



## VIVEK'S PLAN TO CRUSH MEDICAID WASTE, FRAUD & ABUSE

### *Innovative Leadership to Make Healthcare More Affordable for Law-Abiding Ohioans*

Vivek Ramaswamy has a consistent record of combating government **waste, fraud, and abuse**, and is uniquely prepared to clean up Ohio's Medicaid mess – using an innovative approach that makes healthcare more affordable for law-abiding Ohioans.

When it was created, Medicaid was intended for the single mother who struggled to keep her kids healthy; the working father of five who fought to put food on the kitchen table; the recent graduate or military veteran who may not have landed a steady job just yet. In short, Medicaid is supposed to be a springboard for hardworking Ohioans to get back on their feet, not an endless money pit to enrich looters and fraudsters - who drive up healthcare expenses for law-abiding citizens. Vivek recognizes this, and that's why he is committed to solving the problem.

### THE PROBLEM

Recent **investigative reporting** reveals potentially rampant Medicaid fraud and abuse in Ohio, by leveraging federal data made available for the first time by DOGE. At 2700 East Dublin-Granville Road, 80 different companies sent Ohio Medicaid bills worth over \$73 million – yet the building is nearly abandoned and there is no real way of knowing if Medicaid services were ever rendered.

This isn't a one-off problem; it appears to be just the tip of the iceberg. Over the last year and a half, Vivek has traveled to all 88 counties of Ohio and listened to concerning stories about fraud in home health care, non-emergency medical transportation, and addiction treatment – areas where Medicaid is spending billions of taxpayer dollars in Ohio.

### VIVEK'S PLAN TO COMBAT MEDICAID FRAUD

1. **Align federal-state incentives to prioritize combating fraud.**
2. **Simplify the Medicaid bureaucracy.**
3. **Make Medicaid fraud prosecution a top statewide enforcement priority.**

#### Align Federal-State Incentives to Prioritize Combating Fraud

**One reason why Medicaid fraud is tough to combat is that states don't have sufficient incentives to undertake the difficult work of detecting, investigating, and prosecuting abuses in a federal program.** Even if states manage to extract savings through combating fraud, they don't get to *keep* most of those savings. This causes state leaders to turn their attention to other priorities that more directly save money for their state. In Ohio, **65.12%** of traditional Medicaid dollars come from the federal government, despite the program being state-administered. That means that for every \$1 saved by eliminating Medicaid fraud, less than \$0.35 accrues to the state. That is poised to change when Vivek leads Ohio.

**As Governor, Vivek will work with the Centers for Medicare and Medicaid Services (CMS) on a Demonstration Project to fix these broken incentives.** Vivek intends to strike a time-bound deal with CMS that would reverse the savings split, allowing Ohio to keep at least \$0.65 for every dollar saved. This represents a win-win for Ohio and for the federal government. Ohio will have a greater incentive to take aggressive steps to combat waste and fraud through investigation and prosecution, which is exactly what Vivek has already pledged to do as Governor. At the same time, the federal government will harvest greater absolute savings – both in the near-term and long-run – with a state serving as the tip of the spear to save Medicaid dollars. There is already a precedent for such models.

**Under the first Trump Administration, Tennessee was granted a waiver that allowed the state to participate in the shared savings that they were able to generate – and the results have already been stellar.** In just four years, as a result of their **section 1115** demonstration project waiver, Tennessee's shared savings agreement with the federal government has freed up **\$1.3 billion** in new state funding for healthcare priorities.

**Ohio will take Tennessee’s precedent to the next level, by leading the nation in combating fraud, waste, and abuse, saving billions for taxpayers with the goal of shared savings returning to Ohio at \$0.65 for every \$1.** At a 10% reduction in overall statewide Medicaid spend on the [FY 2027 baseline](#), Ohio will save taxpayers roughly \$4.7 billion, which equates to \$3.1 billion accruing to the state of Ohio and \$1.6 billion passed along to help reduce the federal deficit. Actual savings could be even more significant.

### **Simplify Medicaid Bureaucracy**

**Medicaid bureaucracy has become too complicated – and that complexity is the cousin of corruption.**

**By FY 2027, roughly \$47 billion in Medicaid funding will flow through as many as ten state entities, including the Departments of Medicaid, Health, Developmental Disabilities, Jobs and Family Services, Aging, Behavioral Health, Higher Education, Children and Youth, the Pharmacy Board, and Education and Workforce.** This fragmented structure means similar services can be administered by different agencies depending on eligibility rules rather than patient needs. For example, home health services may be routed through Medicaid, Developmental Disabilities, or Aging, creating unnecessary confusion for families, providers, and taxpayers.

**The growth of the bureaucracy has not produced a simpler or more accountable system.** In 2016, the Ohio Department of Medicaid had 585 employees; by 2026, it had 736, an increase of more than 25%, even as overall state headcount fell by about 5%. At the same time, Medicaid enrollment has remained relatively flat, rising only from about 2.9 million to 3 million people, while spending has surged from \$27 billion to \$47 billion. That imbalance shows the problem is not simply more people being served; it is a system that has grown more expensive, harder to manage, and easier to obscure.

**Simplifying Medicaid means consolidating overlapping responsibilities, clarifying who is accountable, and ensuring dollars are spent on care rather than bureaucracy.**

### **Make Medicaid Fraud Prosecution a Top Statewide Enforcement Priority**

**As Governor, Vivek will work with the Ohio Attorney General to make Medicaid fraud prosecution a top priority.** Ohio must do more to stop Medicaid dollars from going to fraudsters in the first place – and prosecute those who abuse the system. From 2021 to 2025, the Attorney General’s [Medicaid Fraud Control Unit](#) received thousands of allegations of fraud and abuse, secured 744 indictments, achieved 738 criminal convictions, and recovered \$124.7 million in restitution and penalties. These figures show that fraud is not theoretical; it is an ongoing threat to taxpayers, patients, and the integrity of the Medicaid program.

**But recovery after the fact is not enough.** Once fraudulent payments are made, much of the money may never be recovered, which is why Ohio should focus on stopping fraud before dollars leave the system. Current law excludes individuals or companies convicted of Medicaid fraud, patient abuse, or neglect from Medicaid participation for at least five years. Ohio should consider expanding that penalty to a lifetime ban.

**Stronger front-end safeguards, tougher enforcement, and permanent exclusion for proven fraudsters would help protect vulnerable patients and ensure Medicaid dollars go to care, not corruption.**

### **RETURNING SAVINGS TO LAW-ABIDING TAXPAYERS**

**Under Vivek’s leadership, the \$3.1 billion saved for Ohio would go directly to the pockets of law-abiding Ohioans to offset their healthcare costs – through a variety of methods, including but not limited to co-pay assistance, reducing health insurance premiums, and increasing the value of Health Savings Accounts.** Cracking down on fraudulent providers will also reduce healthcare expenses by fixing artificial upward pricing demand in services that law-abiding Ohioans can access for lower prices.

### **WHAT’S NEXT**

**Vivek has already initiated discussions with key leaders in the federal government, including CMS Administrator Dr. Mehmet Oz.** Vivek will continue advancing the framework for a potential collaboration to take effect shortly after he is inaugurated as Ohio’s next governor in January 2027.