

Federal Court Enjoins Enforcement of Montana Law That Conflicts With CMS Vaccine Rule

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On March 18, 2022, the U.S. District Court for the District of Montana issued a preliminary injunction in *Montana Medical Association v. Knudsen*, enjoining enforcement of part of Montana's vaccination law against "all Montana health care facilities and individual practitioners and clinics" subject to the Centers for Medicare and Medicaid Services' (CMS) [COVID-19 vaccination requirement](#).

The Montana Medical Association and other medical groups had sued Montana Attorney General Austin Knudsen and Montana Commissioner of Labor and Industry Laurie Esau, challenging the legality and enforceability of a Montana statute, [Mont. Code § 49-2-312](#), that prohibits discrimination in employment and the provision of services on the basis of vaccination status. The plaintiffs argued that the law conflicts with the CMS rule requiring them to ensure that their staffs are vaccinated or risk losing Medicare and Medicaid reimbursements. They filed a motion for preliminary injunction to prevent enforcement actions by the State of Montana.

In response to the plaintiffs' motion, the State of Montana seemingly agreed that § 49-2-312 and the CMS rule conflicted, but the state argued that the competing requirements would not pose compliance issues because the state would not enforce its vaccination law against entities subject to the CMS mandate.

The court granted a narrow preliminary injunction. The preliminary injunction enjoins enforcement of § 49-2-312 only as to entities subject to the CMS rule and only as long as the CMS rule is in effect. The preliminary injunction does not apply to the state's enforcement of a related statute, [§ 49-2-313](#), which exempts certain facilities from compliance with § 49-2-312, including entities subject to conflicting federal rules.

Key Takeaways

Montana employers and entities subject to the CMS rule may want to consider reviewing their current vaccination policies and processes in conjunction with their obligations under the CMS rule. CMS-covered employers and entities outside Montana may want to take note of this ruling as potential guidance for how other courts may resolve similar disputes between conflicting state laws and the

CMS rule.

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