, favoring neither one religion over others nor religious adherents collectively over nonadherents." Board of Educ. of Kiryas Joel Village Sch. Dist. v. Grumet, 512 U.S. 687, 696 (1994) (plurality opinion) (internal quotation marks and citation omitted); see also 512 U.S. at 714-715 (O'Connor, J., concurring in the judgment).

The Supreme Court has held that when a statute favors or disfavors particular religious groups, the law must be narrowly tailored and advance a compelling state interest. E.g., Church of the Lukumi Babalu Aye, Inc. v. City of Hialeah, 508 U.S. 520, 531-532 (1993); Larson, 456 U.S. at 246 ("when we are presented with a state law granting a denominational preference, our precedents demand that we treat the law as suspect and that we apply strict scrutiny"); see also Kiryas Joel, 512 U.S. at 706-707.²

1. We do not believe that the Medicare and Medicaid provisions' facial preference for practices approved by the official hierarchy of the Christian Scientist Church can be defended under this searching level of inquiry. Although the district court found a compelling interest in accommodating religion generally, the Supreme Court has directed that the compelling interest inquiry must be more narrowly focused. Accordingly, the government must demonstrate that Congress has a compelling interest in the particular accommodation that it has drawn -- that is, in accommodating only sanatoria certified by the First Church of Christ, Scientist, in Boston, Massachusetts. See Larson, 456 U.S. at 248 ("[O]ur inquiry must focus more narrowly, upon the distinctions drawn by [the statute] itself."). We do not believe the federal government can advance an articulable compelling interest in this case, for two reasons.

First, Medicare and Medicaid are not programs designed generally to compensate for nursing care (and especially non-medical nursing care), unaffiliated with medical treatment under the care of a physician. We recognize Congress's laudable motives in expanding coverage to Christian Science sanatoria in order to make the two programs more universal in their coverage. Nevertheless, to the extent universal coverage was Congress's goal, the government has no compelling interest in confining payment for non-medical nursing services to members of one faith. If Congress wished to provide parallel coverage universally for

² The Lemon v. Kurtzman, 403 U.S. 602 (1971), test is generally reserved for evaluating laws that impact all religions uniformly. Larson, 456 U.S. at 252.

all persons who are religiously motivated to forgo traditional medical care, then the language of the provisions should have been crafted to embrace all faiths. Kiryas Joel, 512 U.S. at 706-707 ("[W]hatever the limits of permissible legislative accommodations may be, * * * it is clear that neutrality as among religions must be honored."). Under controlling Supreme Court precedent, the government can have no articulable interest in guaranteeing non-medical services only for Christian Scientists and requiring everyone else, regardless of their religious beliefs, to accept medical services as a prerequisite for ancillary services.

We understand that the language of the provisions may have been limited to Christian Scientists because that was the only group that requested such treatment from Congress during hearings on the legislation. See Health Services for the Aged under the Social Security Insurance System: Hearings Before the Comm. on Ways and Means of the House of Representatives, 87th Cong., 1st Sess. 727-730 (1961) (testimony of Dr. J. Burroughs Stokes). Nevertheless, with respect to legislation affecting religion, the Supreme Court finds a distinct Establishment Clause value in requiring the legislature to write laws in neutral terms and thus to accept the consequences if and when adherents of other faiths later appear on the scene with similar claims for relief. "[T]here is no more effective practical guaranty against arbitrary and unreasonable government than to require that the principles of law which officials would impose upon [one group of adherents] must be imposed generally." Larson, 456 U.S. at 245-246 (quoting Railway Express Agency v. New York, 336 U.S. 106, 112 (1949) (Jackson, J., concurring)). Cf. Kiryas Joel, 512 U.S. at 703 & n.7 (sect-specific act of legislature to assist one religious group by creating a special school district disapproved; creation of village comprised of same religious adherents through use of neutral state law for municipal incorporation approved). Requiring sectarian-neutral terms in legislation ensures that religious protection does not depend upon the fortuity of legislative familiarity with the faith in question.

The fact that all of the other religious accommodation provisions in the Medicare and Medicaid Acts are written in sectarian neutral terms necessarily affects analysis of the validity of these textually sect-specific provisions. Cf. 42 U.S.C. 300a-7(b), 300a-7(c) (religious or moral objections to abortion services); 42 U.S.C. 1396f (States may not compel submission to particular medical services if they are contrary to patient's faith); 26 U.S.C. 1402(g) (exemption from Social Security taxes for persons religiously opposed to payment of taxes and affiliated with an organized religious group that

provides comparable support).³

Second, even if we could convince the court that the government had a compelling interest in funding only Christian Scientists' requests for general nursing services, we can articulate no compelling interest in funding exclusively those nurses listed by "the First Church of Christ, Scientist, Boston, Massachusetts," working in sanatoria approved by "the First Church of Christ, Scientist, Boston, Massachusetts," for patients under the care of prayer practitioners certified by "the First Church of Christ, Scientist, Boston, Massachusetts." Medicare and Medicaid provide benefits for individuals, not established groups. The only relevant interest of the government would be that those persons opposed to medical services receive quality non-medical nursing services in lieu of medical treatment. The government has no articulable secular interest in denying Medicare benefits to a Christian Scientist who receives such services from a state-licensed nursing home or state-licensed nurses, while granting benefits to a Christian Scientist who receives those same services from nurses bearing the official imprimatur of the Church in a sanatorium approved by the Church.

Thus, these provisions raise the substantial concern that, while they aid Christian Scientists in the exercise of their beliefs, they also significantly advance the interests of the official Church by requiring members who seek Medicare or Medicaid benefits to receive their nursing services in locations approved by the official Church under the supervision of nurses and prayer practitioners endorsed by the Church. Eligibility turns not only on the need for or the quality of services, but also on whether the services provided bear the Church's stamp of approval. A disaffected Christian Scientist, a Christian Scientist too ill to travel, or a Christian Scientist who either does not wish to use, or cannot afford to pay for, the services of a listed prayer practitioner (and is thus unable to gain admission to an official sanatorium) has no claim to Medicare or Medicaid benefits. The Establishment Clause concerns triggered by such provisions are accentuated by the fact that they also are in sharp tension with Medicare's guarantee of free choice to patients in selecting health care institutions. 42 U.S.C. 1395a.

³ In the brief we recently filed in the Supreme Court defending the constitutionality of the Religious Freedom Restoration Act of 1993 ("RFRA"), 42 U.S.C. 2000bb et seq., we emphasized that RFRA promotes Establishment Clause values because it applies equally to all faiths and avoids the constitutional risks attendant on a system of piecemeal, state-by-state, sect-specific laws accommodating religion. See Brief for United States, City of Boerne v. Flores, No. 95-2074, at 43-44 (filed Jan. 10, 1997) (a copy is enclosed for your convenience).

The Supreme Court has made clear that the Establishment Clause forbids such a fusion of governmental and ecclesiastical power. Larkin v. Grendel's Den, 459 U.S. 116, 123-127 (1982) (State may not give churches veto over liquor licenses). As the Supreme Court plurality stated in Kiryas Joel, 512 U.S. at 698, 699, "a State may not delegate its civic authority to a group chosen according to a religious criterion"; "[i]f New York were to delegate civic authority to 'the Grand Rebbe,' Larkin would obviously require invalidation."⁴ See also 512 U.S. at 728-730 (Kennedy, J., concurring in the judgment). The delegation of governmental power to the First Church of Christ, Scientist, to identify those services eligible for reimbursement under Medicare and Medicaid "inescapably implicates the Establishment Clause." Larkin, 459 U.S. at 123. Furthermore, Congress has not provided the Church any objective criteria by which to evaluate covered services. The Church's power "is standardless, calling for no reasons, findings, or reasoned conclusions." Id. at 125. There is no guarantee that the decision as to which services are covered will be made in a "secular, neutral, and nonideological" manner. Ibid. To the contrary, adherence to official Church doctrine is a criterion for certification employed by the Church.⁵

⁴ See also Barghout v. Bureau of Kosher Meat & Food Control, 66 F.3d 1337, 1343-1346 (4th Cir. 1995) (municipality may not empower council of Rabbis and three designees of Orthodox Jewish organizations to establish and enforce kosher food standards); id. at 1349-1350 (Wilkins, J., concurring) (obligation of intra-sect neutrality violated); Ran-Dav's County Kosher, Inc. v. State, 608 A.2d 1353, 1360-1365 (N.J. 1992) (same).

⁵ The concerns raised by the provisions are underscored by reference to precedents setting out limits on federal funding of religious activity. Under Medicare and Medicaid, the federal and/or state governments directly pay hospitals and thus Christian Science sanatoria for services rendered. "[S]pecial Establishment Clause dangers" arise whenever "the government makes direct money payments to sectarian institutions." Rosenberger v. Rectors & Visitors of the Univ. of Va., 115 S. Ct. 2510, 2523 (1995). These concerns are particularly acute when, as here, the federal money would finance pervasively sectarian activity. See Bowen v. Kendrick, 487 U.S. 589, 609-622 (1988). Normally, such a program is justified on the ground that "[a]ny aid provided under [the] program that ultimately flows to religious institutions does so only as a result of the genuinely independent and private choices of aid recipients." Witters v. Washington Dep't of Servs. for Blind, 474 US 481, 487 (1986). Under these circumstances, however, the private choice of Christian Scientists is constrained by Congress. Compensation will only be provided if the Christian Scientist selects services

2. We also cannot defend these provisions as an accommodation in the tradition of Hobbie v. Unemployment Appeals Comm'n, 480 U.S. 136 (1987); Thomas v. Review Bd., 450 U.S. 707, 717 (1981); and Sherbert v. Verner, 374 U.S. 398 (1963). Indeed, to do so would open to challenge most, if not all, government benefit programs -- federal, state, or local -- on the grounds that some group or person is unable, for religious reasons, to accept the benefits offered.

Traditionally, accommodation involves the lifting of a governmental burden -- a proscription or prescription of particular conduct -- from the individual. See, e.g., Corporation of Presiding Bishop v. Amos, 483 U.S. 327 (1987) (relieving religious organizations from Title VII's prohibition on religious discrimination in employment); Wisconsin v. Yoder, 406 U.S. 205 (1972) (releasing Amish from criminal law that required school attendance); Walz v. Tax Commission, 397 U.S. 664 (1970) (exemption from property tax for all non-profit groups); Zorach v. Clauson, 343 U.S. 306 (1952) (releasing students from public school to receive off-site religious education).⁶ Such accommodations simply leave persons free to pursue private, religious conduct independent of the government.

One type of government burden that might justify a religion-specific accommodation occurs where the government formulates "eligibility provisions" for a benefit program that discriminate against religious conduct or coerce the abandonment of activities compelled by faith. Sherbert, 374 U.S. at 410; see also Frazee v. Illinois Dep't of Employment Sec., 489 U.S. 829, 832-833 (1989); Hobbie, 480 U.S. at 144; Thomas, 450 U.S. at 717-718. These cases require that government accord religious exercise sufficient respect and stature that such conduct will not disqualify adherents from generally available benefits (at least in the absence of a compelling interest).

officially approved by the Church and receives them in a sanatorium officially approved by the Church and under the care of a Christian Science prayer practitioner who is also approved by the Church. Because federal law plays an important part in directing federal funds to a pervasively sectarian institution to pay for activities infused with religious content, the Medicare and Medicaid provisions likely run afoul of the Establishment Clause's funding limitations.

⁶ The exemption from social security taxes for some religious groups, 26 U.S.C. 1402(g), also fits this bill. See United States v. Lee, 455 U.S. 252, 257 (1982) (mere payment of social security taxes violates religious beliefs of the Amish).

The eligibility requirements for Medicare and Medicaid -- age, disability, and indigency -- clearly do not, in any sense, burden or exclude Christian Scientists or treat religious adherents any differently from other applicants. The Church thus cannot challenge the eligibility provisions of Medicare and Medicaid on the ground that they violate Sherbert and must be expanded to accommodate Christian Scientists.

Instead, these provisions go further and allow a single religious group (or its hierarchy) to alter the content of the benefits received from the government. The provisions at issue here change the content of the benefit being offered from medical services to non-medical care. The Supreme Court has not indicated that accommodation may extend to the provision of special benefits. Certainly the decision in Kiryas Joel indicates that at least the provision of special benefits to a single sect is impermissible.

This important distinction -- between government denying persons access to or eligibility for a secular benefit because of their religious conduct, and government offering a secular benefit that certain persons eschew for religious reasons -- is reflected in the case law. Precedent addressing the former limits government's power to control eligibility for its programs and benefits in a manner that penalizes religious conduct. See Sherbert v. Verner. Precedent addressing the latter protects government's discretion to define the scope of its benefit program in the first instance. Cf. Lamb's Chapel v. Center Moriches Union Free Sch. Dist., 113 S. Ct. 2141, 2148 (1993) (while government can define the scope of a speech forum in the first instance, once it does so it may not discriminate against religious viewpoints in granting access to the forum); Rust v. Sullivan, 500 U.S. 173 (1991). Here, the federal government has not conditioned Christian Scientists' eligibility for a secular governmental benefit on conduct proscribed by their religious faith; it has simply offered a benefit -- medical care -- the content of which they choose, for religious reasons, not to accept. Cf. Johnson v. Robison, 415 U.S. 361 (1974); see also Lee, 455 U.S. at 261 ("every person cannot be shielded from all the burdens incident to exercising every aspect of the right to practice religious beliefs").

Next Steps

While the Department of Justice will not be able to defend these Christian Science provisions before the United States Court of Appeals for the Eighth Circuit, we anticipate playing a continued role in the litigation. The appeal will go forward both because the Secretary and Administrator of HCFA will maintain their appeal of the orders entered against them (even though they will take the position that the provisions are

unconstitutional, compare INS v. Chadha, 462 U.S. 919, 929-931 (1983)), and because the Church, as an intervening defendant, has separately appealed and intends to defend the provisions. Because the Secretary will continue to administer the program consistent with the statute pending resolution of the appeal, our decision against continued defense of the statutory provisions will not render the appeal moot.

We also anticipate filing a brief that outlines the constitutional difficulties with these provisions, consistent with our duty of candor as representatives of the United States and as officers of the court. But we will also, as part of our analysis, defend Congress's general power to accommodate religious exercise and outline the broad scope of that authority. We wish to ensure that the decision of the court of appeals not erode or unduly intrude upon Congress's power in this regard.

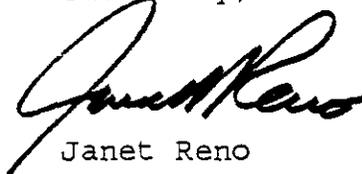
In addition, we note that the Church has argued that the court should repair the Establishment Clause violation by unilaterally expanding the provisions to embrace all similarly situated faiths. We will continue to oppose that judicially-imposed remedy because we believe that any decision to expand Medicare and Medicaid's coverage for non-medical nursing services should be made in the first instance by Congress, not the courts, which lack Congress's unique institutional capacity to collect the evidence relevant to such a decision, to evaluate resource constraints, and to balance the competing policy considerations.

As you know, President Clinton is committed to protecting religious freedom and to appropriate governmental accommodation of the needs of religious adherents. We respect and support the motivations that no doubt underlay the extension of a substitute for Medicare and Medicaid to Christian Science adherents. The Department of Justice is available to assist Congress, if it so desires, in attempting to draft new legislation that would address the needs of Christian Scientists and other faiths in a manner that comports with contemporary Establishment Clause jurisprudence and that meets other policy objectives of the Congress and the Executive Branch.

The Honorable Thomas B. Griffith
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Finally, in the event that your office wishes to file a brief defending the statutory provisions on appeal in the case at bar, we are moving the court of appeals for an extension of the time within which briefs for appellants may be filed from January 24, 1997, to February 24, 1997.

Sincerely,

A handwritten signature in black ink, appearing to read "Janet Reno", written in a cursive style.

Janet Reno

Enclosures

cc: Honorable Geraldine R. Gennet
Acting General Counsel to the Clerk
United States House of Representatives
Washington, DC 20515