

Congress of the United States

Washington, DC 20515

December 10, 2024

Dr. Mehmet Oz
Administrator-Designate, Centers for
Medicare & Medicaid Services
Trump-Vance transition team
1100 S Ocean Blvd
Palm Beach, FL 33480

Dear Dr. Oz,

On November 19, 2024, President Trump announced his intention to nominate you to serve as the Center for Medicare & Medicaid Services (CMS) Administrator.¹ In the wake of that nomination, we write regarding our concerns about your advocacy for the elimination of Traditional Medicare and your deep financial ties to private health insurers.

The CMS Administrator oversees Medicare, Medicaid, and Affordable Care Act coverage, setting the rules for and managing programs that provide health care coverage for 160 million Americans.² We have questions about your lack of qualifications for this job: although you were a renowned heart surgeon, you have no management experience relevant to running these critical health care programs. But we are equally concerned about your previous advocacy for Medicare privatization. In June 2020, ahead of your campaign for U.S. Senate in Pennsylvania, you outlined your vision for the Medicare program.³

Your plan advocated for covering every senior that is not on Medicaid “through the Medicare Advantage program,”⁴ the private Medicare program run by for-profit insurers. This plan would entirely eliminate Traditional Medicare – a program you have criticized as “highly dysfunctional,”⁵ but which provides more accessible⁶ and less expensive care than private insurers in Medicare Advantage.⁷ Indeed, private insurers that run the Medicare Advantage program drastically overcharge for care: the non-partisan Medicare Payment Advisory

¹ CNN, “Trump names Dr. Mehmet Oz to head Centers for Medicare and Medicaid Services,” Tami Luhby, Kate Sullivan, and Alayna Treene, November 19, 2024, <https://www.cnn.com/2024/11/19/politics/mehmet-oz-trump-medicare-medicaid/index.html>.

² CMS.gov, “About Us,” <https://www.cms.gov/about-cms>.

³ Forbes, “Medicare Advantage For All Can Save Our Health-Care System,” Dr. Mehmet Oz and George Halvorson, June 11, 2020, <https://www.forbes.com/sites/steveforbes/2020/06/11/medicare-advantage-for-all-can-save-our-health-care-system/>.

⁴ *Id.*

⁵ *Id.*

⁶ Center for Medicare Advocacy, “Medicare Prior Authorization,” <https://medicareadvocacy.org/prior-authorization/>.

⁷ Committee for a Responsible Federal Budget, “New Evidence Suggests Even Larger Medicare Advantage Overpayments,” July 17, 2023, <https://www.crfb.org/blogs/new-evidence-suggests-even-larger-medicare-advantage-overpayments>.

Committee (MedPAC) projects that these insurers will overcharge CMS \$83 billion relative to Traditional Medicare in 2024 alone.⁸ Over half of these overpayments are attributable to “upcoding,”⁹ the strategy in which private insurers exaggerate the health conditions of their MA enrollees on paper to secure higher payments from CMS – even if enrollees receive no treatment for those conditions.¹⁰

In addition to overpayments, federal watchdogs have found that private insurers in Medicare Advantage routinely delay and deny medically necessary care,¹¹ impose burdensome utilization management requirements on providers,¹² and use deceptive marketing tactics to entice seniors to join Medicare Advantage plans.¹³ However, your call to replace Traditional Medicare with Medicare Advantage ignores these abuses.

Your advocacy for eliminating the Traditional Medicare program and replacing it with Medicare Advantage also raises questions about your own financial conflicts of interest. In your financial disclosures from your 2022 Senate run, you reported owning over \$550,000 of stock in UnitedHealth, the largest private insurer in Medicare Advantage and largest employer of physicians in the nation.¹⁴ The company is currently under a sprawling antitrust investigation by the Department of Justice – including for its role in aggressively upcoding Medicare Advantage enrollees to secure higher payments from CMS – and has been sued on multiple occasions for Medicare fraud.¹⁵ Under your plan, UnitedHealth’s revenue from Medicare Advantage would roughly double to \$274 billion annually.¹⁶

As CMS Administrator, you would be tasked with overseeing Medicare and ensuring that the tens of millions of seniors that rely on the program receive the care they deserve, including cracking down on abuses by private insurers in Medicare Advantage. The consequences of failure on your part would be grave. Billions of federal health care dollars – and millions of lives – are at stake.

⁸ Medicare Payment Advisory Commission, “Report to the Congress: Medicare Payment Policy,” June 2024, p. 373, https://www.medpac.gov/wp-content/uploads/2024/03/Mar24_Ch12_MedPAC_Report_To_Congress_SEC-1.pdf.

⁹ *Id.* p. 375.

¹⁰ The Wall Street Journal, “Insurers Pocketed \$50 Billion From Medicare for Diseases No Doctor Treated,” Christopher Weaver et al., July 2024, <https://www.wsj.com/health/healthcare/medicare-health-insurance-diagnosis-payments-b4d99a5d>.

¹¹ HHS-OIG, “Some Medicare Advantage Organization Denials of Prior Authorization Requests Raise Concerns About Beneficiary Access to Medically Necessary Care,” April 27, 2022, <https://oig.hhs.gov/reports/all/2022/some-medicare-advantage-organization-denials-of-prior-authorization-requests-raise-concerns-about-beneficiary-access-to-medically-necessary-care/>.

¹² Letter from Senator Wyden to CMS Administrator Brooks-LaSure, October 29, 2024, https://www.finance.senate.gov/imo/media/doc/102924_wyden_neal_pallone_letter_to_cms_about_ma.pdf.

¹³ *Id.*

¹⁴ The Lever, “Trump Picks Oz, Champion of Medicare Privatization,” November 19, 2024, Andrew Perez, <https://www.levernews.com/dr-oz-can-now-pull-off-his-medicare-privatization-scheme-2/>.

¹⁵ Health Care Dive, “UnitedHealth under antitrust investigation by DOJ: reports,” February 28, 2024, <https://www.healthcaredive.com/news/unitedhealth-antitrust-investigation-doj-unitedhealthcare-optum/708727/>; HHS OIG, “United States Intervenes in Second False Claims Act Lawsuit Alleging that UnitedHealth Group Inc. Mischarged the Medicare Advantage and Prescription Drug Programs, May 16, 2017, <https://oig.hhs.gov/fraud/enforcement/united-states-intervenes-in-second-false-claims-act-lawsuit-alleging-that-unitedhealth-group-inc-mischarged-the-medicare-advantage-and-prescription-drug-programs/>.

¹⁶ People’s Action, “UnitedHealth Will Be a Top Beneficiary of Trump’s Project 2025,” October 15, 2024, <https://peoplesaction.org/unitedhealth-will-be-a-top-beneficiary-of-trumps-project-2025/>.

Given your financial ties to private insurers, combined with your view that the traditional Medicare program is “highly dysfunctional” and your advocacy for eliminating it entirely, it is not clear that you are qualified for this critical job.

Before your nomination comes to the Senate, Congress and the public deserve answers about your views on Medicare and your financial conflicts of interest. We ask that you provide answers to the following questions by December 24, 2024:

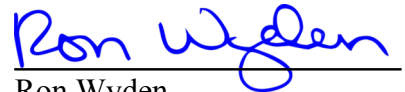
- 1) Do you still continue to view Traditional Medicare as a “highly dysfunctional” program?
- 2) Do you still continue to support policies that would eliminate Traditional Medicare?
 - a. If so, how will you address concerns from seniors that will be forced out of the problem?
 - b. If not, will you commit to opposing any and all efforts to privatize or cut Medicare if you are confirmed as CMS Administrator?
- 3) How do you reconcile your support for turning Medicare over to private insurers with findings from federal watchdogs and whistleblowers indicating that these private companies overcharge taxpayers and unlawfully deny care?
- 4) Will you commit to fully divesting of any and all financial holdings related to the insurance industry if you are confirmed as Administrator?
- 5) If confirmed as Administrator, will you commit to recusing from any decisions that may impact insurers in which you currently have a financial interest?

Thank you for your attention to this matter. We will have additional questions as your nomination moves forward in the Finance Committee.

Sincerely,



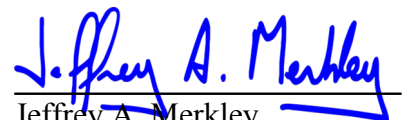
Elizabeth Warren
United States Senator



Ron Wyden
United States Senator



Lloyd Doggett
Member of Congress



Jeffrey A. Merkley
United States Senator

Dick Durbin

Richard J. Durbin
United States Senator

Richard Blumenthal

Richard Blumenthal
United States Senator

Ben Cardin

Benjamin L. Cardin
United States Senator