United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510–6275

November 17, 2025

VIA ELECTRONIC TRANSMISSION

Dr. Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services

Dear Administrator Oz:

On September 16, 2025, the U.S. Department of Health and Human Services Office of Inspector General (HHS OIG) released a report titled, *Some Medicaid Managed Care Plans Made Few or No Referrals of Potential Provider Fraud*.[1] The HHS OIG found that many Medicaid Managed Care Plans have failed to properly report referrals of potential provider fraud, waste, or abuse to State Medicaid agencies (hereinafter States) or the Medicaid Fraud Control Units (MFCU), resulting in an estimated $233 billion to $521 billion in financial losses.[2]

Specifically, 33 Medicaid Managed Care Plans, covering 1.6 million enrollees across 13 states, reported that they did not make any referrals of potential provider fraud, waste, or abuse in CY 2022, despite Federal regulations requiring referrals.[3] Although there is no minimum requirement for plan-specific referrals based on Federal regulations and Centers for Medicare & Medicaid Services (CMS) guidance, "numerous State-specific program integrity reviews conducted by CMS cited concerns about low numbers of referrals from plans."[4] Moreover, Medicaid Managed Care Plans conducting internal oversight are supposed to refer these cases to the relevant State and/or MFCU.[5] The report also indicated that, "an additional 8 percent of plans were unable to report the number of provider referrals they made in 2022."[6] This is concerning given that these 59 Medicaid Managed Care Plans operated across 21 states which "covered 7.7 million enrollees and received $39.5 billion in payments in 2022."[7]

Additionally, I am concerned by the HHS OIG's finding that, of the Medicaid Managed Care Plans who properly submitted fraud referrals in 2022, 59 percent reported that they did not receive feedback from the States on the quality and/or volume of their referrals.[8] Among the Medicaid Managed Care Plans that did not receive feedback from the States on the quality and/or volume of their referrals, 46 percent "indicated that feedback…would improve their ability to make referrals in the future."[9] Furthermore, 52 percent of Medicaid Managed Care Plans,

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[1] Department of Health and Human Services, Office of Inspector General, Office of Evaluation and Inspections, *Some Medicaid Managed Care Plans Made Few or No Referrals of Potential Provider Fraud*, (OEI-03-22-00410), (Sep. 16, 2025), https://oig.hhs.gov/documents/evaluation/10912/OEI-03-22-00410.pdf.
[2] *Id.* at 1.
[3] *Id.* at 1, 5.
[4] *Id.*
[5] *Id.*
[6] *Id.* at 5.
[7] *Id.*; Emails on File with Committee Staff. (According to an email from HHS OIG, the 21 states listed are Arizona, Arkansas, California, Colorado, Delaware, D.C., Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, New Mexico, New York, Oregon, Texas, Virginia, and Wisconsin).
[8] *Id.* at 8.
[9] *Id.*

concerned about their ability to adequately make referrals in the future, recommended that CMS provide a single nationwide fraud referral template.[10]

In addition to the issues with fraud referrals, only half of all Medicaid Managed Care Plans reported that they received employee training from the State and/or MFCU on the fraud referral process.[11] This is troubling given that the Medicaid Managed Care Plans that reported fraud referral process training reported making a higher total of provider referrals as opposed to plans that reported no such training opportunities.[12] As another example, 30 percent of the Medicaid Managed Care Plans that did not receive training indicated that "future training from the State or MFCU would improve their ability to make fraud referrals."[13] Moreover, fraud referral employees dedicated to shared program integrity responsibilities across multiple programs reported making less referrals than fraud referral employees who solely reported on behalf of Medicaid Managed Care Plans.[14]

HHS OIG made two recommendations to the CMS, which according to the OIG remain open and unimplemented.[15] According to the HHS OIG, CMS did not explicitly concur with recommendation one but has taken action to close it and concurred with recommendation two.[16] The September 2025 HHS OIG report highlights the urgency of resolving the lack of oversight in the Medicaid program. Accordingly, please answer the following questions no later than December 1, 2025:

1. What steps has CMS taken to close the open recommendations from the September 16, 2025, report? Provide all records.[17]

2. Will CMS require State Medicaid agencies to offer fraud, waste, and abuse training? If not, why not?

3. What corrective actions has CMS required States to implement to ensure all Managed Care Plans accurately report fraud referrals?

4. Regarding the fact that some Plans submitted fraud referrals and never received feedback, what guidance, if any, has CMS issued to States regarding the requirement or expectation to provide feedback to Plans after receiving fraud referrals? If none, has CMS evaluated how the lack of feedback affects the quality and frequency of future referrals? If not, why not?

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[10] *Id*. at 7.
[11] *Id*. at 6.
[12] *Id*.
[13] *Id*. at 7.
[14] *Id*.
[15] *Id*. at 11; Emails on file with Committee staff.
[16] *Id*. at 17-18 (Appendix B).
[17] "Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (emails, email attachments, and any other electronically created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents).

5. Since 52 percent of Medicaid Managed Care Plans said that a nationwide referral program would improve fraud referrals, has CMS considered developing a standardized feedback mechanism or reporting platform for States to communicate with the Plans? If not, why not?

Thank you for your prompt review and response. If you have any questions, please contact Tucker Akin with my Committee staff at (202) 224-5225.

Sincerely,

Charles E. Grassley
Chairman
Committee on the Judiciary