

# CMS pick Oz vows to go after Medicare Advantage

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Oz prepares to testify before the Senate Finance Committee on Friday. (Bill Clark/CQ Roll Call)

Mehmet Oz, once a staunch proponent of Medicare Advantage plans, vowed Friday to go after those plans if they unfairly raise costs for the government if he is confirmed as President Donald Trump's nominee to lead the Centers for Medicare and Medicaid Services.

Oz, a former cardiothoracic surgeon, became a household name thanks to his long-running health-focused TV show where he at times promoted false health claims. If confirmed, he would run an agency that provides health insurance coverage for 160 million Americans. He'd also work closely with Health and Human Services Secretary Robert F. Kennedy Jr. on Kennedy's "Make America Healthy Again" platform.

His nomination comes at a moment when Trump and Republicans focus on reining in health care costs, which [ballooned](#) to \$1.9 trillion in fiscal 2024.

Oz's pledge to go after Medicare Advantage is a blow to the insurance industry; Oz had at times been paid to promote Medicare Advantage on his television show, and in 2020, he [wrote an op-ed](#) with former Kaiser Permanente CEO George Halvorson [advocating](#) “universal” health care coverage through Medicare Advantage for “every American who is not on Medicaid.”

“We’re actually apparently paying more for Medicare Advantage than we’re paying for regular Medicare,” Oz said Friday during his confirmation hearing before the Senate Finance Committee, citing a [report](#) that shows the federal government pays insurers 20 percent more for Medicare Advantage enrollees than it does for similar people in traditional Medicare. “I think there are ways for us to look, for example, at the upcoding that’s going on, that’s happening systemically in many systems, in many programs.”

More than half of Medicare beneficiaries are now in Medicare Advantage plans, the alternative to traditional Medicare that is largely run by private insurance companies. The plans have faced criticism for costing more than traditional Medicare, but the insurers argue they are better and more efficient at making sure patients get the care they need.

One practice used by the plans that has faced scrutiny is known as “upcoding.”

In Medicare Advantage, the government adjusts payments to plans based on how sick a patient is. Plans have been accused of adding diagnosis codes to a patient’s record to make them look sicker so plans can extract larger payments from Medicare.

Some plans have sent nurses to beneficiaries' homes to find illnesses that can be coded for, but that doesn't always mean a patient will receive care for those illnesses. Plans have also [been accused](#) of exaggerating or even making up illnesses.

“We cannot afford to have the health care system be taken over for private profit when it doesn't provide good service at an affordable price,” said Sen. [Peter Welch](#), D-Vt.

Oz replied: “I think the upcoding in Medicare Advantage programs has become the best example of this out there, and is something that is addressable, and I pledge if confirmed we'll go after it.”

Medicare Advantage plans can use rebates they get from the government to cover extra benefits for beneficiaries that traditional Medicare doesn't provide, like dental and vision coverage.

Oz said he would also look at whether money spent on those benefits should go back to the taxpayers instead. Some critics have argued the benefits are used to lure beneficiaries into Advantage plans, but they can be hard to utilize.

“We should examine whether some of that money should be reimbursed to the American people to ensure that Medicare Advantage does not cost more than fee-for-service Medicare,” Oz said.

Sen. [Elizabeth Warren](#), D-Mass., cited [an HHS inspector general report](#) finding that in 2022, UnitedHealth Group used home visits to add billions of dollars worth of diagnoses that led to no treatment. “I take it you think that sounds like fraud as well?” Warren asked.

“If confirmed, this will be one of the topics that is relatively enjoyable to go after because I think we have bipartisan support,” Oz said.

Warren replied: “I love hearing this.”

### **Prior authorization**

Oz also said he would look at creating a process to allow “instantaneous” prior authorizations for medical services, potentially using artificial intelligence.

“This issue of preauthorization is a pox on the system,” he said.

Prior authorization in health plans, including Medicare Advantage, has caught the ire of many members of Congress, who argue requiring physicians seek approval for a service before providing it delays care.

Oz’s views on prior authorization and Medicare Advantage are not all that different from those of the Biden administration, which took actions on both issues.

In all, Friday’s hearing was without many fireworks, with Oz appearing well-prepared to answer questions about the agency's mission. He also seemed agreeable, bantering with several lawmakers about common interests.

Oz, who in 2022 lost a bid for the U.S. Senate to Democratic Sen. [John Fetterman](#) of Pennsylvania, asked Finance ranking member Democratic Sen. [Ron Wyden](#) to teach him how to do a basketball jump shot if he visited Oregon and offered to go to church with Democratic Sen. [Raphael Warnock](#) in Georgia.

Still, Democrats repeatedly pressured Oz on whether he would support House Republicans’ plans to cut Medicaid, something he appeared split on.

He said he didn't support requiring Medicaid beneficiaries to report work — a proposal House Republicans are considering including in their reconciliation bill.

“I don't think you need to use paperwork to prove a work requirement, and I don't think that should be used as an obstacle. It's a disingenuous effort to block people from getting on Medicaid,” Oz said.

But he also said Medicaid expansion makes sense for some states and not others, “as long as they have a plan to address their challenges of dealing with the underserved population.”

That response seemed to mystify Sen. [Maria Cantwell](#), D-Wash., who noted that states that haven't expanded Medicaid have higher uninsured rates.

“What plan?” she asked. “I guarantee you they have lots of people unserved.”