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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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October 10, 2025

Jason Girzadas
Chief Executive Officer
Deloitte US
30 Rockefeller Plaza, 41st Floor
New York, NY 10112

Dear Mr. Girzadas:

We write out of concern that thousands of eligible Medicaid beneficiaries are erroneously denied coverage each year due to eligibility systems plagued by errors. As you know, states will now be required to set up Medicaid work reporting requirements by December 31, 2026, due to the passage of *H.R. 1*. The addition of paperwork hurdles, layered onto problematic eligibility systems, will cause Americans to lose Medicaid coverage to this bureaucratic maze. We believe it is Deloitte's responsibility to build systems that allow people to access the health care benefits they need to be healthy and be able to participate in the workforce, rather than to prioritize their bottom line.

Medicaid is a lifeline for low and middle-income adults nationwide, and provides health insurance coverage to more than one in five Americans.¹ Nevertheless, *H.R. 1* includes the largest cuts in Medicaid's history and adds new red tape requirements by requiring states to condition Medicaid eligibility on individuals proving work, engagement in certain "community engagement" activities, like community service, a job search or training program, or education for 80 hours per month. Nearly all adults with Medicaid (92%) are already working, going to school, caregiving, or have a disability.² The Congressional Budget Office, the government's nonpartisan scoring arm, estimates that over five million individuals will lose their Medicaid coverage because of these red tape requirements, and hundreds of thousands more will lose coverage because of unnecessary redeterminations of eligibility twice per year.

¹ KFF, *Health Insurance Coverage of the Total Population* (2023) <https://www.kff.org/other/state-indicator/total-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

² Jennifer Tolbert, *Understanding the Intersection of Medicaid and Work: An Update*, KFF (May 30, 2025) <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work-an-update/>.

States' attempts to implement similar so-called "work requirement" provisions have shown little evidence of accomplishing their purported goal of increasing employment. New Hampshire and Michigan were poised to implement these red tape requirements, but paused the programs when they received astronomical coverage loss projections of 80,000 enrollees (33 percent of participants) and 17,000 enrollees (40 percent of participants), respectively.³ In Georgia, the state spent \$91,000,000 in taxpayer dollars to build a glitchy "work requirement" tracking system. This translates to \$13,000 per enrollee in administrative costs – almost five times higher than total spending on health care benefits for enrollees.⁴ A recent study looking at these requirements in Georgia added to the body of evidence that they do not increase employment.⁵ So-called "work requirements" succeed only in pushing people off of their health care coverage and wasting taxpayer dollars.

Issues with Medicaid systems built by third-party contractors, like Deloitte, are already harming beneficiaries across the country. In Florida, new mothers eligible for Medicaid were erroneously disenrolled from coverage due to system errors.⁶ In Arkansas, hundreds of people with disabilities had their home care services dramatically cut after the state's eligibility system did not consider all of their medical conditions when assessing eligibility.⁷ In Missouri, the state's system auto-generated confusing notices, leaving beneficiaries unsure of their coverage status.⁸ Unfortunately, these are just a few examples of third-party systems' failure to serve their very function: to reliably and accurately determine an individual's eligibility for Medicaid coverage and services.

The Centers for Medicare & Medicaid Services (CMS) incentivizes automating Medicaid administration by offering a federal matching rate of 90 percent of states' costs for designing, developing, or installing systems that process claims and determine eligibility and coverage, known as Medicaid Management Information Systems (MMIS) and Eligibility & Enrollment (E&E) systems.⁹ States are also eligible for a federal matching rate of 75 percent for ongoing

³ Elizabeth Richter, *HHS Letter to Dawn Stehle, Deputy Director for Health & Medicaid, Arkansas Department of Human Services*, U.S. Department of Health and Human Services (Mar. 17, 2021) <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ar-works-ca2.pdf>.

⁴ Leah Chan, *Georgia's Pathways to Coverage Program: The First Year in Review*, Georgia Budget & Policy Institute (Oct. 29, 2024) https://gbpi.org/wp-content/uploads/2024/10/PathwaystoCoverage_PolicyBrief_2024103.pdf.

⁵ Daniel Y Johnson, et al., *Insurance coverage and employment after Medicaid expansion with work requirements: quasi-experimental difference-in-differences study*, *BMJ* (Sept. 5, 2025) <https://www.bmj.com/content/390/bmj-2025-086792>.

⁶ Daniel Chang and Samantha Liss, *Florida's Deloitte-Run Computer System Cut Off New Moms Entitled to Medicaid*, *KFF Health News* (Nov. 26, 2024) <https://kffhealthnews.org/news/article/florida-deloitte-medicaid-computer-system-women-pregnancy-disenroll/>.

⁷ Colin Lecher, *What happens when an algorithm cuts your health care*, *The Verge* (Mar. 21, 2018) <https://www.theverge.com/2018/3/21/17144260/healthcare-medicaid-algorithm-arkansas-cerebral-palsy>.

⁸ Clare Bates, *'Perfect storm': Missouri advocates decry Medicaid application delays, coverage losses*, *Missouri Independent* (Jan. 23, 2024) <https://missouriindependent.com/2024/01/23/perfect-storm-missouri-advocates-decry-medicaid-application-delays-coverage-losses/>.

⁹ From 2008 through 2018, CMS reimbursed states over \$34 billion for MMIS and E&E systems. See U.S. Government Accountability Office, *Medicaid Information Technology: Effective CMS Oversight and States' Sharing of Claims Processing and Information Retrieval Systems Can Reduce Costs* (Sep. 9, 2020; GAO-20-179) <https://www.gao.gov/products/gao-20-179>.

operations and maintenance of MMIS and E&E systems. To develop MMIS and E&E systems, states first submit an Advance Planning Document (APD), which outlines the timeline and specific features the state will build. Following CMS approval, states put out a Request for Proposal (RFP) detailing thousands of requirements. APDs often stipulate prior experience implementing Medicaid systems, which may disadvantage small vendors. Despite similarities between states' Medicaid systems, vendors often respond to RFPs with bids that charge hundreds of millions of dollars to build systems or update existing systems, rather than reusing code, which is likely to lower costs and speed up development.¹⁰

Time and time again, the same vendors incorrectly implement Medicaid program rules and build systems with persistent usability and compliance issues.¹¹ In Texas, according to a recent Federal Trade Commission (FTC) complaint filed by a health nonprofit, a Deloitte-built Medicaid E&E system does not reliably and accurately conduct initial eligibility determinations or redeterminations, causing hundreds of thousands of people to lose coverage.¹² The FTC complaint also cites Deloitte's system failures in Tennessee, Rhode Island, and New Mexico, which caused eligible newborns, foster youth, and pregnant women to lose Medicaid coverage. Further, many states rely on the vendor itself to address issues, leading to additional delays and higher costs. In Kentucky, the state submitted a change order request to fix a glitch in its Deloitte-run eligibility system, which caused people to erroneously lose their Medicaid coverage. The request took 10 months and over 3,500 hours to resolve.¹³

Noncompetitive procurement processes in many states enable incumbent vendors to maintain contracts or leverage their "national expertise" – those same contracts that are riddled with failures – to expand their footprint. This egregious cycle repeats itself across states, with the federal government footing the bill for ineffective, expensive technology, as Americans go without the health care coverage for which they are entitled.¹⁴

Given our concerns about Deloitte's history of building Medicaid eligibility systems, and the high likelihood that you will participate in implementation efforts related to new red tape requirements and other new eligibility requirements included in the recently passed reconciliation law, please respond to the following questions by October 31, 2025.

¹⁰ Miriam Jones, *A New Approach to Medicaid Management Information Systems*, Government Technology (May 10, 2011) <https://www.govtech.com/pcio/new-approach-to-medicaid-management-information-systems.html>.

¹¹ Rachana Pradhan and Samantha Liss, *Medicaid for Millions in America Hinges on Deloitte-Run Systems Plagued by Errors*, KFF Health News (Jun. 24, 2024) <https://kffhealthnews.org/news/article/medicaid-deloitte-run-eligibility-systems-plagued-by-errors/>. For example, Deloitte still holds – and continues to win – lucrative contracts across 25 states, many of which are worth more than \$500 million.

¹² Electronic Privacy Information Center, *EPIC Joins NHeLP, Upturn in Urging FTC to Investigate Faulty Deloitte Medicaid System* (Jan. 31, 2024) <https://epic.org/epic-joins-nhelp-upturn-in-urging-ftc-to-investigate-faulty-deloitte-medicaid-system/>.

¹³ Samantha Liss and Rachana Pradhan, *Errors in Deloitte-Run Medicaid Systems Can Cost Millions and Take Years to Fix*, KFF Health News (Sept. 5, 2024) <https://kffhealthnews.org/news/article/deloitte-run-medicaid-systems-errors-cost-millions-take-years-to-fix/>.

¹⁴ Shalaka Gole, *Making it Easier for People to Keep Critical Benefits*, Code for America (Mar. 7, 2024) <https://codeforamerica.org/news/making-it-easier-for-people-to-keep-critical-benefits/>.

- 1) Do any of Deloitte's state Medicaid contracts include pay-for-performance clauses or other payment structures that tie payments or revenue to the number of individuals your company removes from Medicaid?
 - a) If so, how many of your contracts include these provisions?
 - b) What do the provisions entail?
 - c) Please provide a copy of the contract provisions.
 - d) Specifically, when conducting enrollment assessments, does your company earn more for disenrolling beneficiaries than it does by retaining their enrollment?
- 2) Do any of Deloitte's state Medicaid contracts include pay-for-performance clauses or other payment structures that tie payments or revenues to other factors?
 - a) If so, list all factors for which you receive bonus payments by contract.
 - b) If so, list all factors for which you receive payment reductions by contract.
 - c) Please provide a copy of any such contract provisions.
- 3) Please provide a detailed summary of the documentation Deloitte may require to determine an individual's eligibility for Medicaid, including the frequency with which such documentation is updated. Furthermore, based on Deloitte's experience in the industry, please state whether the company believes such documentation would be sufficient to enact the so-called "community engagement" requirements contemplated by current Republican policy. If not, please identify additional categories of documents that may be necessary.
- 4) Is Deloitte penalized under any of its contracts for any of the following reasons:
 - a) Wrongly terminating the Medicaid eligibility of any individual;
 - b) If applicable to your operations, failing to meet federal requirements concerning call center wait times or language accessibility requirements;
 - c) If applicable to your operations, failing to comply with any other federal or state law regarding call center operations, government service providers, or other germane regulations or laws?
 - d) If so, what do those provisions entail?
- 5) Has Deloitte recently been the subject of a compliance action by the Centers for Medicare & Medicaid Services (CMS) or any state agencies for failing to adequately deliver on contract terms? If yes, please provide any written communication pertaining to contract violations or concerns raised by the government agencies about Deloitte's service delivery and follow through.
- 6) For each of the last five years, please provide complete data on the number of people Deloitte has referred to state Medicaid offices as ineligible for coverage, with the justifications for these determinations.
 - a) How many of these individuals were deemed ineligible for failing to follow administrative steps?
 - b) How many of these individuals were deemed ineligible for failing to meet substantive eligibility requirements?
 - c) For those individuals deemed ineligible, describe if and how Deloitte continued to process the individuals' cases in dispute resolution or other appeals processes.
 - d) For those individuals deemed ineligible, describe if and how Deloitte continued to process the individuals in their application and eligibility determination for state health insurance exchanges or marketplaces.

- e) Does Deloitte currently administer so-called “work requirements” in TANF or SNAP?
 - i) If so, does Deloitte process any requests for hardship exemptions?
 - (1) If so, what share of hardship exemptions did Deloitte recommend providing?
 - (2) Does Deloitte generate more revenue by denying hardship exemptions, because, for example, such denials allow Deloitte to engage in workforce development and training?
- 7) Does Deloitte have any contracts wherein it both helps states determine or recommend when Medicaid eligibility requirements are not met, and also helps to administer dispute resolution, fair hearings, or other appeals processes when beneficiaries seek to appeal the eligibility decisions?
 - a) If so, does Deloitte’s role as both the initial arbiter of eligibility and the appellate reviewer of the initial decision create a conflict of interest? If not, why not?
- 8) Does Deloitte plan to compete for contracts to implement the new Medicaid eligibility requirements stemming from Trump and Congressional Republicans’ new law?
 - a) If so, has Deloitte begun the proposal process in any states? If yes, which states?
 - b) Please provide a copy of any planning materials Deloitte made in anticipation of competing for these new contracts.
- 9) Federal law requires states to inform individuals on how to access the Affordable Care Act (ACA) marketplace in the event they lose Medicaid coverage.¹⁵ Do Deloitte’s active state contracts require your company to disclose this information or otherwise assist individuals in accessing private plans through the ACA marketplace?
 - a) If so, what percentage of individuals that Deloitte deemed ineligible for Medicaid coverage enrolled in a private health plan through the ACA? Please provide complete data for each of the last five years.
- 10) Does Deloitte have any contracts wherein it helps states process or secure ACA enrollment?
 - a) If so, which states?
- 11) Are there any states where Deloitte holds contracts related to both Medicaid and ACA enrollment and eligibility?
 - a) If so, which states?
 - b) If so, is Deloitte required to reconcile any conflicts of interest related to these coinciding contracts?
 - c) How does Deloitte navigate holding these two types of contracts concurrently? Please produce any written materials or guidance related to this.
- 12) Has Deloitte previously implemented federal welfare-to-work for programs like TANF or SNAP?
 - a) If so, what share of participants were placed in jobs that qualify as full-time employment?
 - b) If so, what percentage of workers placed in a job through Deloitte’s welfare-to-work programs were unemployed again within one month, three months, and six months?

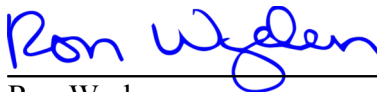
¹⁵ Amy Goldstein, *Medicaid rolls are being cut. Few are finding refuge in ACA plans*, The Washington Post (Sept. 28, 2023) <https://www.washingtonpost.com/health/2023/09/28/medicaid-unwinding-aca-health-plans/>.

- c) If so, does Deloitte have internal guidelines or presentations that incentivize placement of such workers in short-term or unstable employment? Please provide any internal guidance to Deloitte employees on job placements for workers.
 - d) If so, what percentage of beneficiaries are determined by Deloitte to be eligible for a hardship exception from the so-called “work requirements”?
- 13) What are the annual and total lobbying expenditures by Deloitte in the past five years of federal, state, and local governments? More specifically, what are the annual and total lobbying expenditures by Deloitte in the past five years of federal, state, and local governments on the subject of so-called “work requirements” in Medicaid?
- 14) What has your annual total compensation been for the past five years?
 - a) What is your projected annual total compensation for FY 2025?
 - b) Is your projected compensation this year contingent on any bonuses or incentives tied, directly or indirectly, to disenrolling individuals from Medicaid?
 - c) Do “pay-for-performance” clauses in Deloitte’s contracts with states generate higher revenues or profits for the company that impact your total compensation?
- 15) What pre-deployment testing and post-deployment monitoring does Deloitte perform to ensure the accuracy and robustness of the MMIS and E&E systems being created for states? Please describe the testing that occurred, how the testing was carried out, and the types of issues, if any, that Deloitte identified through these processes.
- 16) When Medicaid eligibility or renewal rules change, what is the process and average timeline by which Deloitte updates its systems?
 - a) What role do states play in this process?
- 17) What protocols are in place to address change request issues that are the result of Deloitte?
 - a) In what instances do states bear the costs associated with Deloitte-related errors?
 - b) Please describe how these protocols and protections vary across contracts.
- 18) How many states have amended their original contract with Deloitte to address change request issues beyond the original scope of the state’s contract?
 - a) Please describe what contract amendments frequently entail.
 - b) What are the minimum, maximum, and average costs associated with amendments to original contracts for change requests that Deloitte has done since 2014?
- 19) To what extent does Deloitte collaborate with other Deloitte teams, or other companies, in other states to share code or other information technology resources related to MMIS and E&E systems?
 - a) Are Deloitte MMIS and E&E systems proprietary?
 - b) Do Deloitte contracts contain any restrictive licenses that would prevent teams from coordinating across states?
 - c) Do Deloitte contracts contain any restrictive licenses that would lock in Deloitte by making it prohibitively difficult for states to switch vendors?
 - d) Should a state award another vendor a subsequent MMIS or E&E system, can the states build this from Deloitte’s MMIS and E&E system, or would the new vendor need to build the MMIS and E&E system from scratch?
- 20) To what extent does Deloitte collaborate with CMS to share code or other information technology resources related to MMIS and E&E systems?

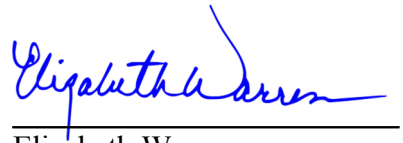
- a) Do Deloitte contracts contain any restrictive licenses that would prevent Deloitte from doing so?
- 21) Under CMS regulations, Medicaid systems must use a “modular, flexible approach to systems development,” including “the separation of business rules from core programming.” Please describe how Deloitte systems comply with this requirement and translate eligibility rules into executable computer code, including through the use of rules engines, where applicable.
- a) Please describe how Deloitte ensures that it continuously implements the latest technology and industry best practices throughout the duration of the contract lifecycle.
- 22) Please describe how Deloitte staffs MMIS and E&E RFP teams and contracts, including the number of staff, their education level, their area(s) of expertise, their title, the aggregate billed number of hours per month, and the contract’s monthly full-time equivalence.
- 23) Please list all Deloitte MMIS and E&E contracts dating back to 2014 and denote which contracts were and were not re-awarded.
- a) Please provide any and all Contractor Performance Assessment Reporting System (CPARS) comments, ratings, and narratives.
- 24) Please provide all Deloitte MMIS and E&E contracts dating back to 2014, as well as the most recent APDs and RFPs associated with those contracts.

If you have any questions or need additional information, please contact Senate Finance Committee staff. Thank you for your attention to this request.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance



Elizabeth Warren
United States Senator



Bernard Sanders
United States Senator



Raphael Warnock
United States Senator