



February 23, 2026

The Honorable Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Oz:

As conservative and free-market organizations representing millions of supporters who champion policies that more effectively protect hardworking taxpayers, we support the Trump Administration’s efforts to reduce fraud, tighten program integrity, and implement work requirements for Medicaid.

It is for that reason that we write to collectively highlight how the state of Florida’s approach to Medicaid should be championed as a national model of fiscal responsibility, and why we find continued failure by the Centers for Medicare & Medicaid Services’ (CMS) to approve Florida’s fiscal year 2025 Hospital Directed Payment Program (DPP) preprint to be alarming. Specifically, over 240 days have passed since Florida submitted its statewide preprint in May 2025, and we urge you to end that unprecedented and unjustified delay.¹

Disturbingly, CMS’s delay appears to result from a bureaucratic bias against Florida, President Trump’s home state, that began under the Biden Administration.² The Trump administration must not continue this destructive Biden legacy. CMS has approved FY 2025 statewide hospital preprints in 45 other states, yet Florida seemingly remains subject to a different standard.³

Florida rejected Medicaid expansion under the Affordable Care Act maintaining that a safety net should serve only those who truly need it.

¹ Mary Mayhew, *CMS Must act now and Approve Florida’s SDP Program*, The Floridian (Feb. 5, 2026) available at <https://www.floridatoday.com/story/opinion/2026/02/10/florida-medicaid-delay-endangers-care-access/88595322007/>

² Ryan Mills, *Biden Health Officials Targeted Red States with Medicaid Program Audits*, NATIONAL REVIEW (Jan. 18, 2024), available at <https://www.nationalreview.com/news/biden-health-officials-targeted-red-states-with-medicaid-program-audits/>

³ *Approved State Directed Payment Preprints*, Medicaid.gov (accessed Feb. 12, 2026) available at <https://www.medicaid.gov/medicaid/managed-care/guidance/state-directed-payments/approved-state-directed-payment-preprints>



That decision has saved the federal government at least \$53 billion since 2020.⁴ Additionally, Florida currently ranks 46th in per-capita Medicaid spending nationally.⁵

Compare that to blue-state Medicaid programs CMS has approved: Minnesota, New York, and California. Those states have expanded Medicaid and dramatically increased enrollment, and as a consequence have faced well-documented fraud, waste, and abuse in their programs. Similarly, Minnesota spends \$12,056 per Medicaid enrollee — almost twice Florida’s rate — and the highest of any state in the nation.⁶ Despite those demonstrable failures, those states have all received timely approvals.

Florida has been singled out and unfairly targeted, and the Trump Administration mustn’t allow that destructive Biden legacy to persist.⁷

Echoing those concerns, Florida’s own Republican Congressional delegation, which helped craft the One Big Beautiful Bill Act (OBBBA), has repeatedly called on CMS to approve this program.⁸ They understand the risks if action is not taken. Across Florida, for example, eight hospitals are at risk of closure, with two more on the verge.⁹ Additionally, some 32%

⁴ Brian Blase, Drew Gonshorowski, *Resisting the Wave of Medicaid Expansion: Why Florida Is Right*, Paragon Health Institute (Dec. 2023) available at <https://paragoninstitute.org/state-health-reform/resisting-the-wave-of-medicaid-expansion-why-florida-is-right/>

⁵ *Medicaid Per Capita Expenditures – Florida*, Medicaid.gov (accessed Feb. 12, 2026) available at <https://www.medicaid.gov/state-overviews/scorecard/measure/Medicaid-Per-Capita-Expenditures?measure=EX.5&dataset=2025&measureView=state&stratifications=%5B%22Total%22%5D&dataView=pointInTime&chart=map&timePeriods=%5B%222023%22%5D>

⁶ *Medicaid Spending per Full-Benefit Enrollee by Enrollment Group – Minnesota*, KFF (accessed Feb. 12, 2026) available at <https://www.kff.org/medicaid/state-indicator/medicaid-spending-per-enrollee/?currentTimeframe=0&sortModel=%7B%22colId%22:%22All%20Full%20or%20Partial%20Benefit%20Enrollees%22,%22sort%22:%22desc%22%7D>

⁷ Ryan Mills, *Biden Health Officials Targeted Red States with Medicaid Program Audits*, NATIONAL REVIEW (Jan. 18, 2024), available at <https://www.nationalreview.com/news/biden-health-officials-targeted-red-states-with-medicaid-program-audits/>

⁸ *FL GOP Delegation Requesting Swift Approval of Florida Hospital Directed Payment Program for Medicaid*, uploaded on SCRIBD by Breitbart News (Jan. 20, 2026) available at <https://www.scribd.com/document/995244784/FL-GOP-Delegation-Requesting-Swift-Approval-of-Florida-Hospital-Directed-Payment-Program-for-Medicaid> and a previously sent congressional letter noted by Adrian Morgade, *Florida Congress Urges Hospital Directed Payment Program Approval*, The Floridian (Oct. 1, 2025) available at <https://floridianpress.com/2025/10/florida-congress-urges-hospital-directed-payment-program-approval/>

⁹ Molly Gamble, *756 hospitals at risk of closure, state by state*, Becker’s Hospital Review (Dec. 26, 2025), available at <https://www.beckershospitalreview.com/finance/756-hospitals-at-risk-of-closure-state-by-state/>

of rural hospitals already operate at a loss.¹⁰ Finally, fully 86% of rural hospitals no longer deliver babies.¹¹

Every week of delay makes it harder for those hospitals to plan their budgets, retain staff, and sustain essential services.

Florida also faces a shortage of approximately 20,000 nurses and 5,420 physicians.¹² That shortfall reflects the fact that Medicaid currently reimburses Florida hospitals at just 47 cents on the dollar for labor and delivery services, 62 cents for inpatient pediatrics, and 49 cents for adult inpatient psychiatric care.¹³

The DPP offers a critical lifeline to partially close that gap. Without it, more closures are inevitable, and Floridians will pay the price.

Severe reductions of that nature are not the only unintended consequence of the CMS delay. Florida Democrats are already organizing a 2028 ballot initiative to force Medicaid expansion.¹⁴ If the federal government continues to undermine the DPP — the tool Florida has used to sustain hospital access *without* Medicaid expansion — it would remove the strongest practical argument against such unwise expansion.

More generally, conservative leaders in Tallahassee have spent years making the case that Florida’s approach of fiscal restraint and lower taxes works. Indeed, as a result of their fiscally conservative policies, Florida leaders are working to reduce property taxes even further. CMS’s delay, however, could make that continued progress untenable. If the DPP collapses, hospitals will be forced to close or cut services, the pressure for expansion will intensify, and Florida may be forced to increase property taxes on residents.

¹⁰ *Rural Hospitals At Risk of Closing*, report from the Center for Healthcare Quality & Payment Reform (Jan. 2026) available at

https://chqpr.org/downloads/Rural_Hospitals_at_Risk_of_Closing.pdf

¹¹ Rick Mayer, *Report finds that 86% of rural Florida hospitals no longer deliver babies*, Health News Florida (Feb. 27, 2024) available at

<https://www.wusf.org/health-news-florida/2024-02-27/report-finds-that-86-of-rural-florida-hospitals-no-longer-deliver-babies>

¹² Florida Center for Nursing reports (Aug. 28, 2025) available at

<https://flcenterfornursing.org/wp-content/uploads/2025/08/Workforce-Projections-Registered-Nurses.png> and <https://flcenterfornursing.org/wp-content/uploads/2025/08/Workforce-Projections-Physicians.png>

¹³ Mary Mayhew, *CMS Must act now and Approve Florida’s SDP Program*, The Floridian (Feb. 5, 2026) available at

<https://www.floridatoday.com/story/opinion/2026/02/10/florida-medicaid-delay-endangers-care-access/88595322007/>

¹⁴ Christine Sexton, *Coalition working on Medicaid expansion in Florida grows by two*, Florida Phoenix (Feb. 10, 2026) available at

<https://floridaphoenix.com/2026/02/10/coalition-working-on-medicaid-expansion-in-florida-grows-by-two/>

If expansion occurs, moreover, that will cost the federal government more, not less.

Florida's FY2025 DPP preprint is a continuation of a program CMS approved for four consecutive years. The program is compliant with all requirements under the One Big Beautiful Bill Act, and there is no plausible programmatic basis for the delay.

We therefore respectfully urge that CMS act immediately to approve Florida's FY2025 Hospital Directed Payment Program preprint. Florida has earned that approval through years of responsible governance, And its hospitals, patients, and taxpayers cannot wait any longer.

Sincerely,

Jeffrey Mazzella
President
Center for Individual Freedom

Justin Leventhal
Senior Policy Analyst
The American Consumer Institute

Ryan Ellis
President
Center for a Free Economy

Daniel J. Mitchell
President
Center for Freedom and Prosperity

James Edwards
Executive Director
Conservatives for Property Rights

George Landrith
President
Frontiers of Freedom

Tom Giovanetti
President
Institute for Policy Innovation

Sally Pipes
President and CEO
Pacific Research Institute

Saulius "Saul" Anuzis
President
American Association of Senior
Citizens

Karen Kerrigan
President & CEO
Small Business & Entrepreneurship
Council

James L. Martin
Founder/Chairman
60 Plus Association

Jenn Pellegrino
Founder
Defend Forgotten America