IN THE UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

CHIANNE D., *et al.*,

Plaintiffs,

Case No. 3:23-cv-00985-MMH-LLL

v.

SHEVAUN HARRIS, in her official capacity as Secretary for the Florida Agency for Health Care Administration, and TAYLOR HATCH, in her official capacity as Secretary for the Florida Department of Children and Families,

Defendants.
_____/

DEFENDANTS' TIME-SENSITIVE MOTION TO STAY PENDING APPEAL AND ALTERNATIVE MOTION FOR EXTENSION OF TIME AND CLARIFICATION

Since January 6, 2026, when this Court issued its Injunction, Defendants have diligently and thoroughly endeavored to evaluate the impacts, feasibility, and technical and administrative demands of compliance in light of available resources and practical constraints. After careful consideration, Defendants respectfully move for a stay of the Injunction set forth in this Court's Findings of Fact and Conclusions of Law (ECF No. 186) pending their appeal to the Eleventh Circuit. Alternatively, Defendants request an extension of time from March 9 to April 29, 2026, to comply with the Injunction's requirements regarding class members whose Medicaid benefits have been terminated

and clarification that the 90-day fair-hearing deadline in 42 C.F.R. § 431.244(f)(1) does not apply to fair hearings requested by these class members pursuant to the Injunction. Considering the Injunction's fast-approaching deadlines and the extraordinary costs of compliance, Defendants intend to file a motion to stay in the Eleventh Circuit on February 26, 2026, and therefore respectfully request a ruling on this motion by **February 25, 2026**.

LEGAL STANDARD

Courts consider four factors when ruling on a motion to stay pending appeal: "(1) whether the stay applicant has made a strong showing that [it] is likely to succeed on the merits; (2) whether the applicant will be irreparably injured absent a stay; (3) whether issuance of the stay will substantially injure the other parties interested in the proceeding; and (4) where the public interest lies." *Nken v. Holder*, 556 U.S. 418, 434 (2009). When a public agency seeks a stay, the balance of the equities and the public interest "merge." *Friends of the Everglades v. Sec'y of the U.S. Dep't of Homeland Sec.*, No. 25-12873, 2025 WL 2598567, at *10 (11th Cir. Sep. 4, 2025) (quoting *Nken*, 556 U.S. at 435).

"[T]he movant may also have [its] motion granted upon a lesser showing of a substantial case on the merits when the balance of the equities identified in factors 2, 3, and 4 weighs heavily in favor of granting the stay." *Garcia-Mir v. Meese*, 781 F.2d 1450, 1453 (11th Cir. 1986) (internal marks omitted); *accord Ruiz v. Estelle*, 650 F.2d 555, 565–66 (5th Cir. Unit A June 26, 1981) ("[T]he movant need not always show a

'probability' of success on the merits; instead, the movant need only present a substantial case on the merits when a serious legal question is involved and show that the balance of the equities weighs heavily in favor of granting the stay.").

Defendants' alternative requests for an extension of time and clarification fall squarely within the jurisdiction this Court retains even after a notice of appeal has been filed.[1] Although a district court's jurisdiction to modify an injunction is limited during the pendency of an appeal, the district court retains jurisdiction during the appeal to clarify or supervise compliance with its injunction. *See Showtime/The Movie Channel, Inc. v. Covered Bridge Condo Ass'n, Inc.*, 895 F.2d 711, 713 (11th Cir. 1990); *Sekaquaptewa v. MacDonald*, 544 F.2d 296, 406 (9th Cir. 1976); *Georgia v. Biden*, No. 1:21-cv-163, 2022 WL 266186, at *2 (S.D. Ga. Jan. 21, 2022) (collecting cases); *Wash. Metro. Area Transit Comm'n v. Reliable Limousine Serv., LLC*, 985 F. Supp. 2d 23, 29 (D.D.C. 2013).

ARGUMENT

A stay is warranted because Defendants are likely to succeed on the merits—or at least have a substantial case on the merits—and because compliance in the interim will impose enormous and irrecoverable costs on taxpayers, to the detriment of needy people and deserving public-assistance programs. Compliance with the Injunction will

[1] If this Court is inclined to grant either of these alternative requests but believes it lacks jurisdiction to do so, then Defendants respectfully request an indicative ruling under Federal Rule of Civil Procedure 62.1. This would allow Defendants to move the Eleventh Circuit for a limited remand authorizing this Court to modify the Injunction.

also preclude Defendants from enforcing duly enacted state and federal statutes related to Medicaid eligibility and occasion the very confusion the Injunction seeks to prevent.

I. THE INJUNCTION IMPOSES SEVERE COSTS.

The Injunction grants relief in favor of two subgroups of class members: class members whose family-related Medicaid benefits would be terminated based on income (the "Prospective Group") and those whose family-related Medicaid benefits were terminated based on income and have not been reinstated (the "Retrospective Group").

The Injunction orders alternative relief for each subgroup. For the Prospective Group, DCF must either provide class members with a written notice that conforms to the Injunction's requirements or discontinue income-based terminations until such notices can be provided. As of February 20, 2026, DCF will have made the necessary system modifications to discontinue income-based terminations and will therefore have achieved compliance with this part of the Injunction. As explained below, it will take much longer to make the necessary revisions to DCF's Notices of Case Action ("NOCAs"). Until it can implement written notices that conform to the Injunction's requirements (whether revised NOCAs or some other form of written notice) the State will continue to provide Medicaid benefits to all members of the Prospective Group, regardless of financial eligibility, whom it would otherwise terminate based on income.

For the Retrospective Group, DCF must provide one-time corrective notices to all class members or reinstate all class members to Medicaid until corrective notices are provided, regardless of the class members' current Medicaid eligibility. This must

be completed by March 9, 2026. The corrective notice must also advise each recipient of his or her right to a fair hearing to challenge DCF's prior income-based termination.

The unique costs and challenges that these requirements present are relevant to this Court's analysis of Defendants' primary request for a stay and of their alternative requests for clarification and an extension of time to comply with particular provisions.

A. The Prospective Group.

As to the Prospective Group, the Injunction affords DCF two options: either send revised notices that conform to the Injunction's requirements or discontinue income-based terminations until such notices are provided.

Revised Notices. For now, DCF has no choice but to discontinue income-based terminations. Revising the notices as described in the Injunction is a costly and time-consuming project that will take months to complete. *See* ECF No. 174 at 27–28, 31–34, 160–65.

The Injunction directs DCF to modify its income-based termination notices to include individualized information maintained in the FLORIDA system, including the recipient's household size, countable income, and prior eligibility category. ECF No. 186 at 271. Because the eligibility categories in which the recipient's income was tested and the income limits the State applied are not saved in the FLORIDA system, the Court did not require this information to be displayed on the notices, but required the State to provide a link to a table that identifies the eligibility categories and related income limits. *Id*. at 265.

The Court also found, however, that the current NOCAs do not unambiguously inform recipients of the State's intent to terminate their benefits or unambiguously identify the recipient whose benefits will be terminated. *Id.* In support of this finding, the Court explained that NOCAs contain multiple sections, that a section sometimes refers to multiple individuals, that the relevant section often appears at the end of the NOCA, that some NOCAs have displayed confusing reason codes, and that statutory and regulatory citations in NOCAs can be confusing. *Id.* at 207–18. The Injunction does not specify exactly how the State must alter its notices to address these findings.

Modifications to address these findings will greatly increase the time required to develop revised NOCAs. The multi-section layout and groupings that appear on NOCAs are deeply engrained in the computer programming that generates NOCAs. While the State recognizes that there might be other ways to communicate the information required by the Court besides revamping the entire layout of its NOCAs, these modifications are not simple and will require an investment of considerable resources.

After the Injunction issued, DCF and its vendor Deloitte assessed the feasibility of modifying NOCAs as directed by the Court. Deloitte estimated that these revisions will require 2,368 hours at a cost of $370,899.84. Ex. A ¶ 3. DCF does not have these funds in its budget. Ex. B ¶ 3. Budget approval must be secured before Deloitte's work can even begin. *Id.* ¶ 4. To secure additional funds, DCF must submit a budget amendment to the Office of Policy and Budget in the Executive Office of the Governor. *Id.* In the meantime, DCF must update its scope of work with its contracted providers to

include the additional services and must also revise the federally required Implementation Advance Planning Document Update (IAPDU) that DCF submits for federal review and approval of IT projects to which its federal partners contribute. Ex. A ¶ 4.

Only after all budget approvals are secured may Deloitte even begin to expend the 2,368 hours of labor needed to revise DCF's notices in accordance with this Court's ruling. For the time being, the Injunction requires DCF to suspend all income-based terminations of class members—all of whom have been determined to be ineligible—and to continue to provide them with Medicaid benefits, regardless of their eligibility.

Suspension of Income-Based Terminations. Recognizing that revisions to notices cannot be accomplished quickly, DCF and Deloitte have focused their initial work on halting income-based terminations. This project has required ongoing IT work by DCF and Deloitte and policy decisions to ensure that the IT solution captures all income-based terminations. The IT modifications that will halt future income-based terminations will be complete by February 20 and take effect on **February 23, 2026**. Ex. A ¶ 6.

The public cost of discontinuing income-based terminations is significant. DCF terminates approximately 45,000 people each month for ineligibility due to income. Ex. C ¶ 3. At the time of trial, the average monthly cost of one class member's benefits was $313.23. ECF No. 186 at 123. The first month of compliance alone will therefore cost $14,085,000 ($313.23 per person for 45,000 people). Each month thereafter, the cost will increase by another $14,085,000, since another 45,000 people will have been maintained on Medicaid. Importantly, since trial, this estimated average monthly cost

has increased to $365.76, which raises the monthly cost of compliance to $16,459,200. Ex. D ¶ 2.

The table below summarizes the estimated cost of compliance with the mandate to suspend all income-based terminations, if the suspension continues for six months:

	People	**Monthly Cost at $313.23**	**Monthly Cost at $365.76**
Month 1	45,000	$14,085,000	$16,459,200
Month 2	90,000	$28,170,000	$32,918,400
Month 3	135,000	$42,255,000	$49,377,600
Month 4	180,000	$56,340,000	$65,836,800
Month 5	225,000	$70,425,000	$82,296,000
Month 6	270,000	$84,510,000	$98,755,200
Total Cost for Six Months		**$295,785,000**	**$345,643,200**

In other words, complying with *only* the discontinuation portion of the Injunction will likely cost taxpayers well in excess of $300 million over a six-month period, after the recipients were found ineligible and while an appeal is pending, on top of the separate, substantial expenditures necessary to comply with the Injunction's other requirements.

To be sure, the federal government will bear most of this cost. ECF No. 186 at 123–24. But that is irrelevant. The duty to be faithful stewards of public resources does not end at the Florida-Georgia border. While the federal share will not fall solely on Floridians, the federal government's finances and taxpayers in other States matter too.

B. The Retrospective Group.

The Retrospective Group contains an estimated 1.2 million individuals. Ex. C ¶ 4. The Injunction requires DCF to provide a corrective notice to—or to reinstate the

benefits of—each member of the Retrospective Group by March 9. Both alternatives are labor-intensive and enormously expensive and justify a stay pending appeal. At a minimum, DCF seeks an extension of time to comply with this part of the Injunction.

Corrective Notices. It is infeasible to provide corrective notices to approximately 1.2 million individuals by March 9.

First, creating the corrective notices involves substantial IT work. Ex. A ¶ 7. Deloitte estimates that this work will require 824 hours at a cost of $116,686.64. *Id.* DCF and Deloitte have started this process, but much work remains to operationalize the notices. The same personnel who will perform this work have been simultaneously engaged in the technical work necessary to discontinue income-based terminations. *Id.*

Once the IT work is complete, DCF must implement a batching process, secure funding for the cost of mailing the corrective notices, and prepare and mail the notices to the Retrospective Group. Ex. C ¶ 5.

Mailing corrective notices to 1.2 million people will cost $936,000 in postage.[2] Ex. C ¶ 6. DCF's current budget for mailing does not include these funds. Ex. B ¶ 6. Before any corrective notices can be mailed, DCF must secure funding from another source to cover the cost of mailing. *Id.* ¶ 7. Of course, if DCF must divert funding from another area within the agency, then the programs and populations for which those

[2] This estimate assumes only one notice per individual and therefore does not account for individuals who may have been terminated, re-enrolled, and terminated again at some point during the class period for exceeding income limits. Those individuals would receive multiple corrective notices—one for each income-based termination.

funds were previously budgeted will be harmed by delays or reduced resources. *Id.* ¶ 8.

Fair Hearings. The Injunction requires corrective notices to advise recipients of their right to challenge past termination decisions through a fair-hearing process.[3] This is a particularly burdensome feature of the Injunction if even a modest fraction of the 1.2 million recipients request fair hearings.

"Ordinarily," final administrative action must be taken "within 90 days from . . . the date the agency receives a request for a fair hearing." 42 C.F.R. § 431.244(f)(1). In other words, DCF must resolve a fair hearing within 90-day window. If 1.2 million corrective notices are mailed at nearly the same time and any appreciable number of notice recipients request fair hearings, then compliance with this 90-day timeline will be impossible.

If 10 percent of notice recipients request fair hearings, then DCF can expect to receive 120,000 fair hearing requests roughly simultaneously. While it is impossible to predict how many of those requests would progress to a final hearing, DCF staff begins its work on fair-hearing requests shortly after receipt, and most requests require some pre-hearing workup. Ex. C ¶ 7.

DCF currently has 37 staff who, in addition to their responsibilities under the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance

[3] It is unclear whether the hearing officer must determine the recipient's eligibility as of the date of termination, or the present—and, if the former, then when DCF may redetermine the recipient's eligibility, or whether DCF may determine that the recipient became ineligible sometime between the date of termination and the present.

for Needy Families (TANF) Program, perform the preliminary work for all Medicaid fair hearings, such as conducting supervisory reviews and preparing hearing packets. *Id.* ¶ 8. It also employs 26 hearing officers who receive approximately 1,688 Medicaid fair-hearing requests monthly. Ex. E ¶ 4. All 63 of these individuals already work at full capacity and are unable to assume a new workload. *Id.* ¶ 5; Ex. C ¶ 8. It will take significant time for DCF to find new funding and to hire and train new staff to conduct the number of fair hearings the corrective notices might generate—if qualified people even apply for the positions. Ex. E ¶ 6. DCF's budget does not include funds to support the new hires. Ex. B ¶ 9. Even if budgetary constraints can be overcome, managing and conducting this number of fair hearings would still be a herculean task; completing them in 90 days is impossible.

DCF therefore seeks clarification that the timeline in 42 C.F.R. § 431.244(f)(1) does not apply here. The regulation requires resolution of fair hearings within 90 days under "[o]rdinar[y]" circumstances, *id.*, but mailing more than one million corrective notices simultaneously regarding past eligibility decisions is far from ordinary. Thus, to the extent it applies at all, the regulation's text provides enough flexibility to allow the fair hearings related to this Injunction to proceed on a different timeline. Moreover, this Court's equitable powers certainly allow it to formulate relief that does not require the impossible.

Rather than impose an alternative timeline for the completion of fair hearings, DCF respectfully suggests that, absent a stay, the Court require periodic status reports

of DCF's progress, including the number of fair-hearing requests received and resolved and the number of hearings held.

Reinstate class members to Medicaid. Finally, if DCF does not provide corrective notices to all members of the Retrospective Group by March 9—which it cannot do, Ex. A ¶ 9—then the Injunction requires reinstatement of all 1.2 million members of the Retrospective Group to Medicaid, even though they have been found ineligible, and regardless of their past or present eligibility. This mandate not only imposes a staggering financial cost, but also entails singular logistical burdens and legal jeopardy. The Court should either stay this requirement or grant an extension of time to permit DCF to finalize and send corrective notices instead, with no intervening reinstatement.

First, the process of reinstating more than a million individuals to Medicaid is far more complicated than simply flipping a switch. It is a labor-intensive process that would take months of work and cannot be completed by March 9. *Id.*[4] Reinstatement is a *manual* process. *Id.* ¶ 10. There is no automated process to reinstate 1.2 million people in one swoop, and the development of an IT solution would take months and require funding not presently available to DCF. *Id.* The DCF and Deloitte staff who would complete this project are the same staff who would otherwise be working on

[4] DCF has been working diligently since the Injunction issued to evaluate how to practically and logistically implement the Injunction's requirements (including re-instatement) as well as the feasibility and timeline for completing each requirement. Simply determining *how* to accomplish each discrete task has been a time-consuming undertaking involving dozens of agency and vendor personnel.

developing corrective notices and revised NOCAs. *Id.* ¶ 11. Therefore, automating re-instatement would delay DCF's work on other requirements of the Court's Injunction.

Manual reinstatement of 1.2 million people would also require many months of DCF staff working full time on reinstatement—efforts that would be necessarily divert staff from their job duties related to the administration of public programs. *Id.* ¶ 12. Repurposing swaths of DCF staff into full-time reinstatement workers is not a feasible option.

Second, the cost of reinstatement is staggering. The public should not be forced to bear this extraordinary cost while an appeal is pending, with no chance of recouping the expended funds if the Injunction is reversed or modified on appeal. With an estimated 1.2 million members in the Retrospective Group, and at an average per-person cost of $313.23 per month, the monthly cost of reinstatement would be **$375,876,000 per month**. At the current average per-person cost of $365.76, the monthly cost would balloon to **$438,912,000 per month**—nearly half a *billion* dollars, *every month*. Much of this cost consists of a federal share, but federal dollars are still public dollars worthy of protection, and the enormous price tag will be borne by taxpayers and not recouped.

Third, reinstating 1.2 million people to Medicaid until corrective notices can be mailed will cause mass confusion—precisely the sort of confusion the Injunction is intended to prevent. Each member of the Retrospective Group will be notified of the reinstatement of their benefits and then, once corrective notices are mailed, will be notified of the sudden termination of those recently reinstated benefits. *See* ECF No.

186 at 273 ("Any Class Members who have not received corrective notice by this date must be reinstated to full Medicaid *until the State provides the notice required in this Order*." (emphasis supplied)). Many of these individuals might now have private insurance or other health coverages that could be impacted by their sudden reinstatement, followed by another termination once corrective notices are mailed. These on-again, off-again changes will not serve the public, but instead will be confusing and highly disruptive.

The confusion caused by on-again, off-again benefits for 1.2 million people will prompt a wave of calls to DCF's call center. DCF does not have available funding to hire more call-center staff. Ex. B ¶ 10. This anticipated influx of calls to the call center will harm program recipients who are in fact eligible for public assistance, and who will face far more substantial hurdles than ever before when trying to reach call-center representatives.

The Injunction requires DCF to reinstate individuals even if, since their income-based terminations, they have become ineligible for technical (non-financial) reasons. Individuals who have aged out of Medicaid eligibility, who no longer reside in Florida, who have passed away, or who are receiving Medicaid from another State are all slated for reinstatement under the Injunction, which compels Florida to provide Medicaid to these ineligible recipients and is almost certain to result in unfavorable audit findings for DCF.

Like all States, Florida is prohibited from providing Medicaid benefits to individuals who do not meet the program's eligibility requirements. *See* 42 U.S.C. § 1396c

(authorizing the withholding of funds for a State's failure to comply with federal requirements); 42 C.F.R. § 430.35 (same); 42 C.F.R. § 435.930(b) (requiring States to furnish Medicaid services to "eligible individuals *until they are found ineligible*" (emphasis supplied)). By requiring the reinstatement of individuals who are now technically ineligible—or, for that matter, those who have been found to exceed income limits—the Injunction places Florida out of compliance with the Medicaid Act. Its expenditure of hundreds of millions of dollars per month to provide Medicaid benefits to ineligible individuals places Florida at risk of adverse action by CMS, including the withholding of Medicaid funds.

Reinstatement could also injure individuals who are now enrolled in Medicaid in other States, since individuals are prohibited from receiving Medicaid benefits from multiple States. If and when another State's Medicaid program discovers that an individual is simultaneously enrolled in Florida Medicaid, the other State might discontinue the individual's Medicaid benefits in the State where the individual now resides.

* * *

While each of these costs and harms justifies a stay, as a minimum alternative, Defendants respectfully request (i) an extension through April 29, 2026, of the Injunction's 60-day deadline to comply with respect to the Retrospective Group, *see* ECF No. 186 at 272; and (ii) clarification that fair hearings requested as a result of the corrective notices need not be completed in 90 days.

II. ALL FOUR FACTORS FAVOR A STAY OF THE INJUNCTION PENDING APPEAL.

A. Likelihood of Success on the Merits.

A stay is warranted because Defendants are likely to succeed on the merits of their appeal. At a minimum, Defendants present a substantial case on the merits with respect to a serious issue of public importance.

Due process requires notice that is "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." *Mullane v. Cent. Hanover Bank & Tr. Co.*, 339 U.S. 306, 314 (1950). "Due process is a flexible concept that varies with the particular circumstances of each case, and myriad forms of notice may satisfy the *Mullane* standard." *Arrington v. Helms*, 438 F.3d 1336, 1350 (11th Cir. 2006). To satisfy due process, a notice need not be "ideal," but merely "reasonable under all the circumstances." *Id.*

When DCF terminates a recipient's Medicaid coverage, it does so in a manner that complies with the minimum requirements of due process: by providing a written notice advising that Medicaid coverage is ending, identifying a reason why, and apprising the recipient of his or her fair-hearing rights. In addition, recipients can access ample information outside the four corners of the notices, including through statutes, rules, and regulations and DCF's website, call center, and family resource centers. Plaintiffs did not establish that the State fails to provide notice reasonably calculated under all the circumstances to advise them of the State's action and afford them an opportunity to pursue an appeal.

Due process evaluates the totality of available information, not the four corners of one written notice. *See Rosen v. Goetz*, 410 F.3d 919, 931 (6th Cir. 2005) (rejecting the argument that one Medicaid termination notice must fulfill all due-process requirements); *Arrington*, 438 F.3d at 1349–53 (rejecting a challenge that focused solely on the contents of a notice and reviewing all sources of available information); *Duffy v. Bates*, No. 1:15-cv-00037, 2015 WL 1346196, *4 (N.D. Fla. Mar. 24, 2015) (finding no due-process violation where notice did not explain why plaintiff was barred from Veterans Administration property but provided a phone number for plaintiff to call for more information).

An objective standard determines whether notice is reasonable, and the use of standardized information in written notices comports with the reasonableness requirement. *Jordan v. Benefits Review Bd. of U.S. Dep't of Labor*, 876 F.2d 1455, 1459 (11th Cir. 1989); *Adams v. Harris*, 643 F.2d 995, 997 (4th Cir. 1981) (approving notices of denial that used "stock paragraphs which provide standardized reasons for denial" and rejecting argument that due process or Social Security Act regulations required individualized facts); *Garrett v. Puett*, 707 F.2d 930, 931 (6th Cir. 1983) (holding that form notices advising individuals of a reduction or termination of benefits were sufficient and rejecting the argument that the notices violated due process "because they did not include the mathematical calculations used . . . in arriving at the amount" of available benefits); *LeBeau v. Spirito*, 703 F.2d 639, 641, 643 (1st Cir. 1983) (denying preliminary injunctive relief in a challenge to notices the court described as "cursory in language and nearly identical"); *Gaines v. Hadi*, No. 06-60129-CIV, 2006 WL 6035742, at *14

(S.D. Fla. Jan. 30, 2006) (explaining that *Jordan* found "stock paragraphs" sufficient and that *Adams* approved notices that "made no mention of the particular individual's facts and circumstances").

Due process requires reasonableness under the totality of circumstances—not comprehensive, individualized facts contained within a single notice. *See Hames v. City of Miami*, 479 F. Supp. 2d 1276, 1289 (S.D. Fla. 2007) (explaining that "due process does not require notice of 'specific facts,' much less a Bill of Particulars"). In this regard, the requirements of due process are meaningfully different from the requirements of the Medicaid Act regulations that Plaintiffs initially sued to enforce, but which are not privately enforceable, *see Medina v. Planned Parenthood S. Atl.*, 606 U.S. 357 (2025), and which Plaintiffs no longer seek to enforce, *see* ECF No. 181. Unlike compliance with Medicaid Act regulations, compliance with due process is evaluated for reasonableness in totality and in the context of all circumstances. Defendants comply with this legal standard and respectfully submit that the Court erred in imposing a higher, individualized standard.[5] *See Doe v. Surgeon Gen.*, No. 24-11996, 2024 WL 4132455, at *2–3 (11th Cir. Aug. 26, 2024) (concluding that district court's misapplication of the legal standard established a likelihood of success and weighed in favor of granting a stay).[6]

[5] Defendants canvassed this case law in their post-trial brief. *See* ECF No. 174.

[6] Additionally, at trial, Defendants presented testimony and evidence that Plaintiffs and their class-member witness knew their rights. Defendants respectfully submit that, in finding a classwide violation, this Court gave insufficient weight to cases holding that actual knowledge of one's rights defeats a due-process claim. *See*, *e.g.*, *Jordan*, 876 F.2d at 1460 (noting recipient's actual knowledge of, and participation in, admin-

For these reasons, Defendants respectfully submit that they are likely to succeed on the merits of their appeal—or at a minimum, have presented a substantial case on the merits of a serious legal issue. Indeed, this Court recognized that "[d]ecisions by courts in public benefits cases differ on the degree to which the government must explain its reasons in a written notice" and that some courts have "found standardized notice to be sufficient." ECF No. 186 at 220. This first factor weighs in favor of a stay.

B. Balance of the Equities and the Public Interest.

Defendants and the public will suffer irreparable harm absent a stay.

First, courts have long held that States suffer irreparable injury when they are barred from enforcing statutes duly enacted by the representatives of the people. *Trump v. CASA*, *Inc.*, 606 U.S. 831, 860–61 (2025) ("[A]ny time a State is enjoined by a court from effectuating statutes enacted by representatives of its people, it suffers a form of irreparable injury'" (quoting *Maryland v. King*, 567 U.S. 1301, 1303 (2012) (Roberts, C.J., in chambers))); *Friends of the Everglades*, 2025 WL 2598567, at *10.

By congressional design, the Medicaid program is a needs-based program that makes medical care available to low-income individuals. 42 U.S.C. § 1396-1 (making appropriations to enable States to furnish "medical assistance on behalf of families with dependent children and of aged, blind, or disabled individuals, *whose income and*

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istrative procedures for seeking benefits, and finding no due-process violation). Defendants also submit that this Court's ruling gave insufficient weight to cases holding that all individuals have a duty of inquiry and that an agency's expectation that people will exercise the duty of inquiry does not violate due process. ECF No. 174 at 125–27.

resources are insufficient to meet the costs of necessary medical services" (emphasis supplied)); 42 U.S.C. § 1396a(a)(10)(A) (establishing income limits); 42 C.F.R. § 430.0 (explaining that the Medicaid Act "authorizes Federal grants to States for medical assistance to *low-income persons* who are age 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children" (emphasis supplied)); Fla. Stat. § 409.903 (limiting Medicaid eligibility to low-income recipients).

Courts have long recognized the needs-based nature of the Medicaid program and the income limit's centrality to the program's characteristic purpose. *See*, *e.g.*, *Douglas v. Indep. Living Ctr. of S. Cal.*, *Inc.*, 565 U.S. 606, 610 (2012) ("Medicaid is a cooperative federal-state program that provides medical care to needy individuals."); *Frew v. Hawkins*, 540 U.S. 431, 433 (2004) ("Medicaid is a cooperative federal-state program that provides federal funding for state medical services to the poor."); *M.H.*, *by and through Lynah v. Comm'r of Ga. Dep't of Cmty. Health*, 111 F.4th 1301, 1304 (11th Cir. 2024) ("The Medicaid Act establishes a 'jointly financed federal-state cooperative program, designed to help states furnish medical treatment to their needy citizens.'" (quoting *Moore ex rel. Moore v. Reese*, 637 F.3d 1220, 1232 (11th Cir. 2011)) (citation omitted)).

Here, the Injunction prohibits the State from enforcing duly enacted laws that limit Medicaid eligibility to low-income individuals. Until revised notices and a one-time corrective notice can be designed and implemented, the Injunction requires the State to provide Medicaid benefits to class members without regard to income limits. This includes 1.2 million former Medicaid recipients whom the State has determined

to be ineligible. And it requires benefits to be maintained or reinstated without regard to whether class members have become ineligible for technical reasons. The Injunction thus frustrates the State's interest in enforcement of duly enacted state and federal laws.

Second, the significant costs and harms of compliance detailed in Part I above argue for a stay. Defendants—and ultimately, taxpayers—should not be forced to bear these extreme costs while an appeal is pending, with no ability to recoup those costs if the appeal is successful. "This Circuit has recognized that unrecoverable monetary loss is an irreparable harm." *Georgia v. President of the U.S.*, 46 F.4th 1283, 1302 (11th Cir. 2022); *accord Nat'l Insts. of Health v. Am. Pub. Health Ass'n*, 145 S. Ct. 2658, 2659 (2025) (explaining that the loss of money constitutes irreparable harm "if the funds cannot be recouped and are thus irrevocably expended." (internal marks omitted)). The irrecoverable loss of hundreds of millions of public dollars easily qualifies as irreparable harm.

Thus, in *Friends of the Everglades*, the Eleventh Circuit recently stayed a preliminary injunction that would have forced the State to expend millions of dollars that it could never recoup. The Court explained that, without a stay, Florida would be forced to incur the "significant cost" of complying with the injunction and therefore suffer irreparable harm. 2025 WL 2598567, at *11. The injunction would have required the State to spend between $15 and $20 million to dismantle a detention facility; if the injunction were later dissolved, then the State would have to spend the same amount to reconstruct the dismantled infrastructure. *Id*. The Eleventh Circuit emphasized that the expended funds would be "unrecoverable," which weighed in favor of a stay. *Id*.

As in *Friends of the Everglades*, the Injunction here will force the State to make enormous, irrecoverable expenditures. Indeed, the extraordinary price tag of this Court's Injunction dwarfs the cost of compliance in *Friends of the Everglades* many times over. These costs include $370,899.84 for IT work to revise DCF's NOCAs (which will be replaced anyway, perhaps as early as next year, as part of DCF's ongoing modernization effort, Ex. A ¶ 5); $116,686.64 for IT work on corrective notices; $936,000 for postage; $16,459,200 per month for benefits for every 45,000 recipients who exceed income limits but whose benefits are not terminated; and $438,912,000 per month for benefits for reinstatement of the Retrospective Group. The Injunction's cost will accumulate rapidly, without providing benefits to a single person found to be eligible for Medicaid.

The Injunction also imposes heavy opportunity costs on DCF and the public. The Injunction's demands on IT resources will compel DCF to divert resources from essential and time-sensitive IT projects across the agency. Ex. A ¶ 13. For example, if funds under DCF's contract with Deloitte are diverted to revise NOCAs or develop corrective notices, then at least four scheduled IT enhancements will be delayed or sidelined:

- Modifications to the State On-Line Query Internet (SOLQ-I), the interface between States and the Social Security Administration that allows DCF to access and verify social security information in real time to ensure that DCF receives accurate social security income information;
- Implementation of the federally required SNAP National Accuracy Clearinghouse (NAC), a program designed to notify States when applicants are receiving SNAP benefits in other States, and thus reduce fraud;

- Implementation of Senate Bill 7034/Relative Caregiver Payments, which will automatically adjust relative caregiver payments to caregivers who are applying to become licensed foster care providers; and

- Implementation of changes to the DSNAP Pre-Registration Application, which is needed to comply with federal limitations on eligibility for SNAP benefits during disaster periods, when DCF receives an influx of non-citizen applications.

Id. Each of these important projects is already planned for implementation. *Id*. ¶ 14. Their delay will harm the State. The first two examples are especially critical because they are tied to Florida's Payment Error Rate—a federal performance measure for the administration of SNAP benefits. Ex. C ¶ 11. In administering SNAP, States must meet certain performance thresholds, and failure to do so results in significant financial penalties.

The federal One Big Beautiful Bill Act (OBBBA) requires States to contribute to the cost of SNAP benefits based on their Payment Error Rate. *See* Pub. L. No. 119-21, § 10105, 139 Stat. 72, 83 (2025) (codified at 7 U.S.C. § 2013(a)(2)).Under this new provision, Florida will be required to shoulder 15 percent of its share of SNAP benefits—about $1 billion—if it does not quickly reduce its Payment Error Rate. Ex. C ¶ 12.

To avoid this result, DCF planned technological enhancements to reduce the State's current Payment Error Rate. Ex. A ¶ 14. Before the Injunction issued, DCF intended to implement those enhancements imminently to avoid a massive state share. Implementing the IT aspect of this Injunction will divert resources from these planned enhancements and impair DCF's ability to reduce its Payment Error Rate in time to avoid a significant state share. Ex. C ¶ 13. This could expose Florida to an otherwise

avoidable penalty, adding another $1 billion to the monumental cost of the Injunction.

This case presents no emergency. Plaintiffs filed this action on August 22, 2023. On January 23, 2024, the Court denied Plaintiffs' motion for preliminary injunction on procedural grounds and discouraged Plaintiffs from refiling their motion. ECF No. 80 at 3 n.1. Trial concluded on August 2, 2024, and the Court issued its Injunction on January 6, 2026. This Court should afford the Eleventh Circuit a chance to review the Injunction before it requires compliance with the Injunction's exceptionally expensive and burdensome requirements.

The Injunction's costs are extraordinary. Their burden will fall squarely on the taxpayers and on the populations served by the programs and services whose resources will be depleted and diverted. The balance of the equities and the public interest favor a stay.

CONCLUSION

For these reasons, Defendants respectfully request a stay pending appeal. If this Court does not grant a stay, then Defendants respectfully request an extension of time from March 9 to April 29, 2026, to provide relief to the Retrospective Group and clarification that the 90-day hearing deadline in 42 C.F.R. § 431.244(f)(1) does not apply.[7]

[7] Defendants intend to seek a stay from the Eleventh Circuit if this Court denies the requested stay, regardless of this Court's ruling on the alternative requests for relief.

Local Rule 3.01(g) Certificate

The undersigned certifies that counsel for the movants conferred with counsel for Plaintiffs by telephone and email on February 17 and 18, 2026, and that Plaintiffs oppose the requested relief.

/s/ *Andy Bardos*
Andy Bardos (FBN 822671)
James Timothy Moore, Jr. (FBN 70023)
Ashley H. Lukis (FBN 106391)
GRAYROBINSON, P.A.
301 South Bronough Street, Suite 600
Tallahassee, Florida 32301
Telephone: 850-577-9090
andy.bardos@gray-robinson.com
tim.moore@gray-robinson.com
ashley.lukis@gray-robinson.com
Attorneys for Defendants