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ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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March 3, 2026

The Honorable Josh Shapiro
Governor
Commonwealth of Pennsylvania
501 North 3rd St.
508 Main Capitol Bldg.
Harrisburg, PA 17120

Dr. Valerie A. Arkoosh, MD, MPH
Secretary
Pennsylvania Department of Human Services
625 Forster St.
Harrisburg, PA 17120

Dear Governor Shapiro and Secretary Arkoosh:

Pursuant to Rules X and XI of the U.S. House of Representatives, the Committee on Energy and Commerce (Committee) writes to request information related to program integrity and fraud, waste, and abuse (FWA) in your state's Medicaid program.

Recent reports and law enforcement actions have exposed unprecedented levels of Medicaid fraud in the State of Minnesota and other states. The magnitude of the fraud demands states proactively address FWA in Medicaid programs.[1] The swath of criminal schemes coming to light in Minnesota include overbilling, falsifying records, identity theft, and phantom claims in Medicaid social service and health programs for the elderly and disabled, children with autism, people struggling with substance use disorders, and homelessness.[2] The Committee is concerned that your state's Medicaid programs may be similarly vulnerable to FWA that harms Medicaid enrollees, legitimate providers, and taxpayers. To inform the Committee's oversight and potential legislative reforms, we are examining Medicaid program integrity and actions your state has taken, and is taking, to proactively identify and root out FWA.

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[1] Alyssa Chen, *Report: Poor policy language may have cost $1.7B across 14 Medicaid services in Minnesota*, MINNESOTA REFORMER (Feb. 6, 2026), https://minnesotareformer.com/2026/02/06/report-poor-policy-language-may-have-cost-minnesota-1-7b-across-14-medicaid-services/; *see also* Letter from Mehmet Oz, Administrator, U.S. Centers for Medicare and Medicaid Services, to The Hon. Janet Mills, Governor of Maine and Sara Gagné-Holmes, Comm'r, Maine Dep't of Health and Human Services (Feb. 6, 2026), https://x.com/DrOzCMS/status/2019894197466116237/photo/1.

[2] Joe Walsh, *What to know about Minnesota's "industrial-scale fraud" scandal, as more charges are filed and Trump weighs in*, CBS NEWS (Dec. 19, 2025), https://www.cbsnews.com/news/what-to-know-minnesota-fraud-scandal-more-charges-filed-trump-walz/; Press release, The Office of Minnesota Attorney General Keith Ellison, Two plead guilty to Medicaid fraud in case Attorney General Ellison investigated jointly with U.S. Attorney's Office (Oct. 22, 2025), https://www.ag.state.mn.us/Office/Communications/2025/10/22_EvergreenRecovery.asp.

In fiscal year 2024, Pennsylvania Medicaid spending totaled over $44 billion ($26.8 billion in federal funding) and covered over 3 million people.[3] Between 2018 and 2025, the state budget for the Pennsylvania Department of Human Services increased 58 percent, despite the population only growing 2 percent in that time.[4] According to the most recent U.S. Department Health and Human Services Office of Inspector General (HHS-OIG) Medicaid Fraud Control Units Annual Report for fiscal year 2024, the Pennsylvania Attorney General's Medicaid Fraud Control Section charged more Medicaid fraud than any other state and was ranked third for criminal convictions nationwide.[5] Pennsylvania's Medicaid fraud recoveries totaled more than $11.13 million in 2024.[6] Moreover, in a 2020 press conference about Medicaid fraud, Governor Shapiro, while serving as Attorney General stated that "it's possible, no, likely, that Pennsylvania is losing $3 billion a year to fraud."[7] Pennsylvania broadly defines Medicaid eligibility and administers several Medicaid programs that are considered high risk for FWA.[8] In Pennsylvania, these include home and community-based services (HCBS), such as personal and home care services and behavioral health.[9]

Recent fraud investigations and convictions related to Pennsylvania's Medicaid programs are concerning. As part of the U.S. Department of Justice's 2025 National Health Care Fraud Takedown, a Philadelphia woman was charged for her connection to home care fraud schemes that fraudulently billed Medicaid more than $1 million.[10] In this scheme, the woman is alleged to have received kickbacks to refer home care patients to home care agencies, in addition to billing

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[3] Medicaid and CHIP Payment Access Commission, MACStats, Exhibit 16, Medicaid Spending by State, Category, and Source of Funds, FY 2024, 46, https://www.macpac.gov/wp-content/uploads/2026/01/EXHIBIT-16.-Medicaid-Spending-by-State-Category-and-Source-of-Funds-FY-2024.pdf; U.S. Centers for Medicare and Medicaid Services, Dec. 2024: Medicaid and CHIP Eligibility Operations and Enrollment Snapshot, 27 (Apr. 30, 2025), https://www.medicaid.gov/resources-for-states/downloads/eligib-oper-and-enrol-snap-december2024.pdf.

[4] Megan Martin, *Minnesota's Medicaid disaster is a warning Pennsylvania must heed*, PENNLIVE (Jan. 21. 2026), https://www.pennlive.com/opinion/2026/01/minnesotas-medicaid-disaster-is-a-warning-pennsylvania-must-heed-opinion html.

[5] U.S. DEP'T OF HEALTH AND HUMAN SERVICES OFFICE OF INSPECTOR GENERAL, OEI-09-25-00090, MEDICAID FRAUD CONTROL UNITS ANNUAL REPORT: FISCAL YEAR 2024 (Mar. 11, 2025), https://oig hhs.gov/reports/all/2025/medicaid-fraud-control-units-annual-report-fiscal-year-2024/.

[6] *Id.*

[7] John Micek, *Pa. lawmakers roll out bipartisan proposal aimed at curbing Medicaid fraud*, PENNSYLVANIA CAPITAL-STAR (Jan. 13, 2020), https://penncapital-star.com/government-politics/biz-leaders-false-claim-law-aimed-at-curbing-medicaid-fraud-will-make-problems-worse/.

[8] U.S. Centers for Medicare and Medicaid Services, Medicaid, Children's Health Insurance Program, & Basic Health Program Eligibility Levels, https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/medicaid-childrens-health-insurance-program-basic-health-program-eligibility-levels (last visited Feb. 9, 2026); *see* Letter from Mehmet Oz, Administrator, U.S. Centers for Medicare and Medicaid Services, to The Hon. Janet Mills, Governor of Maine and Sara Gagné-Holmes, Comm'r, Maine Dep't of Health and Human Services, 2 (Feb. 6, 2026), https://x.com/DrOzCMS/status/2019894197466116237/photo/1.

[9] *See* U.S. Centers for Medicare and Medicaid Services, Monitoring Fraud, Waste, & Abuse in HCBS Personal Care Services, 3, https://www.medicaid.gov/medicaid/home-community-based-services/downloads/hcbs-3a-fwa-in-pcs-training.pdf; *see also* Colin May, *Wealth over well-being: Case studies of behavioral health fraud*, Association of Certified Fraud Examiners (Dec. 2025), https://www.acfe.com/acfe-insights-blog/blog-detail?s=case-studies-behavioral-health-fraud.

[10] Press Release, U.S. Attorney's Office, Eastern District of Pennsylvania, Bensalem woman charged in home care fraud kickback scheme that caused loss to Medicaid of nearly $1.1 million (Jun. 30, 2025), https://www.justice.gov/usao-edpa/pr/bensalem-woman-charged-home-care-fraud-kickback-scheme-caused-loss-medicaid-nearly-11.

Medicaid for home care services that were not rendered.[11] This was achieved by forging physicians' signatures on patient certification documents and unlawfully using Medicaid patients' personally identifiable information (PII) to enroll them in home care services they were not qualified for, despite the patients living outside of the United States.[12]

Last year, several Pennsylvania defendants were charged or pleaded guilty to allegations of Medicaid fraud related to personal care services.[13] In one case, a woman was charged for allegedly submitting $33,000 in Medicaid claims for personal care services for a patient that was deceased.[14] In a similar case, a man pleaded no contest to Medicaid fraud charges related to his submission of over 400 hours of personal care services that were not rendered due to the patient being hospitalized at the time.[15] In another case, a licensed practical nurse pleaded guilty to $96,000 in Medicaid fraud related to billing 2,000 hours of nursing services that were not provided because she was supposedly caring for two patients at the same time or traveling at the time services were allegedly rendered.[16] Through a personal care services business that she ran with her sister, the woman similarly billed for fraudulent personal care services that were not possible due to her and her sister traveling.[17] Two other defendants pleaded guilty in separate cases in which they were billing Medicaid for personal care services rendered while they were working another job.[18]

A Scranton blended case manager—a mental health professional that assists children with severe mental health concerns—was charged for the submission of over $72,000 in false claims paid by Medicaid for services that were not rendered.[19] In some instances patients' families reported not seeing the provider in over a year and a review of facility access records showed that the man was in his office despite billing records reflecting work in clients' homes and other places outside of the office.[20] An unlicensed Pennsylvania counselor was charged with having inappropriate sexual contact with a patient during sessions that were billed for over $7,000 to Medicaid.[21] In these sessions, it is alleged that the counselor smoked marijuana and engaged in sexual acts with a patient in her home during a session that was billed to Medicaid.[22] The patient

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[11] *Id.*
[12] *Id.*
[13] Press Release, Pennsylvania Attorney General David W. Sunday, Jr., Report: Pa. Attorney General's Medicaid Fraud Control Section charged more Medicaid fraud cases than any other state in the 2024 fiscal year (Mar. 17, 2025), https://www.attorneygeneral.gov/taking-action/report-pa-attorney-generals-medicaid-fraud-control-section-charged-more-medicaid-fraud-cases-than-any-other-state-in-the-2024-fiscal-year/.
[14] *Id.*
[15] *Id.*
[16] *Id.*
[17] *Id.*
[18] *Id.*
[19] Press Release, Pennsylvania Attorney General David W. Sunday, Jr., AG Sunday charges PA. therapist accused of sexploiting patient as part of National Health Care Fraud Take Downs (July 1, 2025), https://www.attorneygeneral.gov/taking-action/ag-sunday-charges-pa-therapist-accused-of-sexploiting-patient-as-part-of-national-health-care-fraud-take-downs/.
[20] *Id.*
[21] *Id.*
[22] *Id.*

was intimidated and coerced by the counselor, reporting that she was afraid she would lose access to the therapy she needed if she did not comply.[23]

At the Committee's request, the Centers for Medicare and Medicaid Services (CMS) briefed the Committee in January on what is currently known about the Medicaid fraud in Minnesota and actions CMS has taken to date to investigate FWA in other states. This further underscored the need for the Committee's oversight to ensure program integrity in states nationwide. The Committee subsequently launched an investigation into Medicaid fraud in Minnesota.[24] The Committee's Subcommittee on Oversight and Investigations then held a hearing on February 3, 2026, entitled "Common Schemes, Real Harm: Examining Fraud in Medicare and Medicaid."[25] The hearing examined fraud within Medicare and Medicaid, including common fraud schemes plaguing these programs, and how these schemes have changed over time; aspects of program design that make these programs vulnerable to fraud; and high risk areas for fraud in these programs.[26] The hearing reinforced that Medicaid fraud is not limited to Minnesota and confirmed that Medicaid fraud investigators "see that fraud schemes cross state lines far more than they used to."[27] Expert witnesses testified that Medicaid programs experiencing high rates of fraud include Applied Behavioral Analysis (ABA) services for children with Autism Spectrum Disorder (ASD), non-emergency medical transportation (NEMT), HCBS, laboratory services, substance use disorder (SUD) treatment, and hospice.[28] Regarding ABA services fraud, Jessica Gay, a Certified Fraud Examiner, testified that:

> The concerns around these [ABA] services and misuse of millions of dollars of resources are discussed at every program integrity conference I've attended for the past several years. It should be on every state's radar; we started working ABA cases in the CHIP spaces 6 years ago. If a state isn't

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[23] *Id.*

[24] Letter from The Hon. Brett Guthrie, Chairman of H. Comm. on Energy & Commerce, et al., to The Hon. Tim Walz, Governor of Minnesota and Temp. Comm'r, Minnesota Dep't of Human Services (Jan. 16, 2026), https://d1dth6e84htgma.cloudfront.net/1_16_2026_MN_Medicaid_Fraud_Letter_944a806843.pdf.

[25] *Common Schemes, Real Harm: Examining Fraud in Medicare and Medicaid: Hearing Before the H. Comm. on Energy & Commerce, Subcomm. on Oversight & Investigations,* 119th Cong. (Feb. 3, 2026), https://energycommerce house.gov/events/oversight-and-investigations-common-schemes-real-harm-examining-fraud-in-medicare-and-medicaid.

[26] *Id.*

[27] *Id.* at 35 (statement of Kaye Lynn Wootton, President, National Association of Medicaid Fraud Control Units), Unofficial Hearing Transcript.

[28] *See Common Schemes, Real Harm: Examining Fraud in Medicare and Medicaid: Hearing Before the H. Comm. on Energy & Commerce, Subcomm. on Oversight & Investigations,* 119th Cong. at 9 (Feb. 3, 2026) (written testimony of Kaye Lynn Wootton, President, National Association of Medicaid Fraud Control Units), https://docs.house.gov/meetings/IF/IF02/20260203/118917/HHRG-119-IF02-Wstate-WoottonJDK-20260203.pdf; *see also Common Schemes, Real Harm: Examining Fraud in Medicare and Medicaid: Hearing Before the H. Comm. on Energy & Commerce, Subcomm. on Oversight & Investigations,* 119th Cong. at 4 (Feb. 3, 2026) (written testimony of Jessica Gay, Vice President and Co-Founder, Integrity Advantage), https://docs.house.gov/meetings/IF/IF02/20260203/118917/HHRG-119-IF02-Wstate-GayCPCAHFICFEJ-20260203.pdf.

> monitoring ABA services closely, they are likely missing a considerable area where FWA is committed.[29]

Mrs. Gay further noted that in Medicaid programs relying on self-attestation, such as HCBS, "there needs to be additional oversight in our self-reporting across the board for eligibility both for provider participation as well as member eligibility."[30] Additionally, Kaye Lynn Wootton, President of the National Association of Medicaid Fraud Control Units, testified that:

> Non-Emergency Medicaid Transportation fraud schemes include providers illegally billing Medicaid for: (1) "ghost rides" that were never provided; (2) tolls that were never incurred during trips, (3) individually billed rides when group rides were actually provided; (4) trips that were falsely billed when recipients were deceased, incarcerated or hospitalized; (5) trips provided by providers that paid kickbacks to Medicaid recipients to induce them to choose that provider to provide transportation; and (6) trips that never occurred but for which the provider paid the recipient a kickback. [31]

Ensuring Medicaid program integrity is critical to preserving access to vital health care services for those that need it most. Every dollar stolen from the Medicaid program by fraudsters is taken from children, pregnant women, the elderly, and people with disabilities. It is the duty of states to design Medicaid programs with adequate fraud control measures and work with CMS to swiftly identify and address vulnerabilities in programs. To assist the Committee in its oversight, please provide written responses and all responsive documents regarding Medicaid program integrity by March 17, 2026:

1. What actions, if any, are being taken to identify, assess fraud risk, and investigate Medicaid fraud schemes that may be occurring in the state?

    a. Please provide all audits related to fraud, waste, and abuse in the state's Medicaid programs including audits completed by third-party contract auditors, from January 1, 2021, to present.

    b. Are any audits of the Medicaid program ongoing? If so, please detail the type of audits that are ongoing.

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[29] *Common Schemes, Real Harm: Examining Fraud in Medicare and Medicaid: Hearing Before the H. Comm. on Energy & Commerce, Subcomm. on Oversight & Investigations,* 119th Cong. at 4 (Feb. 3, 2026) (written testimony of Jessica Gay, Vice President and Co-Founder, Integrity Advantage), https://docs.house.gov/meetings/IF/IF02/20260203/118917/HHRG-119-IF02-Wstate-GayCPCAHFICFEJ-20260203.pdf.

[30] *Common Schemes, Real Harm: Examining Fraud in Medicare and Medicaid: Hearing Before the H. Comm. on Energy & Commerce, Subcomm. on Oversight & Investigations,* 119th Cong. at 26 (Feb. 3, 2026) (statement of Jessica Gay, Vice President and Co-Founder, Integrity Advantage), Unofficial Hearing Transcript.

[31] *Common Schemes, Real Harm: Examining Fraud in Medicare and Medicaid: Hearing Before the H. Comm. on Energy & Commerce, Subcomm. on Oversight & Investigations,* 119th Cong. at 11 (Feb. 3, 2026) (written testimony of Kaye Lynn Wootton, President, National Association of Medicaid Fraud Control Units), https://docs.house.gov/meetings/IF/IF02/20260203/118917/HHRG-119-IF02-Wstate-WoottonJDK-20260203.pdf.

2. What program integrity measures are currently in place to prevent FWA in your state's Medicaid programs?

3. Describe the process for making criminal referrals for suspected Medicaid fraud to state, local, and federal law enforcement agencies.

4. What steps are being taken to sanction or disenroll fraudulent Medicaid providers? Please provide information about any sanctions or disenrollments of fraudulent providers, including all evidence supporting disenrollment proceedings.

5. How are Medicaid service providers screened for compliance with federal law?[32] Please describe the process for screening, enrolling, and revalidating Medicaid providers, including but not limited to credentialing and site visits.

    a. Are additional provider screening efforts imposed in addition to federal requirements to screen, enroll, and revalidate Medicaid providers? [33] If yes, please describe these processes.

    b. How frequently are on-site visits conducted by your state for Medicaid providers by federal screening risk category (limited, moderate, and high-risk), including out-of-state providers?

    c. Are any programs, provider types, or enrollment pathways exempt from on-site visits, and what statutory or regulatory authority permits those exemptions?

6. How does your state designate and evaluate risk level of provider types in the Medicaid program in accordance with 42 C.F.R. § 455 subpart E? Please provide the state's current Medicaid programs classified by screening risk level (limited, moderate, and high categorical risk).

    a. Have any Medicaid programs' categorical risk levels been reassigned since January 1, 2021? If so, please describe which program(s) were reassigned, including any supporting evidence that contributed to risk reassignment.

    b. How often does your state reevaluate Medicaid provider screening risk level?

7. Does your state collect data on Medicaid programs with abnormal or statistically significant increases in provider enrollment or claims over time, including programs which greatly exceed their estimated cost upon enactment?

    a. If so, please detail the programs that have experienced abnormal or statistically significant increases since January 1, 2021, the data that was

[32] Screening levels for Medicaid providers, 42 C.F.R. § 455 subpart E (2011).
[33] *Id.*

collected on the programs, and how this data has been used to inform assessments of program vulnerability to FWA.

b. Is your state utilizing innovative tools, including but not limited to identity verification, artificial intelligence, and data analytics, to detect irregular Medicaid claims activity? If so, please describe these tools.

c. If you don't collect this data, why not?

8. Please provide information on active Section 1115 and 1915 demonstrations and waivers, from January 1, 2021, to present, including:

a. program name;
b. provider category risk level;
c. effective date;
d. spending;
e. enrollment;
f. services offered;
g. FWA measures; and
h. eligibility.

9. Please provide information regarding improper payments and recovery efforts in your state's Medicaid program, including:

a. Total Medicaid improper payments identified annually from January 1, 2021, to present, broken out by provider type and service category where available.
b. Total recoveries and recoupments of improper Medicaid payments annually from January 1, 2021, to present.
c. The average amount of time between identification of suspected fraudulent or improper payments and recovery, enforcement action, or case resolution.
d. The extent to which the state utilizes payment suspension authority pursuant to 42 CFR § 455.23, including the number of payment suspensions issued annually since January 1, 2021, and the provider types or services impacted.
e. The extent to which the state has pursued civil enforcement actions, including actions under state or federal False Claims Act authorities, related to Medicaid FWA since January 1, 2021.

10. Please provide information regarding screening, oversight, and enforcement actions related to Medicaid fiscal intermediaries, including:

a. Screening, enrollment, credentialing, and monitoring requirements for fiscal intermediaries participating in Medicaid programs.
b. Oversight mechanisms used to monitor caregiver time reporting, billing accuracy, and verification of services furnished through fiscal intermediaries.

c. The frequency and scope of audits conducted on fiscal intermediaries since January 1, 2021, including audits conducted by the state or third-party contractors.
d. The number of fiscal intermediaries that have been terminated, sanctioned, suspended, or otherwise subject to corrective action since January 1, 2021, and the basis for those actions.

If you have any questions about this request, please contact the Majority Committee Staff at (202) 225-3641.

Sincerely,

Brett Guthrie
Chairman
Committee on Energy and Commerce

John Joyce, M.D.
Chairman
Subcommittee on Oversight and Investigations

H. Morgan Griffith
Chairman
Subcommittee on Health

cc: The Honorable Frank Pallone, Jr., Ranking Member, Committee on Energy and Commerce
The Honorable Yvette D. Clarke, Ranking Member, Subcommittee on Oversight and Investigations
The Honorable Diana DeGette, Ranking Member, Subcommittee on Health