



Congress of the United States
House of Representatives
Washington, DC 20515-3222

House Committee on Ways and Means
Subcommittee on Health
Subcommittee on Trade
House Committee on Science, Space,
and Technology
Subcommittee on Energy
House Permanent Select
Committee on Intelligence
Subcommittee on Defense
Intelligence and Overhead Architecture
Subcommittee on National
Intelligence Enterprise

November 13, 2025

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Oz:

As the Centers for Medicare & Medicaid Services (CMS) and the Office of Management and Budget (OMB) review the Calendar Year (CY) 2026 Home Health Prospective Payment System final rule, I write to ask that potentially fraudulent billing patterns in Los Angeles County, California are thoroughly investigated to ensure that it does not distort national home health payment policy. CMS must correct the Biden Administration's course and not allow corrupt data to skew Medicare's home health payment rates.

Over the past four years, home health and hospice fraud has exploded under the Biden Administration's watch. Despite repeated warnings from Members of Congress, providers, patient advocates, state and national trade associations, President Biden and Secretary Becerra failed to act on well-documented evidence of criminal networks potentially exploiting Medicare's home health benefit.

I recently received alarming information documenting large-scale fraud in Los Angeles County's home health sector. Specifically, the data reveals a disturbing pattern centered around physicians who are engaged with the fraudulent home health and hospice agencies. CMS cannot continue to allow corrupted data, made worse by years of negligence under the Biden Administration, to dictate future Medicare reimbursement for legitimate providers in my district and across America.

The data from Los Angeles County tells a damning story. This letter details how a single physician, who continues to operate freely today despite a long history of medical board sanctions, is associated with hundreds of home health and hospice agencies with unmistakable signs of systemic fraud.

Extraordinary Billing and Beneficiary Harm

Between 2021 and 2024, home health agencies linked to this physician, who lives outside of California and is in their 80s, billed nearly \$600 million to Medicare, including nearly \$210 million in 2024 alone, a 124 percent increase from 2021, with 95 percent of those payments concentrated in Los Angeles County. Beneficiary patient count rose from 9,693 in 2021 to 29,527 for home health agencies associated with this physician.

CMS cost report data confirms the agencies associated with this doctor are Medicare-only providers. In other words, these agencies report no payments from Medicare Advantage, which represents over 50% of Medicare enrollment in LA County. This suggests active patient recruitment by the agencies. Additionally, billing patterns indicate no placements from hospitals or other institutional settings, such as skilled nursing facilities, which is highly unusual for home health providers who are purportedly engaged in post-acute rehabilitative home health care.

Accreditation and Address Irregularities

According to CMS data, a single accrediting organization accounted for over 60 percent of all revenue tied to these agencies in 2024, up from just 13 percent in 2019. This activity is highly suspicious and could indicate that the accrediting agency in question has been compromised by these criminal enterprises.

Furthermore, a review of other home health and hospice programs registered at the same addresses as those tied to this physician shows over 550 home health agencies and more than 250 hospices active in Medicare, including the notorious Friar Street address in Van Nuys, long flagged by law enforcement for Medicare and Medicaid fraud.

The Biden Administration's failure to identify and address this suspicious activity is remarkable given that former HHS Secretary Becerra's former Congressional district has one of the highest concentrations of these fraudulent home health and hospice agencies.

One home health agency in this physician's network was involuntarily terminated in 2024, yet seven others remain active at the two addresses listed on CMS's letter of termination. One new home health agency was approved and enrolled in the Medicare program after the home health agency termination notification. All of the home health programs list Gmail or Yahoo addresses in state filings, an unmistakable red flag for shell operations as these email accounts are not HIPAA compliant.

A National Crisis

Your *Los Angeles Times* op-ed with Deputy Administrator Kim Brandt detailed how international criminal networks exploited pandemic-era telehealth portals, remote enrollment systems, and

weak identity verification to execute industrial-scale theft of taxpayer dollars. All of which was made worse by the Biden Administration's open border policies, which allowed foreign criminals to easily enter and stay in our country. Under Attorney General Bondi, the Justice Department's \$14 billion health-care-fraud takedown, the largest in U.S. history, exposed fraudulent hospice and home health entities in Los Angeles County.

These schemes, built on ghost patients, shell companies, and offshore laundering, are not random crimes but strategic infiltrations of one of America's most important public trust funds. As you and Deputy Administrator Brandt rightly warned, and what I firmly believe, is that every fraudulent claim paid is money stolen from American seniors, working families, and future healthcare investments.

Foreign actors stealing from Medicare erode public trust and undermine the integrity of U.S. health systems, elevating this to a national security concern. Veterans in my district, many of whom are enrolled in Medicare, risked their lives defending this country; we, in turn, should honor their service by ensuring that the nation they protected provides reliable, lawful, and accessible care for its seniors.

These scams don't just steal funds, they inflict real harm. Federal prosecutors have charged operators who subjected frail and terminally ill patients to unnecessary or fabricated procedures solely to justify billing Medicare. These practices cause human suffering while diverting resources from legitimate care. Fraud in the home health program is not a victimless crime: it is abuse of both patients and taxpayers.

The Importance of the Medicare Home Health Benefit

The Medicare home health benefit is among the most efficient and humane parts of our health system. It allows older Americans to recover at home and saves taxpayers nearly \$1 billion annually through reduced hospital readmissions and nursing-home placement.

The average home health day costs \$64, compared to as much as \$3,500 per day in a hospital. Every dollar denied to legitimate agencies through fraudulent data or arbitrary cuts is a dollar that forces our seniors into high-cost institutional settings.

Declining Access in My District

My Congressional District, which is largely rural and home to more than 270,000 seniors on Medicare, illustrates the ramifications of the steep decline in home health access over the past several years.

Home health use dropped -39% and almost 26,000 Medicare beneficiaries did not receive services between 2018 through 2024, with 46% of patients referred to home health not receiving

care in 2024. Two home health agencies stopped serving NY-24 closed since 2018, leaving just 13 agencies providing home health services.

I am concerned that this collapse in local access has been exacerbated by a payment system increasingly influenced by warped data stemming from the Biden Administration's lack of enforcement. Evidence of fraudulent billing practices and criminal activity in places like LA County raises the possibility that distorted utilization patterns could be incorporated into the national Medicare home health payment system, which could jeopardize access to home health for seniors in districts like mine. That is unacceptable.

Implications for the CY 2026 Home Health Payment Rule

As the CY 2026 rule undergoes interagency review ahead of finalization, I ask that CMS take necessary steps to ensure that the data underpinning payment adjustments accurately reflect lawful, medically necessary care. Failing to do so risks institutionalizing regional fraud-driven data distortions and embedding them into the national baseline, which could unintentionally penalize legitimate providers nationwide.

CMS Has the Authority and Obligation to Act Immediately

CMS possesses the legal tools needed to halt this crisis without new legislation. Specifically, I ask that the agency consider the following steps:

1. Reevaluate the underlying data and analytic assumptions informing the CY 2026 payment adjustments and previous years' cumulative permanent adjustments to ensure that such adjustments have not been inadvertently influenced by potential fraud-related anomalies;
2. Suspend payments to suspect providers under 42 C.F.R. §405.370 when credible fraud indicators exist;
3. Revoke or deny enrollment to home health and hospice entities sharing ownership, management, or address connections that have had their enrollment and billing privileges revoked under 42 C.F.R. §424.535;
4. Immediately revalidate the enrollment information of every home health and hospice provider operating in Los Angeles County;
5. Initiate emergency rulemaking for a temporary moratorium on new enrollments in California pending completion of that revalidation; and
6. Launch an immediate program integrity review of the physician identified in the attached documentation and all affiliated agencies;

I commend your leadership and that of Deputy Administrator Brandt in undertaking the recent \$14 billion health-care fraud takedown in conjunction with federal law enforcement. This was an important step forward in defending the Medicare program and the millions of seniors who rely on it. Every American taxpayer should be encouraged by the Trump Administration's efforts to

root out these criminal networks and close the loopholes that have allowed bad actors to exploit seniors and taxpayers.

These fraudulent providers and criminal enterprises targeting Medicare not only drain taxpayer resources, they distort the data CMS relies on to evaluate program spending and set future payment rates. My concern is that if we don't fully understand the extent of that distortion, it could undermine future policy decisions that could negatively impact care for rural and aging communities in districts like mine.

Thank you for your attention to this matter. I look forward to working with you in strengthening the integrity of Medicare, safeguarding taxpayer dollars, and ensuring seniors continue to receive the high-quality care that they deserve.

Sincerely,

A handwritten signature in black ink that reads "Claudia Tenney". The signature is written in a cursive, flowing style with a prominent loop at the end of the name.

Claudia Tenney
Member of Congress