

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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<https://oversight.house.gov>

January 16, 2026

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

Dear Administrator Oz:

The Committee on Oversight and Government Reform is investigating reports that the State of New York (State) has been failing to abide by current law and properly match federal Medicaid funds.¹ According to recent reports, the State has been withholding or clawing back Medicaid funds from local, low-income hospitals in order to buoy its failing balance sheet.² As part of its investigation into these allegations of financial impropriety, the Committee requested documents and communications from the New York Executive Chamber regarding the State's Medicaid program and use of federal funds for the Disproportionate Share Hospital (DSH) payments program.³

The Committee is concerned that the State, and likely other states too, are failing to follow federal law by misrepresenting the source of the non-federal share that the State is responsible for providing to trigger federal dollars under the Medicaid DSH program.⁴ Whistleblowers report that the State has concocted a scheme by which it has forced a safety net hospital to reimburse the State's portion of the Medicaid match, despite telling the federal government the DSH funds had gone to the hospital.⁵ Reports on this scheme indicate that the State has engaged in this behavior for more than 20 years, costing taxpayers over \$1 billion for one hospital alone, Nassau University Medical Center (NUMC).⁶

¹ Benjamin Weingarten, *The Governor, the CEO & the FBI: Scandal Threatens New York Hospital*, REALCLEAR INVESTIGATIONS (Nov. 4, 2025).

² Brandon Cruz, *Long Island hospital chair fired just hours after revealing thieves stole FBI probe docs from his home in growing scandal: 'Hochul wanted my head,'* NY POST (Apr. 25, 2025); See Miranda Devine, *NY Gov. Kathy Hochul's alleged hospital hoodwink in Nassau County*, NY POST (Dec. 19, 2024); See also Kate Lisa, *State to gradually withhold federal Medicaid funds from localities*, SPECTRUM LOCAL NEWS (May 1, 2023).

³ Letter from James Comer, Chairman, H. Comm. on Oversight & Gov't Reform, to Kathy Hochul, Governor, State of New York (July 2, 2025).

⁴ See 42 C.F.R. § 447.299; See also Section 1923 Social Security Act (codified at 42 U.S.C. 1396r-4).

⁵ Jordan Vallone, *Nassau University Medical Center announces lawsuit against New York state*, FREEHERALD, (Dec. 13, 2024).

⁶ *Id.*

The Honorable Mehmet Oz

January 16, 2026

Page 2 of 3

After Article 78⁷ lawsuits were filed on behalf of NUMC to re-coup funds improperly sent to the State via DSH intergovernmental transfers (IGT), reports have shown that New York's legislature, at the direction of Governor Kathy Hochul, passed a budget with provisions allowing for a hostile takeover of the Nassau Healthcare Corporation (NHCC) Board, the parent entity of NUMC.⁸ This hostile takeover also removed control of the public benefit corporation hospital from Nassau County executive Bruce Blakeman and the firing of NUMC CEO Meg Ryan and other top NUMC executives.⁹ The new Governor Hochul-appointed NUMC Board and interim CEO Richard Becker¹⁰ cancelled NUMC's existing contracts with the law firms representing the hospital in their Article 78 lawsuits against the State and voted to withdraw the current pending lawsuits.¹¹

The Committee initiated its investigation in July by sending a letter to Governor Hochul and the Executive Chamber.¹² Since the Committee's July 2nd letter, the Committee has received some, but nowhere near all, requested documents and communications and continues to request New York State's compliance as we further examine the State's Medicaid DSH program.

In February, four Members of Congress from New York wrote to U.S. Department of Health and Human Services Secretary Robert Kennedy, Jr. and the Acting Administrator for the Centers for Medicare & Medicaid Services Stephanie Carlton to bring attention to this issue.¹³ In their letter, the lawmakers requested clarification on the obligation of states, including New York, to ensure timely and complete DSH payments to NUMC and other eligible hospitals and whether CMS has initiated a review of the situation that occurred at Nassau University Medical Center to determine if the State's actions are in compliance with federal statutes and regulations.¹⁴

To assist the Committee's continued investigation of this matter, we request a briefing as soon as possible but before January 23, 2026. Additionally, to ensure that States and DSH IGT recipients have clear guidance, we request that you issue formal clarification regarding the proper sourcing of non-federal share funds for the Medicaid DSH program.

The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any

⁷ *What is an Article 78?*, NY COURTS.GOV (last visited Dec. 11, 2025).

⁸ Benjamin Weingarten, *The Governor, the CEO & the FBI: Scandal Threatens New York Hospital*, REALCLEAR INVESTIGATIONS (Nov. 4, 2025).

⁹ *Id.*

¹⁰ Press Release, New York State, Governor Hochul Announces Four Appointments to Nassau Health Care Corporation Board (May 31, 2025).

¹¹ Josh Christenson, *Ex-NUMC CEO Meg Ryan sues former employer, Hochul's handpicked appointees for retaliation, defamation*, NY POST (Sept. 26, 2025).

¹² Letter from James Comer, Chairman, H. Comm. on Oversight & Gov't Reform, to Kathy Hochul, Governor, State of New York (July 2, 2025).

¹³ Letter from Nick LaLota, Member of Congress, et al., to Secretary Robert F. Kennedy, Jr., Secretary, Department of Health and Human Services, and Stephanie Carlton, Acting Administrator, Centers for Medicare & Medicaid Services (Feb. 21, 2025).

¹⁴ *Id.*

The Honorable Mehmet Oz

January 16, 2026

Page 3 of 3

matter" at "any time" under House Rule X. To schedule the briefing or to ask any related follow up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "James Comer". The signature is fluid and cursive, with "James" on the top line and "Comer" on the bottom line.

James Comer
Chairman

cc: The Honorable Robert Garcia, Ranking Member
Committee on Oversight and Government Reform