

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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April 30, 2026

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

Dear Administrator Oz:

The Committee on Oversight and Government Reform is continuing to investigate the drivers of rising healthcare costs in federal programs, including systemic issues that may enable waste, fraud, and abuse. The Current Procedural Terminology (CPT) code system, which is mandated by the federal government as the standard for billing Medicare and Medicaid plays a central role in determining how billions of taxpayer dollars are spent each year.¹ The complexity of this system may be contributing to improper billing and higher costs for patients and taxpayers. Because the Centers for Medicare and Medicaid Services (CMS) is responsible for administering these programs and enforcing billing standards, the Committee requests a staff-level briefing on CMS's oversight of CPT coding and its impact on program integrity and federal spending.

CPT codes, created and maintained by the American Medical Association (AMA), are the foundation of the healthcare billing system, translating medical services into reimbursable claims.² CMS requires the use of the CPT code set for participation in Medicare and Medicaid, effectively embedding a proprietary system into federal payment infrastructure.³ This maintenance structure raises concerns about federal reliance on a privately owned and licensed coding system. These concerns include fundamental questions about transparency, cost control, and whether federal healthcare policy is shaped in the best interest of patients, or by entities with financial incentives tied to the system's continued complexity.

The billing system has grown to include over 7,800 highly granular codes, updated annually through a process largely driven by external stakeholders.⁴ This complexity creates an

¹ 42 U.S.C. § 1320d-2; 45 C.F.R. § 162.1002; Centers for Medicare & Medicaid Services, *Medicare Claims Processing Manual*, Pub. 100-04, Ch. 23 (various years).

² American Medical Association. *CPT Professional Edition*. (2023) available at: <https://www.ama-assn.org/topics/cpt-codes>.

³ 45 C.F.R. § 162.1002; Centers for Medicare & Medicaid Services, *Medicare Claims Processing Manual*, Pub. 100-04, Ch. 23 (various years).

⁴ Centers for Medicare & Medicaid Services, *List of Codes Effective January 1, 2026*, (Dec. 1, 2025), available at CMS.gov (AMA License), <https://www.cms.gov/license/ama?file=/files/zip/list-codes-effective-january-1-2026-published-december-1-2025.zip>.

environment where billing inaccuracies can flourish. The U.S. Department of Health and Human Service (HHS) Office of Inspector General (OIG) found from fiscal year 2014 through fiscal year 2019, hospital stays billed at the highest severity level increased almost twenty percent with hospitals billing at the top severity level for forty percent of all 8.7 million Medicare inpatient cases in FY2019.⁵ At the end of fiscal year 2022, the Department of Justice (DOJ) had reached \$2.2 billion in settlements for civil cases involving fraud and false claims, the vast majority of which occurred in the Medicare and Medicaid programs.⁶

The Trump administration has made great strides in banning certain practices, such as unlinked chart reviews, with an expected savings on payment reductions reaching \$7 billion per year.⁷ Historically, some Medicare Advantage plans submitted diagnoses identified through chart reviews that were not tied to a specific patient visit or claim.⁸ This allowed plans to increase payments without documentation of a corresponding visit or service. CMS's real-time fraud detection and prevention is critical for lowering costs. However, improper billing remains a significant issue outside of Medicare Advantage Organizations, with billions recovered annually through fraud and false claims cases, suggesting that underlying vulnerabilities in the billing system persist.⁹ Therefore, to assist the Committee's oversight, please be prepared to address the following at a staff-level briefing as soon as possible but no later than May 7, 2026:

1. CMS' assessment of the extent to which CPT coding complexity contributes to improper billing, including upcoding and unbundling;
2. Data on improper payments in Medicare and Medicaid attributable to coding errors or manipulation, including trends over time;
3. Steps CMS is taking to detect, prevent, and recover payments associated with improper CPT coding;
4. CMS's process for evaluating coding patterns associated with high-cost or high-severity billing levels;
5. Whether CMS has considered administrative or regulatory actions to simplify coding requirements or reduce opportunities for improper billing; and
6. Any constraints—statutory, regulatory, or operational—that limit CMS's ability to modify or move away from the current CPT-based system.

⁵ U.S. Department of Health and Human Services, Office of Inspector General, *Data Brief*, OEI-02-18-00380 (Feb. 2021).

⁶ U.S. Department of Justice, *False Claims Act Settlements and Judgments Exceed \$2 Billion in Fiscal Year 2022*, (Feb. 7, 2023), Press Release Number: 23-149.

⁷ Centers for Medicare & Medicaid Services, CY 2027 MA Advance Notice, (April 6, 2026) available at: <https://www.cms.gov/medicare/payment/medicare-advantage-rates-statistics/announcements-and-documents/2027>

⁸ Centers for Medicare & Medicaid Services, Office of Inspector General, *Medicare Advantage: Questionable Use of Health Risk Assessments Continues To Drive Up Payments To Plans by Billions*, OEI-03-23-00380 (Oct. 2024).

⁹ U.S. Department of Health and Human Services, Office of Inspector General, *Medicare Inpatient Hospital Billing: Rising Severity Levels*, OEI-03-21-00420 (Feb. 2022)

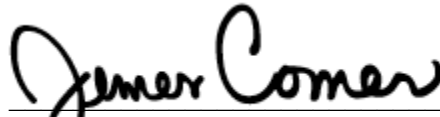
The Honorable Mehmet Oz

April 30, 2026

Page 3 of 3

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 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 written in a cursive style with a large, prominent "C".

James Comer
Chairman

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