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March 30, 2026

The Basic Math Error in Dr. Oz's Fraud Letter

On March 3, 2026, the Trump administration sent New York a letter accusing the State of running a fraud-ridden Medicaid program. Trump's Medicaid czar, Dr. Mehmet Oz, posted the letter alongside a brief video of himself threatening to withhold Medicaid funding if the state doesn't clean up its act. "Heart surgeons are trained to look at the numbers," the former heart surgeon intoned. "Right now, the numbers coming out of New York's Medicaid program don't add up."[1]

That appears to be largely because Dr. Oz added incorrectly.

There is much to say about the Centers for Medicare and Medicaid Services' purported anti-fraud campaign, and FPI will discuss it in depth in the future. (For those interested in background, Andy Schneider at the Georgetown Center for Children and Families has an excellent series on the topic.)[2] In this post I will focus on the most bizarre claim in the letter—CMS's assertion that *5.1 million people* in New York received home care in the first part of 2025. As CMS puts it:

"CMS analyses show approximately **5.1 million beneficiaries received T1019 services** [personal care] in partial 2025 data, meaning **nearly three out of every four Medicaid beneficiaries** received personal care services during that time."[3]

It is difficult to overstate how remarkable—indeed, how obviously absurd—the claim being made here is. New York has 6.8 million Medicaid enrollees *in total,* most of whom are non-disabled adults and children who would have no occasion to use home care. CMS is claiming that of New York's 6.8 million Medicaid enrollees, the *vast majority* received (or at least billed for) home care in just the first half of 2025. That's wildly out of step with what we know about New York Medicaid utilization and spending. The major New York Medicaid program offering home care is Managed Long-Term Care (MLTC), which has an enrollment of less than four hundred thousand. Spending on home care in that program is high, and that's a topic of frequent concern among New York policymakers—but it can't possibly account for 5.1 million beneficiaries using home care.

[1] Dr. Mehmet Oz, "🚨 It is time for New York to come clean about its Medicaid program," X, March 3, 2026, https://x.com/DrOzCMS/status/2028926962337460421/video/1.
[2] Andy Schneider, "CMS Weaponizes Fraud Against Medicaid in Minnesota: Part 2," Center for Children and Families, Georgetown University McCourt School of Public Policy, March 2, 2026, https://ccf.georgetown.edu/2026/03/02/cms-weaponizes-fraud-against-medicaid-in-minnesota-part-2/.
[3] Dr. Mehmet Oz, X, March 3, 2026, https://x.com/DrOzCMS/status/2028930123013976543?s=20.

What about other populations? The vast majority of people on Medicaid are non-disabled low-income adults and children who would have no need for home care—yet CMS is claiming that most of these adults and children somehow billed for it.

If that were indeed occurring, it would be fraud on an epic scale, involving hundreds of providers and millions of patients.

But if such a fraud were occurring, we would expect to see it in the *spending* numbers for Medicaid; we would expect billions of dollars in home care *spending* among adults and children in Medicaid. No such pattern appears in the data; New York's Mainstream Managed Care program, which enrolls 5.4 million low-income adults and children, spends very little on home care. The lion's share of spending on home care in New York happens within the MLTC program, which has fewer than four hundred thousand elderly and disabled enrollees. There's simply no evidence that millions of people outside this program are using home care.

So where is CMS getting its numbers?

The Data Source

In February, CMS released a dataset of payments to providers. (The dataset appears to have been taken offline in recent weeks, but backups are available online and FPI saved a copy.) This data, or something like it, appears to be what CMS is using to identify fraud. The public version contains just seven columns:

- Billing provider NPI number
- Servicing provider NPI number
- Service code
- Month and year billed
- Total unique beneficiaries
- Total claims filed
- Total paid

The two National Provider Identifier (NPI) numbers identify which provider is performing the service. (In some cases, the provider doing the service and the provider billing for it may be different, as when a hospital bills for the services of one of its physicians, but in home care they are typically the same.) The service code identifies what service is being performed; for home care that's usually T1019 (personal care) or T1020 (personal care per diem). For each provider, for each service, this dataset tells us how many unique beneficiaries were served, how many claims were paid, and how much money was paid to the provider.

This dataset doesn't allow us to exactly reproduce CMS's numbers, since it does not include which *state* performed the service and since it covers only the years 2018–2024 (not 2025, as in CMS's data). However, by linking this dataset to the federal NPI database and filtering for providers located in New York, we can roughly approximate New York State Medicaid figures. (This will exclude New York Medicaid beneficiaries served by a provider in another state and will include non-New York beneficiaries served by a provider located in New York, but since most home care is provided locally, it should capture the bulk of New York State Medicaid spending.)

Let's focus for a moment on the "Total unique beneficiaries" column, since this is at the heart of CMS's remarkable claim. Table 1 presents an extract of data focused on the Western New York Independent Living Center, NPI #1427267806, a small nonprofit home care provider based in Buffalo.

Table 1: A sample of CMS provider payment data.

Billing Provider NPI Number	Servicing Provider NPI Number	Procedure Code	Month	Number of Unique Beneficiaries
1427267806	1427267806	T1019	2024-04	1,040
1427267806	1427267806	T1019	2024-05	1,036
1427267806	1427267806	T1019	2024-06	1,034
1427267806	1427267806	T1019	2024-07	1,041
1427267806	1427267806	T1019	2024-08	1,029
1427267806	1427267806	T1019	2024-09	1,028

Given this background, the data we're looking at tells a fairly straightforward story. Between April and September of 2024, the Western New York Independent Living Center had a little more than one thousand home care clients, with numbers varying slightly from month to month as consumers entered and left the program.

Using this data, how would you estimate the total number of unique beneficiaries served by this provider over the six months sampled?

One strategy would be to add up the beneficiaries served by month—so if this provider served one thousand clients in each month, you could assert that it had served six thousand unique beneficiaries in total over six months.

But that would be *obviously incorrect*. Home care clients don't leave a provider every month; they stay with their provider for a long time, possibly years. The roughly one thousand clients receiving care from WNYILC in April of 2024 were mostly the *very same people* receiving home care in May and June. It's not possible to calculate how many unique beneficiaries the provider served in a year by adding up how many they served in each month, but a reasonable estimate would be "a little more than one thousand" (i.e. mostly the same one thousand people, with a few joining and a few leaving over time)—certainly *not* six thousand.[4]

[4] For readers confused about this explanation, it may be helpful to consider the following question: Suppose you know that there were three people living in a given house in each of the months of 2024. That is, there were three in January, and three in February, and three in March, etc. Given that information, can we tell how many different people lived in the house in all of 2024? No, we can't—the answer could be "3 people total" (if the *same* 3 people lived in the house all year) or as high as thirty-six people (if a different set of three people moved in every month). However, based on our knowledge of how houses tend to work, we can make a reasonable guess that the answer is likely to be a lot closer to three than to thirty-six.

That's obvious to anyone who knows how home care works. But is it possible that CMS got it wrong? Is it possible that CMS added up unique beneficiaries in each month and erroneously believed that it had an estimate of unique beneficiaries per year?

Checking the Math

Since we don't have access to the exact dataset CMS is using, we can't know for sure. But an analysis of the dataset we do have suggests that this is *exactly* what happened.

Table 2 presents *average* monthly users and the *misleading sum of* monthly users of home care (Healthcare Common Procedure Coding System [HCPCS] codes T1019 and T1020) for providers located in New York from 2020 to 2024.

Table 2: New York home care utilization, CY2020–24

Year	Sum of Unique Beneficiaries (Incorrect Calculation)	Average Unique Beneficiaries
2020	3,363,990	280,333
2021	3,632,283	302,690
2022	3,950,277	329,190
2023	4,430,662	369,222
2024	4,634,821	386,235

The first column presents the *obviously wrong* way of calculating annual unique beneficiaries—naively summing monthly unique beneficiaries, which will inevitably give a grossly exaggerated number. The second column providers a more sensible estimate of home care utilization, averaging unique beneficiaries in each month to give an estimate of the number of people using home care in any given month.

Again, these data don't allow us to perfectly reproduce CMS's numbers, since they fail to cover 2025 and since we're using provider location as a proxy for state. But they very strongly suggest that we have correctly identified CMS's error. CMS asserts that it found 14.5 million unique beneficiaries across 2023, 2024, and 2025, with partial data for 2025. We find around 4.6 million users in 2024 alone, and 9.1 million in 2023 and 2024 combined; adding 5.1 million from 2025 gets us quite close to CMS's number.

Our data also show why these estimates are wildly incorrect. Looking at *average* utilization offers us a far clearer picture of how many people are using home care in New York in recent years—and those numbers (303,000 in 2021, rising to 386,000 in 2024) align much more closely with, for example, MLTC enrollment (280,000 in 2021, rising to 380,000 in 2024). It's pretty clear what CMS did—and it's clear why CMS is wrong.

Incompetence or Dishonesty?

If this analysis is correct, it raises serious questions. The claim we are examining—that three quarters of New York Medicaid enrollees billed for home care, indicating obvious and large-scale fraud—was not an off-the-cuff remark at a press conference; CMS chose to incorporate it into a formal letter with legal force, threatening to withdraw billions of dollars in federal matching funds from New York's Medicaid program. This letter, despite these stakes, contains a claim that anyone remotely familiar with New York's Medicaid program would have recognized as extraordinary and non-credible, based on a misreading of the data that would have embarrassed a college freshman enrolled in Statistics 101.

How did this happen?

The innocent explanation is that Trump administration officials simply know very little about Medicaid. Perhaps they really do believe that home care is the sort of service people receive for one month before recovering, like some forms of short-term rehab. Perhaps they simply lack the staff and experience to analyze their own datasets; certainly the federal government has lost many thousands of experienced civil servants during the past year.

The less innocent explanation, of course, is that the administration intentionally mishandled the data to build a narrative of widespread fraud, thus advancing their campaign to slash funding for elderly and disabled New Yorkers. The systematic falsification of data was a feature of other anti-fraud campaigns in this administration, such as Elon Musk's DOGE initiative; maybe this is more of the same.

In either case, the lesson for New Yorkers is clear—and frightening. We can't believe any assertion we hear from the federal government about our Medicaid program. With billions of dollars and the lives of vulnerable New Yorkers at stake, this administration can't even add correctly.