

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
Civil No. 0:26-cv-1701-ECT-DTS

STATE OF MINNESOTA et al.,

Plaintiff,

v.

DR. MEHMET OZ, et al.

Defendants.

NOTICE OF SUBSEQUENT EVENTS

Defendants respectfully notify the Court that on March 19, 2026, CMS Deputy Administrator and Chief Operating Officer Kimberly Brandt sent a letter to Minnesota State Medicaid Director John Connolly regarding the State's Corrective Action Plan. A copy of that letter is attached as Exhibit A.

The status of the Corrective Action Plan and the compliance proceeding were subjects of inquiry at the March 12 hearing. The March 19 letter (Ex. A) advises Minnesota that CMS has approved Minnesota's revised Corrective Action Plan. CMS identified specific CAP deficiencies on January 12, 2026. Minnesota submitted a revised CAP on January 30, 2026, addressing those deficiencies. The letter confirms that the CAP is approved. CMS also proposes a new meeting cadence aligned with the milestone schedule and has requested continuing status updates on provider revalidation efforts.

The March 19 letter (Ex. A) also advises Minnesota that CMS seeks a stay of the pending compliance hearing, as successful implementation of the approved CAP would moot the appeal.

Dated: March 20, 2026

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Respectfully submitted,

/s/ Matthew C. Zorn

MATTHEW C. ZORN
Deputy General Counsel, U.S. Department
of Health and Human Services and
Special Assistant U.S. Attorney for the
District of Minnesota

Attorneys for Defendants

CERTIFICATE OF SERVICE

I hereby certify that on March 20, 2026, I electronically filed the foregoing Notice of Subsequent Event with the Clerk of Court using the CM/ECF system, which will send notify all counsel of record.

/s/ Matthew C. Zorn

MATTHEW C. ZORN



March 19, 2026

John Connolly
State Medicaid Director
Minnesota Department of Human Services
444 Lafayette Road
St. Paul, MN 55155

Dear Director Connolly:

I write on behalf of the Centers for Medicare & Medicaid Services (CMS) regarding Minnesota's Medicaid Corrective Action Plan (CAP) and the State's ongoing implementation efforts.

Corrective Action Plan

As Administrator Dr. Mehmet Oz noted in his January 6, 2026, letter to Minnesota, CMS identified several deficiencies in the CAP submitted by the State on December 31, 2025. In that letter, CMS included a timeline of milestones for the State to achieve over the coming months to guide future discussions between our teams and ensure those deficiencies were addressed in a mutually agreed-upon manner. These milestones provided the structure needed to direct CMS's work with Minnesota, including regular meetings, weekly data reporting metrics, and CMS's onsite visit in January 2026. CMS followed up on January 12, 2026, with an email outlining the specific CAP deficiencies and the revisions the State would need to make to submit a sufficient CAP. That communication also identified CMS's expectations of deliverables due at specified milestones.

Minnesota submitted a revised CAP on January 30, 2026, that addressed the deficiencies CMS identified to the State on January 12, 2026. Therefore, the CAP is approved.

Implementation of the Corrective Action Plan to Achieve Compliance

Thus far, Minnesota has met both the February 1, 2026 and March 1, 2026 milestones described in the approved CAP. CMS expects the State to continue implementing the revised CAP with CMS support until completion; meet with CMS to discuss milestone updates and any issues that arise, as needed; and continue submitting weekly data reporting metrics as previously agreed upon.

In particular, Minnesota is taking on one of the revised CAP's most critical initiatives—conducting off-cycle provider revalidations of the high-risk provider types—and we request continuing status updates regarding the revalidation actions described in the approved CAP through the initiative's completion. Specifically, the State committed to completing the revalidation process by May 31, 2026. Given that Minnesota stated this work “will require tremendous additional, professional human capacity beyond what it currently has available for

provider revalidation work,” we request confirmation that Minnesota still anticipates meeting that May 31, 2026, milestone. In addition, we request information regarding when CMS can expect a report on the revalidation process outcomes and analysis.

CMS also requests a new meeting cadence aligned with the milestones described in the approved CAP. Specifically, CMS proposes holding meetings as each milestone date arrives at which the State would present status updates, including evidence of the actions the State has taken. Should Minnesota anticipate difficulty meeting a milestone, please raise the issue with CMS as soon as possible, along with a proposed solution and a revised timeline. Should Minnesota need to make revisions to the CAP, such as altering action items, please inform CMS in advance so that both parties can reach agreement before the State submits an updated CAP reflecting those changes.

Regarding Minnesota’s pending appeal from the January 6, 2026, letter about a potential withholding action related to issues of significant program integrity noncompliance, CMS requests that the hearing be stayed pending complete implementation of the approved CAP, as successful completion would moot the appeal. The HHS Office of the General Counsel will contact the Office of the Minnesota Attorney General regarding filing a motion for a stay.

CMS remains committed to working collaboratively with Minnesota and looks forward to continued progress protecting critical Medicaid taxpayer dollars and the beneficiaries we serve. Please do not hesitate to contact CMS with any questions or concerns.

Sincerely,

Handwritten signature of Kimberly Brandt in black ink.

Kimberly Brandt
Deputy Administrator and Chief Operating Officer