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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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September 12, 2025

The Honorable Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G St. NW
Washington, D.C. 20548

Dear Comptroller General Dodaro:

On July 4, 2025, Trump signed into law the largest cuts to health care in U.S. history. The recently enacted reconciliation bill cuts funding to the U.S. health care system by over \$1 trillion and significantly restructures federally funded health care programs administered by the Centers for Medicare & Medicaid Services (CMS).

Multiple provisions in the bill are intended to take away coverage and access from millions of Americans who get their health insurance through Medicaid and the Affordable Care Act Marketplaces. This includes drastically cutting state revenues currently raised by provider taxes to help finance state Medicaid programs, sharply cutting Medicaid enrollment among individuals eligible for the expansion through work reporting and other requirements, making it harder for expansion enrollees to access needed care, rolling back protections for children, seniors, and people with disabilities, and imposing arduous enrollment verification and re-verification on Marketplace enrollees, among other policies.

To implement these historic changes to federal health care programs, the act appropriated nearly \$700 million to CMS over fiscal years 2025 through 2033. For example, the act provided CMS with:

- \$200 million in fiscal year 2026 to implement the requirement for states to establish so-called “work requirements” as a condition of Medicaid eligibility for certain adults;
- \$10 million to limit retroactive Medicaid coverage to 30 or 60 days as opposed to 90 days;
- \$1 million to defund Planned Parenthood clinics;
- \$20 million to limit states’ use of provider taxes to fund their Medicaid programs;
- \$56 million to cap state directed payments that state Medicaid programs use to pay health care providers;

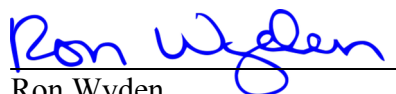
- \$15 million to require adult Medicaid beneficiaries to pay up to \$35 out-of-pocket to get access to each needed service; and
- \$75 million in fiscal year 2026 to implement a new requirement for state Medicaid programs to redetermine eligibility for certain adults every 6 months, as opposed to annually.

The Republican reconciliation bill did not specify how the agency should use the implementation funds, nor does it require any reporting on the use of these funds. In addition, it is unclear why implementation funding would be needed for certain activities, such as delaying enrollment and eligibility rules or defunding Planned Parenthood clinics, especially because these provisions are effective immediately. Given the amount of funds provided to CMS and the lack of guardrails related to use of the funds, we are requesting that GAO review how CMS is using the implementation funding. Specifically, we would like GAO to address the following questions:

1. How does CMS plan to use the implementation funds appropriated in P.L. 119-21?
Please break down the detailed implementation plan for each provision individually. How will CMS use implementation funding for provisions that are effective immediately?
2. How much implementation funding has been obligated or spent and specifically for what activities (e.g., technical assistance, workforce development, evaluation)? Please provide this information quarterly for the next three years.
3. Given the significant reduction in force across the U.S. Department of Health and Human Services (HHS), does CMS intend to rely fully or in part on external contractors to carry out implementation activities? Please break down the division of responsibilities by contractors vs. CMS employees and the portion of the entire funds that have been obligated or spent on external contractors.
4. Will CMS follow all federal requirements for the selection of external contractors? Please provide a detailed summary of the contracting process used to select the vendors that will be awarded implementation funding.
5. What are CMS's plans for tracking spending of the implementation funds and reporting on implementation progress?

We appreciate your attention to this request. We ask that GAO staff provide regular updates regarding this inquiry to Ranking Member Wyden's staff from the Senate Committee on Finance.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance



Tina Smith
Ranking Member
Subcommittee on Fiscal
Responsibility and Economic
Growth