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WASHINGTON, DC 20510-6275

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December 12, 2011

Marilyn Tavenner  
Acting Administrator  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

Dear Acting Administrator Tavenner:

I have received allegations that the Centers for Medicare and Medicaid Services (CMS) may have given special treatment to information requests from hedge funds and political intelligence brokers who seek to profit from government information. This is a serious allegation and raises concerns that CMS' policies may facilitate special treatment for certain select organizations. A whistleblower within CMS has alleged that high level CMS employees attended lengthy information gathering briefings at the request of hedge funds and political intelligence brokers with no discernible benefit to CMS or the Federal government.

By arranging for its employees to spend a significant amount of time meeting with these groups, CMS' actions also rob the American taxpayer of these employees' full value. For example, the Project on Government Oversight reported that more than a dozen senior staff were required to participate in a meeting with a Wall Street firm when their time could have been better spent on official duties.<sup>1</sup>

My concern is that these allegations suggest a continuing pattern in which CMS officials, including then-Acting Administrator Dr. Donald Berwick, under the cover of reaching out and meeting with stakeholders, have disseminated information to well-connected lobbyists in non-public settings.<sup>2</sup>

Moreover, I have been trying for months now to engage with CMS on when it plans to implement the Physician Payments Sunshine Act, which was included in the Patient Protection and Affordable Care Act. It is troubling that it appears that your agency has devoted resources to closed-door meetings with hedge funds and political intelligence brokers while it continues to delay implementation of a critical piece of legislation that would improve transparency and open government.

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<sup>1</sup> Project on Government Oversight, Wall Street in Washington: Insider Access, December 8, 2011.

<sup>2</sup> The Hill, White House to hold private meetings with Medicare head on healthcare law, December 15, 2010.

Accordingly, please respond to the following questions:

1. Does CMS have a uniform policy for all interactions with persons who are not government employees, contractors or subcontractors and seek information from CMS for profit?
2. If so, what is that policy?
3. If not, why has CMS not created a policy?
4. Does CMS publish the times, locations, and names of CMS employees attending meetings with persons not employed or funded by the government seeking information from CMS before they are held?
5. Does CMS have an estimate of how many hours CMS employees spend arranging, preparing and attending these meetings?
6. If so, how many hours?
7. If not, why does CMS not keep track of this information?
8. Can CMS estimate how many meetings have been held with persons employed by hedge funds or consulting firms seeking information from CMS in the past 12 months?
9. If so, what is that number and what are the names of the firms?
10. If not, why does CMS not keep track of this information?
11. Are there any agency guidelines or rules on what meeting requests CMS employees must agree to?
12. What types of information are CMS employees allowed to reveal in meetings with persons not employed or funded by the government seeking information from CMS?
13. What types of information are CMS employees not allowed to reveal in meetings with persons not employed or funded by the government seeking information from CMS?
14. What oversight safeguards are employed to ensure that CMS employees do not reveal inside information in these meetings?
15. What safeguards does CMS place on the information conveyed in meetings so that it is not used for insider trading?

16. Is it CMS practice to allow supervisors to request that supervised employees brief persons not employed or funded by the government seeking information from CMS?
17. If so, are you concerned that allowing this activity might place pressure on CMS employees to meet with persons not employed or funded by the government seeking information from CMS and require CMS employees to take time away from their duties?
18. Does CMS place any restrictions, beyond those required by the federal government, on contacts its former employees have with current CMS employees?
19. If, so please describe those restrictions.

Thank you in advance for your cooperation and attention in this matter. When responding to this letter, please number your answers in accordance with my questions. I would appreciate a response by December 28, 2011. If you have any questions, please do not hesitate to contact Chris Lucas for the Committee on the Judiciary at (202) 224-5225.

Sincerely,



Charles E. Grassley  
Ranking Member