

# Medicare's Plan to Hire 2,000 Auditors Appears to Stall

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Reporter

- The US government appears to be behind on its goal of hiring staff to audit private Medicare Advantage insurance plans for potential overpayments.
- The Centers for Medicare and Medicaid Services said it would hire about 2,000 medical coders by Sept. 1 to verify the data insurers submit for payment, but hasn't reported any progress toward this goal.
- A delay in the audit process would postpone penalties for any companies found to have received overpayments in the past, with significant financial implications, including an estimated \$4.7 billion that could be clawed back over a decade.

The US government appears to be behind on its goal of hiring staff to audit private Medicare Advantage insurance plans for potential overpayments, casting doubt on how quickly it can clear a yearslong backlog that the new administration promised to tackle.

In May, the Centers for Medicare and Medicaid Services [said](#) it would hire about [2,000 medical coders](#) by Sept. 1 to verify the data insurers submit for payment in the government's health insurance program for the elderly. This would be an increase from the 40 people the agency already had in place. The announcement, part of a broader anti-fraud effort, signaled a more aggressive stance from CMS Administrator Mehmet Oz and sent down the shares of insurance companies including UnitedHealth Group Inc. and Humana Inc.

But in the months since then, the agency hasn't reported any progress toward the Sept. 1 goal, and a spokesperson declined to say whether CMS has hired any of the planned coders. The federal [USAJobs.gov](#) website has no posted openings for the roles.

"I am very skeptical of their ability to hire a whole bunch of people on the fly, compete with the private sector and do it at scale," said Mark Newsom, a former CMS official who's now managing director at consulting firm Avalere Health. "It's not adding up right now."

Medical coders already are in demand from providers, health plans and well-funded health tech companies aiming to automate some aspects of billing, he said, making it harder for the government to lure new workers.

CMS spokesperson Catherine Howden said “discussions regarding the scope and source of additional coder support are ongoing.”

“The agency is evaluating operational and resource needs, including potential avenues to augment medical coding capacity,” she said in an email.

Medicare Advantage insurers are paid more for covering the sickest patients. Audits can uncover discrepancies and raise concerns about prior billing. A delay in this process would postpone penalties for any companies found to have received overpayments in the past.

The financial implications are significant. Under the Biden administration, CMS estimated that Medicare Advantage plan audits could result in the government clawing back [around \\$4.7 billion](#) over a decade.

## Increasing Audits

Private Medicare Advantage health plans now cover more than half of those enrolled in the government insurance program for the elderly, which will channel more than [\\$500 billion](#) to insurers this year. Oz has called for “crushing fraud, waste and abuse” across federal health programs, and vowed during his confirmation [hearing](#) to pursue companies he said were “[cheating](#)” Medicare by inflating how sick their members are.

In May, CMS said it would begin to audit all Medicare Advantage contracts annually and work to clear pending audits from 2018 to 2024 by early next year. The agency said in August it started audits for the 2019 plan year in June and is pursuing “a multifaceted strategy” to work through the backlog.

The Trump administration has a broad [hiring freeze](#) in place, though the directive states that it shouldn’t impact Medicare benefits.

Government watchdogs and [whistleblowers](#) have alleged widespread problems in the Medicare Advantage program. The Medicare Payment Advisory Commission, a nonpartisan congressional group, has cited an “urgent need” for reform. It [estimates](#) the US pays \$84 billion more to cover people through Medicare Advantage than it would if they were in traditional Medicare.

Insurers say seniors get additional benefits through the private plans, arguing they’re compensated appropriately for the risk they take on.

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