

Oz: CMS Planning To Take ‘Dramatic And Drastic Action’ Against Health Care Fraud

Feb 10, 2026, 8:34 PM EST

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(Inside Health Policy)

CMS Administrator Mehmet Oz assured rural advocates the next crack down on health care fraud would not affect rural providers -- a commitment he made after reviewing with rural health advocates Tuesday (Feb. 10) recent cases of Medicaid fraud that the administration has found perpetrated by foreign entities that use provider and beneficiary numbers to fraudulently bill the government.

"I'm warning you right now, we're going to take dramatic and drastic action against some of these fraudulent activities, and I don't want it to hurt rural America so we're thinking of ways of explicitly protecting rural America so we can take aggressive stances when necessary, to protect the taxpayer, but also the folks who no longer get access to care," Oz told National Rural Health Association's (NRHA) Rural Health Policy Institute attendees Tuesday (Feb. 10).

Oz mentioned during his speech fraud cases in California and Minnesota and "other states you'll be hearing about."

The Trump administration and GOP lawmakers have heavily scrutinized Democrat-led states, especially Minnesota and California, for alleged fraud.

"The rules that govern these programs have not been written well enough to protect the programs," Oz said. "It was always believed that while we need people to use it correctly -- and it certainly helps, for example, in home- and community-based services -- but they have to be administered in a way that is reliable. It's my obligation to you. That's one of my jobs."

Oz's preview of the next fraud, waste and abuse action was one of three goals he listed for CMS, along with promoting so-called MAHA policies and focusing on patient outcomes.

The administrator's comments come after the *New York Post* reported last week the White House plans to cut at least \$602 million in Centers for Disease Control and Prevention (CDC) funding meant for California, Colorado, Illinois and Minnesota -- all Democratic-led states.

HHS confirmed to *Inside Health Policy*, “These grants are being terminated because they do not reflect agency priorities.”

Oz repeated his message that H.R. 1 does not cut Medicaid dollars when NRHA Chief Policy Officer Carrie Cochran-McClain interviewed the administrator during the event about the work requirements and other changes to Medicaid in last year’s reconciliation bill.

Oz says forthcoming Medicaid reforms were implemented to prevent waste, fraud and abuse in Medicaid.

“I do believe we saved Medicaid by doing something that everyone who knew about health care agreed needed to be done,” Oz said. “You might not like how we did it, but we tried to do it.”

Sen. Peter Welch (D-VT) spoke after Oz at the NRHA event, and he agreed with Oz’s point that there is gaming throughout the health care system, especially among states that use taxes and special payments to providers to draw down more federal Medicaid funds.

“So some states are trying to do the best they can for the wellbeing of their folks, figure out ways to get dental [for example],” Welch said. “What’s wrong with that? Now, on the other hand, if you have such a messed-up financing system that you get dental in California or, let’s say, Vermont, but it comes to the expense of New Mexico. That’s a fair point that Dr. Oz made. But what is not acceptable to me is the goal should be dental for everybody, right?”

Welch’s approach to health care is “to start from the premise that our goal is universal access to health care, regardless of where you’re from or what your income is.

“And the reason that has to be the starting point is the only way we’re going to get health care costs down is by having a system where the goal is to make certain everybody does have access to reasonable coverage for a reasonable price,” Welch said.

“The debate is turning backwards right now, meaning whatever we say about this rural transformation program in Vermont -- hopefully it’s going to get \$195 million, that’s a lot of money for the state -- we passed a bill where, to bring down the cost of Medicaid, we took 15 million people off of Medicaid coverage,” Welch added. “So I am concerned about the cost of health care, but do we solve the cost of health care by taking health care away from people who have it? My answer is no.”