

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

Majority (202) 225-3641

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March 3, 2026

The Honorable Tina Kotek
Governor
State of Oregon
900 Court St., Ste. 254
Salem, OR 97301

Ms. Liesl Wendt
Director
Oregon Department of Human Services
500 Summer St. NE, E15
Salem, OR 97301

Dear Governor Kotek and Director Wendt:

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.

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, Oregon Medicaid (Oregon Health Plan) spending totaled \$15.3 billion (\$11.5 billion in federal funding) and covered 1.3 million people.³ Oregon Health Plan is experiencing higher-than-expected costs, largely attributed to high utilization of behavioral health services, and is straining the state's budget.⁴ In 2026, Oregon Health Plan is projected to cost almost \$354 million more than initial budget estimates.⁵ Oregon broadly defines Medicaid eligibility and administers several Medicaid programs that are considered high risk for FWA.⁶ In Oregon, these include home and community based services (HCBS), such as the Consumer-Employed Provider (CEP) Program, substance use disorder (SUD) treatment, and nursing home services.⁷

Recent fraud investigations and convictions related to Oregon Health Plan are concerning. In January, an Oregon mother and daughter were indicted by a federal grand jury for coerced labor and services of three victims who immigrated to the United States from Haiti to work for little or no pay in an adult foster home.⁸ The mother is separately charged with participating in a conspiracy to request Medicaid "exceptional payments" for additional paid care hours for high-needs patients (while paying the victims little to nothing for their work) and falsifying a disability claim that allowed her daughter to be paid as her homecare worker via Oregon's CEP Program.⁹

In September 2025, State Representative Ed Diehl wrote to the Oregon Department of Justice and U.S. Department of Health and Human Services Office of Inspector General asking for an investigation into suspicious Medicaid billing by Uplifting Journey LLC, a SUD treatment sober living home operator that received \$2.3 million in Medicaid reimbursements in less than a

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, December 2024: Medicaid and CHIP Eligibility Operations and Enrollment Snapshot, 27 (Apr. 30, 2025), <https://www.medicare.gov/resources-for-states/downloads/eligib-oper-and-enrol-snap-december2024.pdf>.

⁴ Kristine de Leon, *Oregon lawmakers confront ballooning Medicaid costs*, THE OREGONIAN (Jan. 14, 2026), <https://www.oregonlive.com/health/2026/01/oregon-lawmakers-confront-ballooning-medicare-costs.html>.

⁵ *Id.*

⁶ U.S. Centers for Medicare and Medicaid Services, Medicaid, Children's Health Insurance Program, & Basic Health Program Eligibility Levels, <https://www.medicare.gov/medicaid/national-medicare-chip-program-information/medicaid-childrens-health-insurance-program-basic-health-program-eligibility-levels> (last visited Feb. 18, 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>.

⁷ See U.S. Centers for Medicare and Medicaid Services, Monitoring Fraud, Waste, & Abuse in HCBS Personal Care Services, 3, <https://www.medicare.gov/medicaid/home-community-based-services/downloads/hcbs-3a-fwa-in-pcs-training.pdf>; see also Isaac Asamoah, *Fraud, waste, and abuse schemes in the addiction treatment industry*, Association of Certified Fraud Examiners (Dec. 2023), <https://www.acfe.com/acfe-insights-blog/blog-detail?s=fraud-waste-and-abuse-addiction-treatment-industry>; see also U.S. Centers for Medicare and Medicaid Services, Nursing Home Toolkit: Nursing Homes – A Guide for Medicaid Beneficiaries' Families and Helpers, 10 (Nov. 2015), <https://www.cms.gov/medicare-medicare-medicare-coordination/fraud-prevention/medicaid-integrity-education/downloads/nursinghome-beneficiary-booklet.pdf>.

⁸ Press Release, U.S. Dep't of Justice, Oregon mother and daughter facing new charges related to forced labor and health care fraud (Jan. 26, 2026), <https://www.justice.gov/opa/pr/oregon-mother-and-daughter-facing-new-charges-related-forced-labor-and-health-care-fraud>.

⁹ *Id.*

year.¹⁰ In these allegations, State Representative Diehl points out that Uplifting Journey operated a sober living house that was later tied to alleged members of the Tren de Aragua (TdA), an organized crime syndicate originating in Venezuela.¹¹ Specifically, the address of the sober living home has been identified as the residence of a TdA criminal who was arrested for attempted murder and is alleged to have “kidnapped Maria Guadalupe Hernandez Velasquez outside her Seattle home, drilled into her hands with a power drill to force her to provide them her PIN for her debit card, robbed her of gold and cash, shot and wounded her and left her for dead in rural Washington.”¹² When red flags were raised about the legitimacy of the sober living home and potential ties to criminal activity, the home and its business were subsequently abandoned.¹³ The founder of Uplifting Journey, Julius Maximo, subsequently registered a second company, Restorative Journey (Life Restoration Missions LLC) as a Medicaid provider for SUD treatment.¹⁴ State Representative Diehl expressed further frustration with Oregon’s Medicaid provider oversight, including questions about the state’s required credentialing process.¹⁵

In another case, a woman was sentenced to federal prison in late 2024, for her role in an identity theft scheme that defrauded the Oregon Health Plan’s SUD counseling services benefit.¹⁶ In this scheme, the woman used her company, a Medicaid provider for SUD counseling services, to improperly access patient information from the Medicaid Management Information System (MMIS) and steal PII for the purposes of submitting fraudulent claims for more than 45 victims, some of whom were targeted by searching publicly available information about arrests for drug and alcohol related offenses.¹⁷ The false claims totaled over \$3 million and resulted in \$1.5 million in fraudulent Medicaid reimbursements.¹⁸

As part of the 2025 National Health Care Fraud Takedown, an Oregon nursing home facilitator agreed to pay \$2 million and take corrective action after allegations surfaced that the company operated a substandard skilled nursing home due to insufficient staffing levels,

¹⁰ Letter from State Representative Ed Diehl to Sheen Wu, Director, Oregon Dep’t of Justice Medicaid Fraud Control Unit, and Juliet T. Hodgkins, Acting Inspector General, U.S. Dep’t of Health and Human Services (Sept. 23, 2025),

<https://www.oregonlegislature.gov/diehl/PressReleases/Letter%20to%20Request%20Investigation%20into%20Medicaid%20Fraud.pdf>.

¹¹ *Id.*; See Fact Sheet, U.S. Dep’t of State, Designation of International Cartels (Feb. 20, 2025),

<https://www.state.gov/designation-of-international-cartels>.

¹² Mark Hemingway, *Model city: Portland’s journey from symbol of chic to shabby*, REALCLEARINVESTIGATIONS (Feb. 5, 2026),

https://www.realclearinvestigations.com/articles/2026/02/05/model_city_portlands_journey_from_symbol_of_chic_to_shabby_1162950.html; Jeff Eager, *Oregon paid \$2.3M to company running home of alleged gangster/attempted murderer*, OREGON ROUNDUP (Aug. 17, 2025), <https://oregonroundup.substack.com/p/oregon-paid-23m-to-company-running>.

¹³ *Supra*, note 10.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Press Release, U.S. Attorney’s Office, District of Oregon, Prineville woman sentenced to federal prison for multi-million dollar drug treatment fraud scheme (Sept. 25, 2024), <https://www.justice.gov/usao-or/pr/prineville-woman-sentenced-federal-prison-multi-million-dollar-drug-treatment-fraud>.

¹⁷ *Id.*

¹⁸ *Id.*

resulting in patient harm and suffering, including preventable urinary tract infections, pressure sores, and falls.¹⁹

Last year, an Oregon urgent care chain paid \$490,000 to settle claims that it overbilled Oregon Health Plan for medically unnecessary COVID-19 testing and inflated billing of routine office visits.²⁰ In this scheme, the urgent care's former owner directed staff to use higher billing codes and at least 1,900 Medicaid claims were tied to patients with no symptoms or exposure to COVID-19 who later tested negative.²¹

In December 2025, CareOregon, the state's largest Medicaid managed care provider, alerted more than 5,000 people participating in Oregon Health Plan that their personally identifiable information (PII), including name, date of birth, health plan information, Medicaid ID number, Medicare ID number, and primary care provider information was improperly viewed in a data breach.²² CareOregon warned patients that "some of your information may have been used to create fake insurance claims. We do not know if your information was used to create these claims."²³ This data breach is concerning and warrants further scrutiny to prevent Medicaid fraud and ensure program integrity in Oregon Health Plan.

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

¹⁹ Press Release, U.S. Attorney's Office, District of Oregon, U.S. Attorney's Office participates in National Health Care Fraud Takedown resulting in \$2 million civil settlement (July 1, 2025), <https://www.justice.gov/usao-or/pr/us-attorneys-office-participates-national-health-care-fraud-takedown-resulting-2-million>.

²⁰ Kristine de Leon, *Oregon urgent care chain will pay \$490K to settle allegations of pandemic Medicaid fraud*, THE OREGONIAN (Sept. 10, 2025), <https://www.oregonlive.com/health/2025/09/oregon-urgent-care-chain-will-pay-490k-to-settle-allegations-of-pandemic-medicaid-fraud.html>.

²¹ *Id.*

²² Lynne Terry, *Oregon Medicaid insurer's data breach could lead to insurance fraud*, THE LUND REPORT (Jan. 13, 2026), <https://www.thelundreport.org/content/oregon-medicaid-insurers-data-breach-could-lead-insurance-fraud-0>.

²³ Letter from CareOregon and Health Share of Oregon to CareOregon participants (Dec. 26, 2025), https://www.careoregon.org/docs/default-source/members/news/data-breach-co-122625.pdf?sfvrsn=28efe597_1.

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 Dept. 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.*

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, 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 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

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>.

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.

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.
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.

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>.

³² Screening levels for Medicaid providers, 42 C.F.R. § 455 subpart E (2011).

³³ *Id.*

- 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 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.

Letter to Governor Kotek and Director Wendt

March 3, 2026

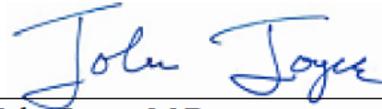
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If you have any questions about this request, please contact the Majority Committee Staff at (202) 225-3641.

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