

Trump Medicare Chief Says Private Plans Not Controlling Costs

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The Trump administration's Medicare chief said the version of the program run by private insurers doesn't do enough to control costs, raising questions about how much the US will pay companies in a crucial upcoming rate update.

Chris Klomp, a top health official at the US Centers for Medicare and Medicaid Services, said the private Medicare Advantage program "does not sufficiently have control of costs," in remarks at a STAT conference in New York on Thursday.



Photographer: Aaron Schwartz/Bloomberg

Centers for Medicare and Medicaid Deputy Administrator Chris Klomp
Shares of health insurers dropped following the remarks. [UnitedHealth Group Inc.](#) closed down 1.4%, Humana Inc. fell 2.3% and [CVS Health Corp.](#) lost 1.6%.

CMS is due to finalize 2027 payment rates for the plans in the weeks ahead. The initial proposal came in far below investors' expectations, sending insurer shares [sharply down](#).

Klomp acknowledged that if agency moved “too aggressively” on rates, plans could exit markets and reduce choice for people on Medicare.