

October 26, 2026

The Honorable Dr. Mehmet Oz
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services

Dear Administrator Oz,

On behalf of the undersigned organizations, representing a wide array of taxpayer, free-market, and limited-government advocates, we write to commend the Centers for Medicare and Medicaid Services (CMS) for its ongoing efforts to strengthen oversight of publicly funded Applied Behavior Analysis (ABA) therapy. Rooting out waste, fraud, and abuse is a critical part of shoring up the long-term fiscal sustainability of essential safety net programs like Medicaid and the Children's Health Insurance Program (CHIP). Unfortunately, explosive spending growth and recent audits have laid bare significant deficiencies in program integrity in Medicaid and CHIP-funded ABA programs for children with autism.

Against this backdrop, taxpayers and patients stand to benefit tremendously from stronger safeguards. We urge CMS to continue working with states to ensure taxpayer resources are protected from abuse and remain dedicated to helping vulnerable children.

CMS's own data shows that Medicaid and CHIP spending on ABA therapy jumped from \$2 billion in 2021 to over \$10 billion by 2025. That's more than a 400% increase, despite the fact that the number of children receiving an autism diagnosis only grew by 67%. Both figures are concerning, and federal audits as well as criminal investigations have revealed that these numbers are far from organic. Instead, they are far too often the result of systemic failures that allow providers to bill the federal government for services that fail to meet basic program standards or lack supporting documentation.

The scale of these improper payments is astounding. Over the last handful of years, the Department of Health and Human Services Office of Inspector General identified nearly \$200 million in improper payments related to autism treatment across just four states. And, earlier this year, the Department of Justice filed criminal charges in what it alleges was a \$46 million scheme to defraud Medicaid. Today, autism treatment is one of the fastest-growing categories of Medicaid spending.

The finances of the federal government are already under immense pressure, and allowing millions in federal funds to be routinely lost to fraudulent and improper payments is a profound disservice to patients and taxpayers alike. Indeed, Medicaid ranks among the top five federal programs for improper payments. In fiscal year 2025 alone, CMS estimated improper payments in Medicaid totaled just over \$37 billion, which is more than a \$6 billion increase from the year before.

Fortunately, CMS is tackling this crisis head-on. The release earlier this summer of the State Medicaid & Children's Health Insurance Applied Behavior Analysis Toolkit offers states practical advice for verifying provider qualifications and ensuring tax dollars are used solely for clinically appropriate care. This is an important first step, but voluntary toolkits are far from sufficient to meaningfully address the underlying incentive problem that fuels ABA spending growth, namely the moral hazard created by open-ended federal matching funds. As such, we urge CMS to sustain these oversight efforts into the new year with every tool at its disposal, and to proactively engage Congress where legislative remedies are warranted.

ABA therapy is vital for helping children with autism flourish, and we couldn't agree with you more that "every dollar lost to fraud or waste is a dollar that cannot reach a child who genuinely needs it." Thank you for your leadership on this issue, and we look forward to supporting CMS in this crucial work.

Sincerely and Respectfully,



National Taxpayers Union
Pete Sepp
President



Americans for Prosperity
Brent Gardner
Chief Government Affairs Officer



Center for a Free Economy
Ryan Ellis
President



Center for Freedom and Prosperity
Daniel J. Mitchell
President



Christian Employers Alliance
Margaret Luculano
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Competitive Enterprise Institute
Jeremy Nighohossian
Senior Fellow and Economist



Consumer Action for a Strong Economy
Matthew Kandrach
President



Pinpoint Policy Institute
Eric Ventimiglia
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The Buckeye Institute
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Southwest Public Policy Institute
Patrick Brenner
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