IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY
AT NASHVILLE

NASHVILLE CARES,	)	
	)	
Plaintiff,	)	
	)	
v.	)	**Case No. 26-1413-III**
	)	**Chancellor I'Ashea L. Myles**
TENNESSEE DEPARTMNET OF HEALTH; AND COMMISSIONER JOHN R. DUNN, in his official capacity,	)	
	)	
Defendants.	)	

RESPONSE IN OPPOSITION TO MOTION FOR TEMPORARY INJUNCTION

Pursuant to the Court's October 21 Order, Defendants, the Tennessee Department of Health ("TDH") and its commissioner, John R. Dunn, in his official capacity (collectively, the "Department" or "Defendants"), respectfully submit this response in opposition to Plaintiff Nashville CARES's ("CARES") request for a temporary injunction.

I. INTRODUCTION

CARES seeks the extraordinary remedy of a temporary injunction to restrain TDH from continuing routine federal grant contract administration and eligibility verification practices designed to ensure compliance with federal and state law governing public benefits. CARES's request fails jurisdictionally at the outset. Stripped of rhetoric, the case reduces to a disagreement over a proposed amendment to its contract and how TDH administers the Ryan White Part B ("RWPB") program, not an unlawful rulemaking or constitutional violation. And by its own admission, CARES has a pending administrative remedy before the Department which is unexhausted. Accordingly, at the threshold, this Court lacks jurisdiction

CARES's position rests on a fundamental mischaracterization of the Department's actions. The Department has not altered the terms of CARES's existing grant contracts, and has not imposed any new obligation on CARES or any other subrecipient. TDH issued a memorandum notifying grantees of its intent to propose a contract amendment. CARES declined to sign the proposed amendment, and TDH has taken no further action. As a result, CARES continues to operate under an existing contract without any change to its duties, funding, or reporting obligations.

This case therefore does not present the kind of concrete and imminent injury necessary to justify the extraordinary remedy of a temporary injunction. CARES identifies harms that are entirely speculative: processes it has not been required to implement, audits it has not been threatened with, sanctions that neither Defendant has suggested imposing, and conflicts with federal law that would arise only if the Department took enforcement actions it has not taken. Courts routinely reject requests for injunctive relief based on this type of hypothetical future harm, particularly where, as here, the challenged government action is non-binding and does not alter the parties' legal relationship.

CARES's characterization of the Department's informational memorandum as an "unpromulgated rule" likewise lacks support in fact or law. A notification of intended administrative action is not a rule, does not impose obligations, and does not trigger the requirements of the Uniform Administrative Procedures Act. There is no rule to enjoin. CARES's attempt to transform ordinary contract administration into a constitutional dispute misstates both the Department's conduct (simply referencing PRWORA, 8 U.S.C. § 1601 *et seq*. and Tenn. Code Ann. § 4-58-103, while requesting eligibility verification consistent with law) and the governing legal standards.

Lastly, to be clear, TDH has not required—and the proposed contract amendment does not require—any applicant or enrollee (or grantee) in the Ryan White Program to verify citizenship or immigration status as a condition of receiving services that fall within PRWORA's public-health exception, including the testing and treatment of HIV; any eligibility verification would apply only to non-exempt benefits.

Because the Department has not required verification, has not conditioned funding on verification, and has not taken or threatened any adverse action for declining to verify, there is no present injury, no imminent harm, and no basis for emergency relief. CARES seeks a declaration about a future legal disagreement that may never materialize. Accordingly, CARES fails to satisfy the legal basis that justifies a temporary injunction. The motion must be denied.

II. BACKGROUND

This case is about a proposed amendment to a contract for distributing federal funds that pass through federal agencies, the Tennessee Department of Health, and contracted administrators to recipients in Tennessee. Federal grant funds awarded to the State of Tennessee by the United States government and administered at the state level by the Tennessee Department of Health ("TDH") support the Ryan White Part B ("RWPB") program, the Ryan White Insurance Assistance Program ("IAP"), and the Housing Opportunities for Persons with AIDS ("HOPWA"). Federal agencies oversee and fund these programs: the U.S. Department of Housing and Urban Development funds HOPWA pursuant to 24 C.F.R. § 574.130, while the Health Resources and Services Administration of the U.S. Department of Health and Human Services funds RWPB and IAP under 42 U.S.C. § 300ff-21 *et seq*. At the state level, TDH distributes these federal grants to contracted subrecipients, like Nashville CARES, for the provision of HIV-related medical and

supportive services. *Compl.* ¶¶ 9–11, 29–30, 35–38. The present action is brought under Tenn. Code Ann. § 4-5-225(a) as an appeal from an administrative ruling. *Id.* at ¶ 10.

A. The Personal Responsibility and Work Opportunity Reconciliation Act.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("PRWORA") limits federal, state, and local public benefits that people who are unlawfully present in the United States may receive. 8 U.S.C. § 1601 *et seq*. Title IV of PRWORA creates a "national policy with respect to welfare and immigration." 8 U.S.C. §1611(c). Under PRWORA, only United States citizens, non-citizen nationals, and "qualified aliens" may receive non-exempt "federal public benefits." 8 U.S.C. § 1611(a); 8 § U.S.C. § 1641. State providers that administer benefit programs must have "a verification system" to ensure compliance with PRWORA and its related regulations. 8 U.S.C. § 1642(b).

PRWORA prohibits states from providing "any Federal public benefit" to an alien who is not "a qualified alien,"[1] "a nonimmigrant," or "an alien who is paroled into the United States under section 212(d)(5) of [the Immigration and Nationality Act ("INA")] for less than one year." 8 U.S.C. § 1621(a). States that receive funding for certain government programs, such as Temporary Assistance for Needy Families ("TANF"), 42 U.S.C. §§ 601 *et seq*., must also report the name and address of individuals that are unlawfully in the United States. 42 U.S.C. § 611(a).

Unless an exception applies, a State may not provide the following "Federal public benefits" to ineligible aliens:

> any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

[1] An alien is not "qualified" unless he or she has one of the eight statuses enumerated in 8 U.S.C. § 1641(b).

> any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

8 U.S.C. § 1621(c).

PRWORA's general ineligibility rule includes enumerated exceptions that allow ineligible noncitizens to access specific categories of federal and state benefits, including "immunizations against immunizable diseases and testing for and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable disease." 8 U.S.C. § 1611(b). Defendants do not dispute this exception allows individuals in Tennessee to receive testing and treatment for HIV under RWPB without verifying immigration status. Decl. TDH ¶ 11.

B. The Tennessee Eligibility Verification for Entitlements Act.

Tennessee state law is consistent with and follows PROWRA, the federal law governing public benefits. The Eligibility Verification for Entitlements Act ("EVEA") requires all state government entities to verify an applicant for a federal or state public benefit is either a citizen of or lawfully present in the United States. Tenn. Code. Ann. § 4-58-103(a)(1). "Federal public benefit" has the same meaning as provided in 8 U.S.C. § 1611 and "[d]oes not mean a benefit listed in 8 U.S.C. § 1611(b)." Tenn. Code Ann. § 4-58-102(1).

EVEA sets out the required verification and record-keeping procedures state and local agencies must use. *See id.* at (b)–(g). For non-citizens, Tennessee verifies status primarily through the federal Systematic Alien Verification for Entitlements ("SAVE") program. Tenn. Code Ann. § 4-58-103. All adult applicants for benefits must attest under penalty of perjury that they are either a citizen or "qualified alien." Tenn. Code Ann. § 4-58-103(b)(1). The EVEA defines "qualified

alien" to include the same three categories of eligible aliens under PRWORA: qualified aliens under 8 U.S.C. § 1641, nonimmigrants, or individuals paroled under § 212(d)(5) of the INA for less than one year. Tenn. Code Ann. § 4-58-102(3); Tenn. Att'y Gen. Op. 18-42, 2018 WL 4523256, at *3 (Sep. 13, 2018). Tennessee eligibility for public benefits aligns with PRWORA, and TDH must follow these statutory verification provisions. Tenn. Code Ann. § 4-58-103.

C. The Ryan White Program.

Congress enacted the Ryan White HIV/AIDS Program in 1990 to assist with the exploding costs of the AIDS epidemic. *See* 42 U.S.C. § 300ff *et seq*. The Program is composed of five "Parts," and grant funds are disbursed to states to administer under "Part B." 42 U.S.C. §§ 300ff-11 through 300ff-121. Grant recipients have flexibility in determining which services best serve the needs of their state. 42 U.S.C. § 300ff-22(c)(1). But recipients "are reminded" that they are responsible for complying with eligibility requirements, national monitoring standards, and all established limitations on the uses of funds. *See* HIV/AIDS Bureau Policy 16-02; *see also* HRSA/HAB Division of State HIV/AIDS Programs National Monitoring Standards – Program Part B, *available at* https://ryanwhite.hrsa.gov/sites/default/files/ryanwhite/grants/program-monitoring-partb.pdf, accessed October 26, 2026. The Ryan White program provides health and welfare benefits that squarely fall within the definition of "public benefit" in 8 U.S.C. §§ 1611(c)(1).[2] However, HIV is a "communicable disease." *See* 8 U.S.C. §§ 1611(b)(1)(C). When an individual applies to the Ryan White Program for testing or treatment, federal or state law does not require immigration status verification because an exception applies. *See Id.*

[2] An Idaho federal district court ruled RWPB benefits are "federal public benefits." *Davids v. Adams*, Case No.1:25-cv-334-AKB, 2025 U.S. Dist. LEXIS 143000 at *20 (D. Idaho July 24, 2025).

D. Federal Grants and General Assembly Oversight.

TDH may accept and administer federal funds only as authorized by Tenn. Code Ann. § 4-4-116. The statute permits the State to apply for or receive "federal aid" solely through an executive-branch recipient that complies with its requirements. Tenn. Code Ann. § 4-4-116(a)(4), (b). Because the RWPB award to CARES exceeds $25 million, the Department must notify the joint committee on ways and means before applying for or accepting the funds, and the committee may approve the acceptance or allow it to proceed by taking no action within the statutory review period. Tenn. Code Ann. § 4-4-116(c)(2). The Department must meet these requirements each year. Tenn. Code Ann. § 4-4-116(d)(2)(B). By February 15 each year, the Department must report the amounts allocated, expended, unexpended, and returned to the federal agency. Tenn. Code Ann. § 4-4-116(g). These oversight duties apply in addition to all other requirements of state or federal law governing receipt of federal aid. Tenn. Code Ann. § 4-4-116(f).

In addition, amendments to contracts are subject to General Assembly oversight as well. Contract amendments must be reviewed by the Fiscal Review Committee, as outlined in Tenn. Code Ann. § 4-56-107. This includes contracts where an amendment would extend the contract term or increase the maximum liability under the contract. Tenn. Code Ann. § 4-56-107(b).

E. Nashville CARES.

Nashville CARES is a TDH grant subrecipient using federal funds to support clients in the RWPB and HOPWA programs. TDH Decl. ¶ 3. Aside from CARES, other entities have contracts to provide RWPB case management services such as enrolling applicants in RWPB for core medical services. *Id.* at ¶ 2. However, only CARES provides insurance under the IAP insurance program. *Id.* at ¶ 2. Case managers verify eligibility for program services including insurance. *Id.*

at ¶ 12. That verification occurs before a case manager, or the Department refers an enrollee to CARES for insurance assistance. *Id.* CARES does not verify under the IAP contract.

TDH pays CARES $3,000,000 annually to administer the IAP program and CARES $54,494,850.00 in the current grant year for IAP program costs (premium and benefits payments). *Id.* at ¶ 3. Under the second contract, TDH pays CARES $176,400 to provide RWPB core medical services. *Id.* Under a third contract, $162,700 through a United Way sub-contract to provide HIV support services. *Id.* And under a fourth contract, $130,000 annually for HOPWA. *Id.*

CARES's contracts remain in effect on their current terms: the IAP and RWPB contracts expire March 31, 2027, and the HOPWA contract expires on June 30, 2027. *Id.* at ¶ 4. None of CARES's contracts contain a specific citizenship or immigration verification term. *Id*. CARES's refusal to sign the amendment has not affected its funding: TDH has not withheld, reduced, or delayed payments and CARES continues delivering services and receiving payment under the current contracts. *Id.* at ¶¶ 6–8. In fact, on September 30, 2026, before this lawsuit was filed, TDH paid CARES $27,247,425 to fund the IAP contract from October 1, 2026 to March 31, 2027. *Id.* at ¶ 8. Thus, TDH fully funded the IAP contract through the end of its term. And even if CARES had signed the amendment for the IAP contract, CARES would collect only basic identifying information, and TDH, not the subrecipient, would verify lawful status and determine eligibility for insurance assistance. *Id.* at ¶ 12. Where an entity like CARES with a case management or HOPWA contract refuses to sign the amendment, enrollees remain eligible for HIV testing and treatment, but not insurance. *Id.* at ¶ 14.

F. The August 18 Memorandum and its Rescission.

On August 18, 2026, TDH issued a memorandum to RWPB subrecipients stating that, effective immediately, "no patients without documentation of citizenship or legal residency may

be newly enrolled in any RWPB services or benefits other than HIV testing, treatment, and associated core medical services via HDAP," and that subrecipients must "check citizenship or residency status" and "provide auditable records." *Compl.* Ex. A; Hoke Decl. ¶ 11. The Complaint identifies this memorandum as the source of "the Rule." *Compl*. ¶ 3.

On October 1, 2026, the Department rescinded the August 18 memorandum "[e]ffective immediately." *Compl*. ¶ 52; *Compl.* Ex. P. The October 1 memorandum (1) pointed subrecipients to the Department's public webpage on benefit eligibility and verification and (2) announced that the Department was amending contracts to include the A.14 Eligibility Verification provision. *Compl.* Ex. P. It stated: "You have received contract amendment communications from TDH to amend the scope of your contract with this language." *Id.* It directed questions "about the applicability of the 'eligibility verification' amendment to your organization" to the recipient's legal counsel. *Id.*

G. The Proposed Amendments.

On August 28, 2026, TDH sent a proposed amendment to Nashville CARES for the IAP contract proposing to extend it one year.[3] *Id.* at ¶ 47; *Compl.* Ex. E. Because the IAP contract must be bid and a request for proposal has not issued, TDH proposed extending the contract for one additional year. TDH Decl. ¶ 8. The proposed contract amendments contained language like section A.14 ("A.14"). The email explained that "[d]ue to recent legislation and under guidance from our Office of General Counsel, A.14. Eligibility Verification clause is being added to all our grant contracts." *Compl*., Ex. E, p. 6 ("Ex. E"). The email asked CARES to review and approve

[3] TDH sent CARES a proposed amendment to the current contract for case management services on September 25, 2026, and for HOPWA on October 12, 2026. TDH Decl. ¶ 5.

the amendment as soon as possible because it is subject to review by the General Assembly's Fiscal Review Committee before CARES signed it. *Id*.

Proposed section A.14 reads in full:

> Eligibility Verification. To the extent that grant funds are expended to provide an individual with a "state or local public benefit" or "federal public benefit" as defined under Tenn. Code Ann. § 4-58-102, the Grantee is responsible for eligibility verification for each potential beneficiary/recipient. See generally: Tenn. Code Ann. § 4-58-101 et seq.; 8 U.S.C. § 1601 et seq.; see particularly §§ 1611, 1621, 1641.

Hoke Decl. ¶ 13; *Compl*. Ex's. M, O. CARES alleges TDH told CARES it had until September 29 to agree to the amendment to avoid missed or delayed payments, and signing the amendment would extend the contract from 24 to 36 months. A.14.; *Compl.*, at ¶ 50; Hoke Decl. ¶ 14. Cares filed for payment on September 30, 2026, and the Department paid CARES's on October 2, 2026, for the remaining portion of the current IAP contract, covering October 1, 2026, through March 31, 2027, thus fully funding the contract. Hoke Decl. ¶ 17. TDH later sent similar amendments to Nashville CARES's for its general RWPB grant and HOPWA grant. *Id.* at ¶¶ 50, 55. CARES "has not signed any of these amendments." *Id.* at ¶ 55.

H. The Administrative Petitions and this Suit.

CARES contends that A.14 modified its obligations by imposing additional documentation and procedures it views as inconsistent with state and federal law. *Id.* at ¶¶ 4–5, 51, 53–56. CARES petitioned the Department under Tenn. Code Ann. § 4-5-223 for declaratory relief on September 29, 2026. *Id.* at ¶ 51. CARES filed a subsequent Petition on October 14, 2026.[4] *Compl*. Ex. R. TDH has not acted on that petition and is not required to do so for 60 days. Tenn. Code Ann. § 4-5-223. *Id.* at ¶ 84. Although TDH has until December 14, 2026 to decide, CARES filed the present

[4] CARES confirmed to the Department that it has withdrawn the September 29, 2026 petition, and replaced it with the October 14, 2026 petition.

lawsuit as an appeal from an administrative ruling under Tenn. Code Ann. § 4-5-225(a). In doing so, CARES claimed that it "does not seek a declaratory judgment from the Court until after TDH has failed to issue a declaratory order invalidating "The Rule," and asks in the interim for a temporary restraining order and temporary injunction. *Compl.*, Requests for Relief ¶¶ 2–3.

CARES asserts five claims in its Complaint: (A) a procedural UAPA claim, *Compl*. ¶¶ 85–94; (B) a substantive UAPA claim, *id.* at ¶¶ 95–102; (C) an "equitable preemption" claim under the Supremacy Clause, *id.* ¶¶ at 103–106; (D) an equal protection claim under 42 U.S.C. § 1983, *id.* at ¶¶ 107–114; and (E) a due process vagueness claim under § 1983, *id.* at ¶¶ 115–117.

CARES remains a subrecipient operating under existing contracts with TDH. *Id.* at ¶¶ 60–63. It prematurely filed this action for judicial intervention before TDH completed review of the pending petition. *Id.* at ¶¶ 84–85. CARES's claims arise entirely out of the parties' contracting relationship and CARES's disagreement with TDH's proposed contract terms. *Id.*

III. LAW

A temporary injunction may be granted if the evidence clearly shows "that the movant's rights are being or will be violated by an adverse party and the movant will suffer immediate and irreparable injury, loss or damage pending a final judgment in the action, or that the acts or omissions of the adverse party will tend to render such final judgment ineffectual." Tenn. R. Civ. P. 65.04(2). "Tennessee courts consider the following four factors in determining whether to issue a temporary injunction: (1) the threat of irreparable harm to the plaintiff if the injunction is not granted; (2) the balance between this harm and the injury that granting the injunction would inflict on defendant; (3) the probability that plaintiff will succeed on the merits; and (4) the public interest." *Black v. Strada*, 721 S.W.3d 223, 227 (Tenn.) (internal citation omitted), *cert. denied*,

146 S. Ct. 59, 222 L. Ed. 2d 1185 (2025). The movant carries the burden on these factors. *Fisher v. Hargett*, 604 S.W.3d 381, 394-95 (Tenn. 2020).

Injunctive relief is extraordinary and must be approached with caution. *Id.* It is also disfavored when speculative harms or contested legal questions predominate. *Id.* "[T]here is no power, the exercise of which is more delicate, which requires greater caution, deliberation, and sound discretion, or is more dangerous in a doubtful case" than the power to grant an injunction. *Newsom v. Tenn. Republican Party*, 647 S.W.3d 382, 386 (Tenn. 2022) (internal citation omitted). A court's equitable power to grant injunctions "should be used sparingly." *Vintage Health Res., Inc. v. Guiangan*, 309 S.W.3d 448, 467 (Tenn. Ct. App. 2009). And to the extent Nashville CARES seeks relief that would unwind the Department's directive and compel affirmative action rather than preserve the status quo, it seeks a mandatory injunction, extraordinary relief that "should be granted only in exceptional circumstances." *Fisher*, 604 S.W.3d at 394–95 (citing *Cole v. Dych*, 535 S.W.2d 315, 322 (Tenn. 1976); *King v. Elrod*, 268 S.W.2d 103, 106 (Tenn. 1954)).

IV. ARGUMENT

This matter fails at the outset under principles of justiciability and jurisdiction and should be dismissed. Moreover, CARES fails to meet the extraordinary burden required for its requested injunction. Thus, the injunction should be denied.

A. This Dispute is not Justiciable and the Court Lacks Jurisdiction.

A case must remain justiciable throughout the pendency of litigation. If any component of justiciability is not present, then the Court lacks jurisdiction. *City of Memphis v. Hargett*, 414 S.W.3d 88, 96 (Tenn. 2013); *B & B Enters. of Wilson Cnty., LLC v. City of Lebanon*, 318 S.W.3d 839, 848 (Tenn. 2010). Before reaching the merits, the Court must resolve threshold defects that foreclose injunctive relief. The Department rescinded the August 18 memorandum before CARES

filed this lawsuit and any claim directed to it is moot. The remaining controversy is a contract-administration disagreement over an unsigned, proposed amendment, not a promulgated rule or enforceable obligation. CARES has not exhausted UAPA-mandated administrative remedies, and its asserted harms hinge on contingent future events. The matter is, therefore, unripe and beyond this Court's jurisdiction. Accordingly, the motion should be denied without reaching CARES's remaining theories.

1. Any argument concerning the August 18 Memorandum is moot.

As CARES concedes, TDH rescinded the August 18 memorandum. *Compl.* ¶ 52. A claim becomes moot when it has "lost its controversial character" due to intervening events, including the cessation of the challenged conduct. *City of Memphis*, 414 S.W.3d at 96; *State v. Sokolosky*, 721 S.W.3d 215, 218 (Tenn. 2025). Thus, any claims CARES asserts relating to the August 18 memorandum were moot at the time CARES filed this lawsuit. *See Pers. v. Bd. of Comm'rs of Shelby Cnty.*, No. W200701346COAR3CV, 2009 WL 3074616, at *11 (Tenn. Ct. App. Sept. 28, 2009) (holding claim was moot because the board rescinded the resolution). Because this Court can no longer "provide any meaningful relief" to CARES over its gripes with the rescinded memorandum, *City of Memphis*, 414 S.W.3d at 97, the Court lacks jurisdiction over those claims.

2. CARES improperly seeks judicial intervention in contract negotiation.

Neither the UAPA nor any other law gives this Court jurisdiction to force terms into or out of contract negotiations. That is all CARES asks—for the Court to prevent TDH from asking CARES to amend the contract to comply with state and federal public benefit eligibility requirements now or in the future. *Compl.* at ¶ 7. CARES has not executed an amendment or incurred any new obligation. TDH Decl. ¶ 6. And there is no "rule" embodied in a binding instrument to declare invalid. Instead, CARES asks the Court to rule on the legality of a proposed

amendment TDH asks it to accept in exchange for valuable consideration. That is contract negotiation, not final agency action ripe for review.

CARES attacks the informational and policy guidance sent by the Department that subrecipients are expected to verify citizenship or enrollee status for RWPB program enrollees. TDH rescinded the earlier memorandum and supplanted it with the October 1 memorandum which provided notice to CARES and all subrecipients of a proposed amendment to their grant contracts. *Compl.* ¶ 52; *Compl*. Ex. P. And the Department already sent proposed amendments on August 28, 2026. Thus, the heart of this matter is disagreement over proposed amendments to grant contracts which CARES has not signed and TDH cannot compel it to sign. TDH Decl. ¶¶ 5-9; *Compl.* ¶ 29. CARES's existing Ryan White and HOPWA grant contracts remain in force, unchanged, and fully funded through the end of March 2027. TDH Decl. ¶¶ 5-9. And CARES will not lose its contract with TDH within the contract period. *Id.* at ¶ 7. TDH sent CARES a "draft copy" of a proposed amendment to extend the contract and "asked for the organization's signature and agreement." *Compl.* ¶ 47; *Compl*. Ex. E. The amendment recites that the existing grant contract "is hereby amended" only as "mutually understood and agreed by and between said, undersigned contracting parties." *Id.* at ¶ 48.

That proposed amendment is "a unilateral offer or proposal" that "never [rises] to the level of an enforceable contract" if CARES does not sign it. *Frank Rudy Heirs Assocs. v. Moore & Assocs., Inc.*, 919 S.W.2d 609, 612 (Tenn. Ct. App. 1995). The Court cannot intervene to modify the language of the amendment or force either TDH or CARES to agree to it. Courts "cannot make contracts for parties" and may "only enforce the contract which the parties themselves have made." *McKee v. Cont'l Ins. Co.*, 191 Tenn. 413, 416–17, 234 S.W.2d 830, 831–32 (1950). CARES is under no obligation to sign the amendment because the grant relationship is consensual. *See*

Compl. Ex. N (Nashville CARES RWPB contract).[5] If CARES declines the proposed amendment, it simply does not take effect, and CARES's existing contracts continue their present terms until expiration. TDH Decl. ¶¶ 5-9. CARES faces no legal risk from an amendment it neither signed nor must sign, and no contract term exists for the Court to enjoin or declare invalid. The injunctive and declaratory relief CARES seeks thus has no operative object.

And even if the proposed amendment was in effect and CARES is arguing that the Defendants breached the contract, sovereign immunity bars the action in this court: the exclusive remedy breach of written contract claims is the Tennessee Claims Commission. Tenn Code Ann. § 9-8-307(a)(1)(L); *See Compl*. Ex. N, ¶ D.29.[6] Allowing CARES to litigate this contract dispute outside that designated forum would contravene the State's sovereign immunity. Tenn. Const. art. I, § 17. And to the extent CARES seeks to control the terms on which the State will contract, pay, or renew, the claim is one "against the state . . . with a view to reach the state, its treasury, funds or property," Tenn. Code Ann. § 20-13-102(a). CARES's contract remedies are limited by the contracts themselves to those available under Tenn. Code Ann. §§ 9-8-101 to 9-8-408. Thus, this Court lacks jurisdiction over its request for injunctive relief.

3. CARES has not exhausted its administrative remedies.

Again, the Department rescinded the August 18 Memorandum. CARES therefore attacks the October 1 memorandum as a "rule." *Compl.* ¶ 52; *Compl*. Ex. P. It is not, *see infra.* Regardless, the Tennessee Uniform Administrative Procedures Act ("UAPA"), Tenn. Code Ann. §4-5-101 *et*

[5] Paragraph D.2. states: "This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract. . ."

[6] D.29. Governing Law: . . .The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-408."

seq., prescribes the exclusive path for CARES to challenge the supposed rule, and it precludes the intervention CARES requests from this Court.

Tennessee Code Annotated § 4-5-225 prohibits a court from issuing a declaratory judgment about the validity or applicability of a "rule" without the affected party first petitioning the agency for a declaratory order and the agency refusing to issue it. *Id.* Once a petition is filed, the agency must either convene a contested-case hearing or "[r]efuse to issue a declaratory order." Tenn. Code Ann. § 4-5-223(a). Only if the agency refuses to convene a hearing[7] may the party "apply for a declaratory judgment." Tenn. Code Ann. § 4-5-223(a)(2). If the agency convenes a hearing, administrative review continues under the rules for contested case hearings, Tenn. Code Ann. §§ 4-5-301 to -326, and judicial review is only available from "a final decision." Tenn. Code Ann. § 4-5-322(a)(1).

These requirements are not optional. When exhaustion of administrative remedies "is required by statute, the failure to do so will deprive the court of subject matter jurisdiction." *Chattanooga-Hamilton Cnty. Hosp. Auth. v. UnitedHealthcare Plan of the River Valley, Inc.*, 475 S.W.3d 746, 757–758 (Tenn. 2015). A court asked to render a declaratory judgment about the validity or applicability of an agency order, rule, or regulation, has no jurisdiction to do so unless the party has exhausted its administrative remedies; section 4-5-225(b) "is a clear proscription." *Id.* at 758-59; *see also Bracey v. Woods*, 571 S.W.2d 828, 829 (Tenn. 1978); *Colonial Pipeline Co. v. Morgan*, 263 S.W.3d 827, 837–838 (Tenn. 2008) (Declaratory judgment action should not be considered where special statutory proceedings provide an adequate remedy).

Critically, a petition that has been *filed but not yet decided* does not satisfy administrative exhaustion requirements. The Court of Appeals directly addressed the effect of a pending,

[7] A petition not set for hearing within sixty days is "deemed to have been denied." *Id.*

unresolved administrative petition in *Nat'l Coll. of Bus. & Tech. v. Tenn. Higher Educ. Comm'n*, 2010 WL 987161, at *4–5 (Tenn. Ct. App. Mar. 18, 2010). There, because the state agency had not acted on the petition when the petitioners filed suit, the court found the matter unripe until after the sixty-day deemed-denial period expired under § 4-5-223(c). *Id.* The Tennessee Supreme Court affirmed this principle in holding the UAPA "does not permit [a party] to seek a declaratory judgment in the Chancery Court. . .unless the [party] has first petitioned [the agency] for a declaratory order and been refused"; absent proof of a refusal, "the Chancery Court lacks jurisdiction." *Stewart v. Schofield*, 368 S.W.3d 457, 464–465 (Tenn. 2012). CARES admits its petition remains pending, and the Department's sixty-day period has not expired. *Compl.* ¶ 84. CARES thus has not exhausted administrative remedies, and this Court lacks jurisdiction.

Additionally, CARES cannot escape the administrative exhaustion requirement under its labeled constitutional counts. While parties need not present "a constitutional challenge to the facial validity of a statute" to an agency before seeking a declaratory order, questions of whether *the application* of a statute violates constitutional principles must still be exhausted with the agency. *Colonial Pipeline Co*., 263 S.W.3d at 845–846. Nashville CARES does not challenge the facial validity of the EVEA statute; it challenges the Department's *application* of the EVEA and federal law through a contract amendment. CARES's as-applied challenge falls squarely within the exhaustion requirement.[8] *Id.*

[8] Nor can CARES invoke the "questions of law" excuse. *Ready Mix, USA, LLC v. Jefferson Cnty.*, 380 S.W.3d 52, 63–64 (Tenn. 2012). That is only available where there is no "statutory mandate" for exhaustion, leaving exhaustion to the "judicial discretion" of the "exhaustion . . . doctrine." *Id*. Here, Tenn. Code Ann. § 4-5-225(b) "requires exhaustion by its plain words." *Id*. (internal quotations omitted).

Until TDH acts on – or refuses to respond to – CARES's declaratory-order petition, this Court lacks jurisdiction over the present proceeding. Accordingly, issuing any injunction would be improper as a matter of law.

4. The claims are not ripe.

Ripeness is "closely related to the 'exhaustion of administrative remedies' doctrine." *B & B Enters. of Wilson Cnty., LLC v. City of Lebanon*, 318 S.W.3d 839, 848 (Tenn. 2010). Ripeness "requires a court to answer the question of whether the dispute has matured to the point that it warrants a judicial decision." *Schofield*, 468 S.W.3d at 490. "The central concern of the ripeness doctrine is whether the case involves uncertain or contingent future events that may or may not occur as anticipated or, indeed, may not occur at all." *Id.* And a declaratory action "cannot be used by a court to decide a theoretical question, render an advisory opinion. . .or allay fears as to what may occur in the future." *Id.* No contract amendment binds CARES. *Compl.* ¶ 55. The harms it alleges are contingent and speculative. Therefore, there is not a ripe controversy before this Court.

CARES's claims rest on the hypothesis that TDH will enforce an unsigned amendment and render an adverse audit finding. *Id.* at ¶ 59. CARES concedes that the dispute is not ripe for judicial resolution. CARES "does not seek a declaratory judgment from the Court until after TDH has failed to issue a declaratory order," the administrative petition is pending, and that TDH "is not required to [act] for 60 days." *Id.* at ¶ 84 (citing Tenn. Code Ann. § 4-5-223). A plaintiff who tells the Court its own claim is not yet ripe for decision cannot simultaneously demand the Court decide it. A merely "likely" future injury "by reason of a possible future dispute . . . is not ripe for review in the absence of a current controversy." *Thomas v. Shelby Cnty.*, 416 S.W.3d 389, 393–94 (Tenn. Ct. App. 2011). That is this case. The Court should decline the invitation to render an advisory opinion on contract terms to which no party has assented.

5. CARES Impermissibly joins an original action under 42 U.S.C. § 1983 with an "Appeal" from an agency action.

Tennessee law prohibits combining an appellate-type challenge to agency action with an original action in a single proceeding. *Goodwin v. Metropolitan Board of Health* "heartily condemn[ed]" the joinder of an appeal with an original action and explained that appellate review and trial of new claims require separation because they operate under different rules and scopes of review. 656 S.W.2d 383, 386–87 (Tenn. Ct. App. 1983). Courts enforce this prohibition by dismissing the improperly joined original claims. *See Groves v. Tennessee Department of Safety and Homeland Security*, No. M2016-01448-COA-R3-CV, 2018 WL 6288170, at *5 (Tenn. Ct. App. Nov. 30, 2018). The same principle applies when a litigant tries to tack new causes of action onto a UAPA review. In *Tennessee Environmental Council v. Water Quality Control Board*, the Court of Appeals dismissed a claim for breach of contract because it improperly joined to an action for judicial review of an administrative decision. 250 S.W.3d 44, 58 (Tenn. Ct. App. 2007).

Here, CARES seeks appellate review of a future, untaken agency action with claims under 42 U.S.C. § 1983 for alleged violations of its equal protection and due process rights. *Compl.* ¶¶ 85, 95, 107, 115. CARES seeks attorney fees under § 1983. *Compl.* Prayer for Relief, ¶ 6. CARES's § 1983 claims present an original action, not appellate review. "Like oil and water, the two will not mix." *Goodwin*, 656 S.W.2d at 386–87. CARES' § 1983 claims thus must be dismissed. *See e.g., Poursaied v. Tennessee Board of Nursing*, 643 S.W.3d 157, 165–66 (Tenn. Ct. App. 2021); *Goodwin*, 656 S.W.2d at 386–87; *Groves*, 2018 WL 6288170, at *5; *Tennessee Environmental Council*, 250 S.W.3d at 58.[9]

[9] In addition to the original action problem, CARES lacks standing to assert alienage-based rights that belong only to its noncitizen clients. *City of Memphis v. Hargett*, 414 S.W.3d 88, 100–01 (Tenn. 2013); *Am. C.L. Union of Tenn. v. Darnell*, 195 S.W.3d 612, 619–20 (Tenn. 2006); *Gray's Disposal Co. v. Metro. Gov't*, 122 S.W.3d 148, 158 (Tenn. Ct. App. 2003). CARES's clients face

B. The Temporary Injunction Factors are not Met.

Turning to the substance of CARES's motion, to obtain a temporary injunction, CARES must make a clear showing of immediate and irreparable injury, a likelihood of success on the merits, and that the balance of equities and the public interest favor relief. *See* Tenn. R. Civ. P. 65.04(2); *Fisher*, 604 S.W.3d 381, at 394-95. CARES cannot meet this standard because its alleged injuries are economic and speculative, the merits turn on statutory implementation that does not warrant extraordinary relief, and the equities and public interest weigh against disrupting program administration. With RWPB IAP open enrollment beginning November 1, any injunction would destabilize the existing procedures and ultimately increase costs across the board.

1. CARES is Unlikely to Succeed on the Merits.

The injunction should also be denied because CARES is unlikely to succeed on the merits of any of its claims. Start with the UAPA. The October 1 memorandum notifies grantees of a proposed amendment to existing grant contracts that aligns with state and federal law requiring eligibility verification for potential beneficiaries of public benefits. Memoranda or policies that explain existing law or restate it are not "rules" under the UAPA. Tenn. Code Ann. § 4-5-102.

Similarly, CARES's preemption claim is unlikely to succeed because PRWORA authorizes and requires states to verify eligibility for public benefits. TDH's approach complies with verification requirements while also honoring PRWORA's communicable-disease exception. Federal law does not preempt TDH's faithful implementation of PRWORA.

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no hindrance in asserting their own claims. *See Kowalski v. Tesmer*, 543 U.S. 125, 131–32 (2004) (no standing where right-holders have "open avenues" to raise their claims); *Torres v. Precision Indus., P.I. Inc.*, No. W2014-00032-COA-R3-CV, 2014 WL 3827820, at *9 (Tenn. Ct. App. Aug. 5, 2014) (noncitizens have access to the courts). In any event, the challenged "rule" is subject only to rational-basis review because it is consistent with and mirrors federal law.

Next, the equal-protection claim is unlikely to succeed because undocumented aliens are not a suspect class and classifications implementing federal law are reviewed under rational basis.

Lastly, CARES' due process claim fails because EVEA and PRWORA supply both fair notice and clear standards.

i. The procedural UAPA claim is unlikely to succeed because the eligibility verification requirement implements an existing statute.

CARES contends that the directive is a "rule" rendered void for want of proper rulemaking. *Compl.* ¶¶ 89-94. But the UAPA excludes from the definition of "rule" any policy, statement, or guideline that explains the meaning of a statute or rule, as well as intra-agency memoranda and general policy statements that are "substantially repetitious of existing law." Tenn. Code Ann. § 4-5-102. The October 1 notification does no more than instruct grantees about state and federal law requirements for "eligibility verification" and advise that TDH is seeking to amend existing contracts to incorporate that requirement. *Compl.* Ex. P. The EVEA already requires "every state governmental entity" to perform eligibility verification. *See* Tenn. Code Ann. § 4-58-103. And EVEA prescribes acceptable documents, SAVE procedures, presumptions, and recordkeeping. *Id.* The October 1 memorandum highlights those requirements and only restates existing law. *See* Tenn. Code Ann. § 4-5-102.

The Tennessee Supreme Court in *Emergency Med. Care Facilities, P.C. v. Div. of Tenncare*, 671 S.W.3d 507, 514 (Tenn. 2023), held that an agency statement is "of general applicability" when it reaches an open class, including parties bound only by contract, and that agencies "cannot skirt the UAPA's rulemaking requirements by entering into contracts with regulated parties." *Id.* at 515-16. But that decision further confirms TDH's October 1 memorandum is not a rule. In *Emergency Med.*, the Court distinguished *Tennessee Community Organizations v. Tennessee Department of Intellectual & Developmental Disabilities*, No. M2017-

00991-COA-R3-CV, 2018 WL 2175818 (Tenn. Ct. App. May 11, 2018), on the ground that a "separate statute. . .expressly authorized" the department to issue mandatory instructions to contracted providers through non-UAPA procedures. *Emergency Med. Care Facilities, P.C.*, 671 S.W.3d at 516 (referencing *Tennessee Community Organizations*, No. M2017-00991-COA-R3-CV). Here, the EVEA is that separate statute: it affirmatively mandates the verification the Department's October 1 notification implements. Tenn. Code Ann. § 4-58-103. Unlike the cost-cap in *Emergency Med.*, which the agency defended as an implied exemption the legislature never wrote, the EVEA verification requirement is a direct and express command of a statute the Department must implement. The October 1 memorandum provides notice to the subgrant recipients of the law's requirements.

ii. The substantive UAPA claim fails because the Department acted within its authority under a valid statute.

Nashville CARES incorrectly asserts that TDH misreads EVEA and PRWORA, and thus exceeded its rulemaking authority and acted arbitrarily. *Compl.* ¶¶ 95-102. The EVEA plainly mandates the verification at issue, and an agency acts within—rather than beyond—its authority when it carries out a legislative directive. *See* Tenn. Code Ann. § 4-58-103. The statute's built-in exception ("[e]xcept where prohibited by federal law") means both the statute and the Department's directive yield whenever federal law forbids verification—which, as shown below, it does not. And because the Department's directive tracks the PRWORA statute, including the exception for treatment of communicable-disease, it is neither ultra vires nor arbitrary. Additionally, as discussed *supra*, neither the TDOH memorandum nor the contract amendment qualifies as a "rule" under the UAPA; accordingly, there is no rulemaking violation.

iii. The preemption claim is unlikely to succeed because PRWORA requires states to verify eligibility, and the Department's directive honors the communicable-disease exception.

Contrary to CARES's arguments, there is no conflict with federal law because PRWORA does not preempt state verification requirements; it authorizes and compels them. Congress expressly empowered States to "require an applicant for State and local public benefits. . .to provide proof of eligibility." 8 U.S.C. § 1625. It also directs regulations "requiring verification" of eligibility for federal public benefits and establishes procedures through which "a State or local government can verify" alien status. 8 U.S.C. § 1642(a)–(b). States administering federal-benefit programs must "have in effect a verification system." *Id.* And Congress declared that eliminating incentives for unlawful immigration is a "compelling government interest," expressly recognizing "State authority to make determinations concerning the eligibility of qualified aliens for public benefits." 8 U.S.C. § 1601(2), (4). A State that "chooses to follow the Federal classification" is deemed to have chosen the "least restrictive means" available. 8 U.S.C. § 1601(6). TDH's verification requirement that implements this federal design cannot conflict with it.

Nashville CARES emphasizes PRWORA's communicable-disease exception, under which the general ineligibility rule "shall not apply" to "public health assistance … for immunizations" and for "testing and treatment of symptoms of communicable diseases." 8 U.S.C. § 1611(b)(1)(C). But the Department's October 1 policy notification and proposed amendment fully honors that exception. *Compl.* Ex. P. TDH expressly excludes "HIV testing, treatment, and associated core medical services via HDAP" from verification. *Id.* at ¶ 27. The federal statutory exception CARES believes applies to all components of the RWPB program is narrow, limited to immunizations and the testing or treatment of communicable diseases. 8 U.S.C. § 1611(b)(1)(C). PRWORA does not except insurance premium subsidies, cost sharing assistance, or other supportive services from the

verification requirements that Congress enacted. *Id. See also Schwegmann Bros. v. Calvert Distillers Corp*., 341 U.S. 384, 389 (1951) (rejecting interpretation under which "the exception swallows the proviso and destroys its practical effectiveness"); 8 U.S.C. 1601; 90 Fed. Reg. 31237.

Additionally, any reliance on *Davids v. Charron*, for the proposition that TDH's proposed amendment conflicts with PRWORA is misplaced. No. 1:25-cv-00334-AKB, 2026 WL 2322726, at *7–*9 (D. Idaho Aug. 11, 2026). Most importantly, the district court there found that RWPB is a "federal public benefit[]." *Id.* at *20. Thus, the PRWORA's requirements attach to the program. *Davids* is also unlike the present case because the court there held at the motion to dismiss stage that Idaho's state law differed from the PRWORA because it required verification for benefits that are subject to the exception in 8 U.S.C. *Id.* By contrast, TDH's notification and amendment do the opposite by specifying that grant recipients must comply with the applicable state and federal laws.

TDH's October 1 memorandum and proposed amendment to grant contracts specify that HIV testing, treatment, and core medical services do not require verification. *Compl.*, Ex. P. TDH applies verification only to IAP and supportive services, neither of which are "testing and treatment of symptoms" under § 1611(b)(1)(C). Compliance with both PRWORA and the TDH's amendment language is therefore not a "physical impossibility" obstructing the purpose of PRWORA's exception. *See Arizona v. United States*, 567 U.S. 387, 399 (2012). Therefore, the conflict discussed in *Davids* is absent here, and that eliminates any plausible facial or as-applied conflict-preemption theory. At a minimum, this distinction forecloses the "clear showing" of likely success required for preliminary relief. Tenn. R. Civ. P. 65.04.

Moreover, PRWORA's structure reinforces, rather than undermines, TDH's approach. PRWORA creates a comprehensive regime rendering non-qualified aliens ineligible for federal public benefits unless a statutory exception applies. 8 U.S.C. § 1611(a). IAP provides premium

payments and cost sharing, which facilitates access to care but are neither "testing" nor "treatment of symptoms" under § 1611(b)(1)(C). States must ensure they do not expend federal funds contrary to PRWORA's eligibility limits in these non-exempt categories. *See* 8 U.S.C. § 1642(a)–(b).

EVEA mirrors this structure, requiring verification "except where prohibited by federal law." Tenn. Code Ann. § 4-58-103(a). TDH's contract terms follow that directive precisely. The amendment requires verification where PRWORA permits it; and it does not require it where PRWORA prohibits it. *Compl*. Ex. P. CARES's preemption theory thus fails because TDH is implementing PRWORA's framework, not regulating immigration or imposing independent eligibility rules. *See Arizona*, 567 U.S. at 394–95.

Because the text of PRWORA and EVEA are clear, this Court need not wade into the latest litigation surrounding federal guidance documents. *See Compl.* ¶ 42. While 2025 notices (which also adopt a plain reading of PRWORA) were vacated nationwide for failure to undergo APA rulemaking, *State of New York v. U.S. Dep't of Justice*, No. 1:25-cv-00345-MSM-PAS (D.R.I. Sept. 21, 2026), PRWORA's text is unaltered and controlling. PRWORA's text is clear: a non-qualified alien "is not eligible for any Federal public benefit," a term which includes "any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit" provided to an individual, household, or family unit by a United States agency or with federal appropriations. 8 U.S.C. § 1611(a), (c)(1).

In short, TDH's verification requirement does not conflict with federal law. It enforces it.

iv. The equal-protection claim is unlikely to succeed because a classification that follows a uniform federal rule is reviewed for a rational basis.

The Equal Protection Clause requires that "all persons similarly circumstanced shall be treated alike," but it does not transform every classification touching non-citizens into a suspect class requiring strict scrutiny. *Plyler v. Doe* expressly recognized that undocumented aliens are not a suspect class and applied a form of rational basis review in the unique context of denying K–12 education to children. 457 U.S. 202, 216, 223–24 (1982). Strict scrutiny is not proper for a facially neutral eligibility verification that aligns state administration of benefits with federal welfare statutes. *League of United Latin American Citizens v. Bredesen* ("*LULAC*"), 500 F.3d 523, 530-31 (6th Cir. 2007); *LeClerc v. Webb*, 419 F.3d 405, 416 (5th Cir. 2005).

Congress, through PRWORA, established a uniform federal framework for eligibility for federal public benefits, coupled with limited public-health exceptions. 8 U.S.C. § 1611(b)(1)(C). PRWORA also declares a national policy of self-sufficiency and explicitly provides that a state that follows federal classifications has chosen the least restrictive means of furthering compelling interests in self-reliance and avoiding incentives for unlawful immigration. 8 U.S.C. § 1601(1)–(7). TDH's proposed amendment to CARES's contracts and the October 1 memorandum adopt the federal definitions of eligible and ineligible aliens. Congress has declared that a State that follows the federal classification "shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest" at issue. 8 U.S.C. § 1601(7).

Because TDH is implementing the federal scheme of immigration and public benefits regulation, only rational basis review applies. *Matthews v. Diaz,* 426 U.S. 67 (1976); *Soskin v. Reinertson*, 353 F.3d 1242, 1255-1256 (10th Cir. 2004) (Rational-basis review applied because Colorado acted under Congress's discretionary authority in setting Medicaid eligibility for legal

aliens). Courts consistently apply rational-basis review when a state implements federal classifications or funding limits in administering public benefits. The Ninth Circuit in *Pimentel v. Dreyfus* vacated a preliminary injunction and rejected an alienage discrimination claim where the state's administration tracked federal SNAP rules. 670 F.3d 1096, 1101–09 (9th Cir. 2012). The *Pimentel* court emphasized the absence of disparate treatment of similarly situated citizens and applied rational-basis review to the challenged eligibility distinctions. *Id.* Similarly, the Ninth Circuit in *Korab v. Fink* upheld Hawaii's differential benefits for certain non-immigrants, holding that states are not constitutionally obligated to backfill gaps where Congress has withdrawn or limited federal funding and may make rational distinctions accordingly. 797 F.3d 572, 580–86 (9th Cir. 2014). Likewise, the Sixth Circuit in *League of United Latin American Citizens v. Bredesen* applied rational-basis review to Tennessee's distinctions affecting temporary residents in the driver-licensing context, rejecting strict scrutiny for classifications keyed to immigration status. 500 F.3d 523, 530–31 (6th Cir. 2007). The Fifth Circuit in *LeClerc v. Webb* sustained Louisiana's rule excluding nonimmigrant aliens from bar admission under rational basis. 419 F.3d 405, 421–22 (5th Cir. 2005). And the Eleventh Circuit in *Estrada v. Becker* upheld a "lawful-presence" verification policy for selective university admissions under rational basis, emphasizing the state's legitimate interest in how it invests limited educational resources. 917 F.3d 1298, 1311–13 (11th Cir. 2019). These decisions collectively confirm that TDH's alignment with PRWORA's classifications triggers rational-basis review—not strict scrutiny.

CARES's reliance on *Graham v. Richardson* is misplaced. *Graham* invalidated state welfare restrictions that discriminated against lawful permanent residents and encroached on federal dominance over immigration. 403 U.S. 365, 370–83 (1971). It did not convert compliance with PRWORA into a suspect classification. *Id.* Rather, when Congress itself draws lines among

aliens in federal benefits programs, those distinctions are reviewed deferentially, and states administering those programs must conform to that structure. *See Mathews v. Diaz*, 426 U.S. 67, 80–86 (1976). TDH's proposed contract amendment—tied directly to federal eligibility rules and their exceptions—easily satisfies rational-basis review because it is rationally related to the state's interests in complying with federal law, responsibly managing public funds, and supporting public-health planning consistent with self-sufficiency policy. *See Korab*, 797 F.3d at 580–86; 8 U.S.C. § 1601(5)– (7). Indeed, under rational basis review, a state's adherence to federal law is in itself at least a legitimate interest. *Clark v. Jackson*, No. 22-5553, 2023 WL 2787325, at *7 (6th Cir. Apr. 5, 2023); *Bredesen*, 500 F.3d at 533; *Louisiana v. Callais*, 608 U.S. 85, 92 (2026) (holding "compliance with the Voting Rights Act" can provide "a compelling reason for race-based" distinctions if construed properly so as to make the Act consistent with constitutional obligations). Avoiding federal enforcement litigation is also a legitimate interest. *Neinast v. Bd. of Trustees of Columbus Metro. Lib.*, 346 F.3d 585, 592 (6th Cir. 2003).

Finally, CARES must show an invasion of *its* own rights. *Gray's Disposal Co.*, 122 S.W.3d at 158; *Union of Tenn. v. Darnell*, 195 S.W.3d 612, 619–20 (Tenn. 2006); *Kowalski*, 543 U.S. at 131–32. And while it pleads that the "rule" violates its equal protection rights, *Compl.,* ¶ 114, CARES identifies no right the Department's request to amend its contracts violates. *Id.*, ¶¶ 107 – 114. CARES is neither a beneficiary of RWPB funds nor a noncitizen. Rather it is a Tennessee, nonprofit corporation administering RWPB funds. *Id.* at ¶ 2.

CARES's equal protection claim rests entirely on conclusory allegations. *Id.*, ¶¶ 107 – 114. It cannot make the "clear showing" of likely success necessary for a temporary injunction under Tenn. R. Civ. P. 65.04(2), particularly where TDH rescinded the earlier memo and now propose

contract changes based only on eligibility verification consistent with federal law. *Plyler*, 457 U.S. at 216; Tenn. R. Civ. P. 65.04(2).

v. The due-process vagueness claim is unlikely to succeed.

Nashville CARES argues that "citizenship" and "residency status" in the "rule" are unconstitutionally vague. *Compl.* ¶ 117. Again, the October notification is not a "rule," and the proposed amendment is clear:

> Eligibility Verification. To the extent that grant funds are expended to provide an individual with a "state or local public benefit" or "federal public benefit" as defined under Tenn. Code Ann. § 4-58-102, the Grantee is responsible for eligibility verification for each potential beneficiary/recipient. See generally: Tenn. Code Ann. § 4-58-101 et seq.; 8 U.S.C. § 1601 et seq.; see particularly §§ 1611, 1621, 1641.

Hoke Decl. ¶ 13; *Compl*. Ex's. M, O. Terms defined by cross-reference to other statutes are not vague; the cross-reference itself supplies the required notice. *See United States v. Awan*, 459 F. Supp. 2d 167, 181–182 (E.D.N.Y. 2006). The proposed amendment supplies fair notice and directs sophisticated grantees to the definitions contained in both state and federal law.

Tennessee's EVEA supplies concrete content by enumerating acceptable proof of citizenship and by prescribing verification through the Department of Homeland Security's SAVE system for qualified-alien status. Tenn. Code Ann. § 4-58-103(a)–(c), (d). Federal law likewise defines "Federal public benefit" and provides clear criteria for mandatory verification. 8 U.S.C. §§ 1611(c)(1). Because the challenged "rule" operates within a detailed statutory scheme, it is not "vague." *See Davis-Kidd Booksellers, Inc. v. McWherter*, 866 S.W.2d 520, 525–27 (Tenn. 1993) (applying narrowing construction and rejecting facial invalidity where standards and context cabin enforcement).

2. CARES has not Demonstrated Immediate and Irreparable Harm.

The absence of irreparable harm is independently dispositive. CARES will not bear the harms it identifies – staff time spent "train[ing] new employees" and "develop[ing] processes," hours devoted to audits, and "limited budgetary funds to comply." *Compl.* ¶¶ 59, 76. TDH administers the verification components for RWPB and IAP. TDH Decl. ¶ 12. The screening, status determinations, and record functions that Nashville CARES claims it will be forced to build, and staff are performed by TDH, not by its subrecipients. *Id.* Nashville CARES is therefore not confronted with the operational overhaul its declaration describes. Nor does the proposed contract amendment alter the status quo: Nashville CARES has refused to sign it, and that refusal does not jeopardize or change its current contract, which runs through March 2027 unchanged. TDH Decl. ¶ 7; *Compl*. ¶ 29.

The alleged harm is also speculative and self-inflicted. Injunctive relief is premature where the claimed detriment is "dependent upon a contingency which may or may not happen in the future." *Hake*, 183 Tenn. at 620, 194 S.W.2d at 470. Nashville CARES has not signed any amendment and faces no pending audit, finding, or enforcement action; its patient-access theory is not its own injury and is further undermined by the Department's exclusion of HIV testing, treatment, and core medical services from verification.

3. The Balance of Equities and Public Interest Weigh Against Injunctive Relief.

The final two factors confirm that relief should be denied and the Tennessee Supreme Court has made clear that these factors are not afterthoughts because even where a plaintiff shows a likelihood of success and a risk of irreparable harm, "the court must carefully weigh the balance between that harm and the harm that granting the injunction will inflict on the defendant, as well as the public interest." *Moore v. Lee*, 644 S.W.3d 59, 63 (Tenn. 2022) (vacating a temporary

injunction against a statute because the trial court failed to properly consider the harm to the Defendants and the public interest). The State has a substantial interest in enforcing a statute duly enacted by its General Assembly, and EVEA commands verification of public-benefit eligibility. Tenn. Code Ann. § 4-58-103(a)–(c). Additionally, Congress has expressed its clear legislative intent that non-eligible aliens are subject to verification if a statutory exemption is not met.

i. An injunction undermines the state interest in ensuring that validly enacted laws are followed.

CARES asks the Court to bar the Department from implementing EVEA. That request cannot be squared with settled law recognizing the State's sovereign interest in enforcing its own enactments. "[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." *Thompson v. DeWine*, 976 F.3d 610, 619 (6th Cir. 2020); *see also Doe v. Lee*, 137 F.4th 569, 576 (6th Cir. 2025). Enjoining EVEA's legislative mandate would inflict injury on both the State and the public interest.

Any injunctive relief granted would compel the Department to disburse federal grant funds in violation of the very conditions on which Tennessee is authorized to accept them. PRWORA renders aliens who are not qualified aliens ineligible for any "Federal public benefit," a term that expressly includes "any grant . . . provided by an agency" or appropriated federal funds. 8 U.S.C.A. § 1611. EVEA independently commands that "every state governmental entity, local governmental entity, and local health department shall verify" the lawful presence of each adult applicant for a federal, state, or local public benefit. Tenn. Code Ann. § 4-58-103. CARES cannot evade the PRWORA and state verification mandate by arguing it is a pass-through administrator. That argument was rejected in *Poder in Action v. City of Phoenix*, 481 F. Supp. 3d 962 (D. Ariz. 2020) in the context of COVID relief funds. There the City of Phoenix applied for and received a federal grant and created a nonprofit to distribute the funds. *Id.* at 968. The plaintiff argued because the

nonprofit ran the program, no immigration status verification was required. *Id.*at 977. In rejecting the argument the Court stated, "It seems anomalous that a city or state government in this situation could bypass PRWORA simply by choosing to subcontract with a non-profit organization for assistance with program administration." *Id.* at 977-978.

Federal law confirms the State's authority to demand proof of eligibility. 8 U.S.C.A. § 1625. And Tenn. Code Ann. § 4-4-116 reinforces, rather than undermines, the Department's position: its requirements are "in addition to any other requirement under state or federal law for the receipt of any federal aid," and its grant of contracting authority extends only to action taken "in accordance with all applicable laws and procedures" — binding the Department to administer this $55 million award on its lawful federal and state terms. § 4-4-116(e), (f). An injunction would interfere with the terms and conditions under which the legislature annually reviews and approves the grant funds. And it would substitute CARES's judgment for that of the legislature. The requested relief is both legally unsupported and fatally overbroad. The motion must be denied.

ii. An injunction risks financial and other injury to the State.

An injunction risks significant financial injury to Tennessee's taxpayers and to the sustainability of the programs at issue. First, an injunction prohibiting compliance with eligibility verification requirements under state and federal law risks enrolling persons who are not eligible for RWPB benefits. Noncompliance with federal law risks an adverse audit finding and could cause the federal government to revoke its grants to the state. 2 C.F.R. §§ 200.339–.340. Revoking the federal grants that support Tennessee's RWPB, IAP, and HOPWA programs would immediately endanger the state's HIV prevention and treatment capacity. Annual Affordable Care Act ("ACA") open enrollment begins for the Ryan White Program November 1 where third-party brokers on the federal exchanges can enroll individuals for insurance under RWPB. A preliminary

injunction issued at the start of enrollment would destabilize existing procedures that will increase processing and costs for other RWPB subrecipients and TDH. *See* Tenn. R. Civ. P. 65.04 (requiring a clear showing of immediate and irreparable injury before enjoining ongoing governmental operations). Unlike CARES, the risk of this harm to the Department is not speculative but imminent. This court has already issued a TRO precluding TDH from verifying eligibility. And through ACA open enrollment, third-party brokers on the federal exchanges can enroll individuals for insurance under RWPB.

Next, allowing the UAPA declaratory order process to run its course, which Nashville CARES itself invoked, serves orderly administration better than premature judicial intervention. *Colonial Pipeline*, 263 S.W.3d at 837–38. Tennessee's Supreme Court cautions against broad preliminary injunctions when the record does not show a clear right to extraordinary relief and when equitable and public interest factors counsel against disrupting state processes. *Fisher*, 604 S.W.3d at 394–95.

Because Ryan White IAP open enrollment begins November 1, and an injunction would disrupt the cycle and raise compliance and audit risks, and because PRWORA and EVEA reflect strong governmental interests in verification, the equities and public interest weigh decisively against granting a preliminary injunction.

C. CARES's Proposed Bond is Woefully Insufficient.

"[N]o restraining order or temporary injunction shall be granted except upon the giving of a bond by the applicant." Tenn. R. Civ. P. 65.05(1). The bond must be sufficient "for the payment of costs and damages as may be incurred or suffered by any person who is found to have been wrongfully restrained or enjoined." *Id*. Here, Nashville CARES's motion for a temporary

injunction should be denied for the reasons stated above. But, if the Court is inclined to grant an injunction, it should require Nashville CARES to give a bond of $450,000.

Annual ACA open enrollment for RWPB begins November 1, 2026. TDH Decl. ¶ 13, 16. In the weeks leading up to ACA open enrollment, the Department was busy preparing necessary computer software, paper forms, and training staff. *Id.* at ¶¶ 13-14, 16. After this Court granted a temporary restraining order, the Department immediately informed staff and all contracted agencies of the decision. Now, with days until open enrollment, the Department is gearing up for a totally different process than it had anticipated.

Navigating contractual requirements, federal law, state law, and short-notice compliance with a TRO already necessitated an "all-hands-on deck" event for the Department. Continued litigation of the injunction necessarily requires the efforts of highly trained attorneys. *Id.* at ¶ 16. In addition, the Department estimates that compliance with a temporary injunction will require at least an additional 40-60 hours of training and labor. *Id.* If ineligible individuals must be enrolled in insurance, the Department will also need to explore alternate funding structures to avoid a loss of federal funds. And, at the very least, each person who is enrolled in insurance but later determined to be ineligible will cost the Department approximately $12,000 per person to comply with the terms of the RWBP program. *Id.* at ¶¶ 14, 16; Hoke Decl. ¶ ¶ 39-40, 42.[10]

These costs may not be recoverable, even if Defendants successfully appeal. *See Wright Med. Tech., Inc. v. Grisoni*, 135 S.W.3d 561, 594 (Tenn. Ct. App. 2001). The suggested bond is reasonable because it is only 15% of the $3,000,000 that CARES receives each year for

[10] Hoke states in paragraph 39 of her Declaration the annual average cost per Ryan White IAP participant is $6,200. That figure understates the cost because it does not account for the pricing benefits available under the federal 340B Drug Pricing Program, 42 U.S.C. § 256b, which provide safety-net providers like CARES with substantial manufacturer discounts and chargebacks on HIV-related medications.

administering the IAP program. It is also equitable for CARES to pay a suitable bond for the unanticipated costs that it created by initiating litigation less than two weeks before open enrollment. Therefore, this Court should impose a bond of $450,000 as a "condition precedent" to any temporary injunction. *See South Central Tenn. Railroad Auth. v. Harakas*, 44 S.W.3d 912, 916 (Tenn. Ct. App. 2000).

V. CONCLUSION

The dispute is non-justiciable and outside this Court's jurisdiction. The heart of this controversy is a negotiation point over unsigned contract amendments, and the UAPA process remains unexhausted. CARES also cannot meet the high bar for a temporary injunction because its merits claims are unlikely to succeed. And a hasty injunction would wreak irreparable harm to TDH, the public interest, Congress's prerogative to set national immigration policy, and Tennessee taxpayers. The Court should deny the motion for temporary injunction.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that that on this October 28, 2026, a copy of the foregoing *Response in Opposition to Preliminary Injunction* was served was served through the Court's electronic filing system on all counsel of record. All other parties will be served by US Mail.

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