Statement of Tyler Sadwith
Medicaid Director, State of California

Subcommittee on Oversight & Investigations
Committee on Energy and Commerce
United States House of Representatives

June 25, 2026

Hearing Before the Subcommittee on Oversight & Investigations
United States Committee on Energy and Commerce

Chairman Joyce, Ranking Member Clarke, and Members of the Subcommittee, thank you for the opportunity to testify today. My name is Tyler Sadwith, and I am the Medicaid Director for the State of California, a position within the California Department of Health Care Services (DHCS).

I want to be clear from the start—we take program integrity very seriously and work hard every day to protect California's Medicaid program from fraud, waste, and abuse so that taxpayer dollars go to health care services for the eligible patients who need them.

I would like to touch on three areas today:

- First, I want to highlight California's program and the people we serve.
- Second, I want to demonstrate our unwavering commitment to program integrity and combatting fraud, waste, and abuse.
- Finally, I want to emphasize our valuable partnership with the federal government and make very clear our ongoing commitment to collaborating with our federal partners at CMS, the Centers for Medicare & Medicaid Services.

Medi-Cal

Medi-Cal is California's Medicaid program. It provides health care services to approximately 14 million low-income Californians—including pregnant women, children, seniors, and people with disabilities.

California is the country's most populous state and the fourth largest economy in the world. As a result, Medi-Cal is the largest Medicaid program in the nation. This means we

support health care services for more vulnerable individuals than any other state program in America. This is a responsibility that we take very seriously, and it is a vital part of our mission to protect that program.

Program Integrity

California is wholly committed to combating fraud, waste, and abuse; safeguarding taxpayer dollars; and holding bad actors accountable. To meet these commitments, the Department prioritizes program integrity at all stages—from provider screening and eligibility determinations, to claim processing, to back-end analysis and investigation. Approximately 20% of Department personnel are exclusively dedicated to program integrity.

We have strong policies and protocols that are designed to prevent, identify, and block fraud, waste, and abuse. Our comprehensive oversight strategy includes:

- robust provider screening and revalidations that exceed federal standards;
- advanced data analytics, including commercial fraud detection intelligence products alongside algorithms developed in-house;
- sophisticated investigations able to uncover complex and organized schemes;
- provider audits, including approximately 26,000 completed over the past five years;
- provider suspensions and terminations, including approximately 5,000 such sanctions over the past five years;
- referrals of credible allegations of fraud to California's Medicaid Fraud Control Unit, including more than 700 referrals over the past five years;
- fraud recoveries, including over $1 billion secured over the past three years, per annual reporting by the U.S. Health and Human Services Office of Inspector General; and
- coordinated enforcement strategies with managed care plans, counties, and state and federal law enforcement authorities to hold bad actors accountable and support civil and criminal prosecution.

And we enforce our rules. California is one of only two states with a Medicaid agency that employs armed, sworn peace officers who have the authority to execute search warrants. Our teams of auditors, investigators, clinicians, and data scientists conduct "top to bottom" reviews of providers. Our strong partnerships with district attorneys, Medicaid Fraud Control Units, and federal law enforcement and investigators—including the U.S. Department of Justice, the FBI, and the U.S. Department of Health and Human Services Office of the Inspector General—are critical to our success.

But we must always remain vigilant because we know bad actors seek to exploit Medicaid, Medicare, and private health insurance. That is why we continue to strengthen our program in higher-risk areas, such as hospice care. We are also implementing new safeguards to ensure appropriate use of services such as applied behavioral analysis and transportation.

We are proud of our program, but we also want to emphasize the importance our partnership with CMS plays in ensuring that Medi-Cal operates with accountability and transparency, and in compliance with federal requirements and approvals. We value that partnership and our shared commitment to protecting taxpayer dollars and maintaining public confidence in Medicaid. A productive relationship with CMS is a key ingredient for continued success.

Federal-State Partnership – CMS / DHCS

In turn, CMS recognizes California as a national program integrity leader. Across bipartisan administrations, CMS's Medicaid Integrity Institute and the National Association for Medicaid Program Integrity have specifically featured our robust program audits, advanced data analytics, and comprehensive investigative strategies to identify complex fraud as best practices. And California's Deputy Director for Audits & Investigations recently has served on the executive board of CMS's Health Care Fraud Prevention Partnership, a body that detects and prevents fraud through data sharing across federal and state government, private health insurance, and anti-fraud associations.

We will be most successful in keeping bad actors out of the program if we continue working closely with CMS and other federal agencies—and California remains committed to doing just that. I know this from my own experience at CMS, where I served for seven years under two administrations, across bipartisan lines.

The vast majority of Medi-Cal providers follow the rules. Rooting out unscrupulous providers is critical to safeguarding taxpayer dollars and ensuring that Medi-Cal can fulfill its mission to serve the children, pregnant women, and other vulnerable Californians who rely on it. I can assure you that California is committed to this critically important work and unwavering in our efforts to combat fraud.

Thank you, and I look forward to your questions.