

Congress of the United States
Washington, DC 20515

May 15, 2025

Juliet T. Hodgkins

Acting Inspector General

U.S. Department of Health and Human Services

330 Independence Avenue SW

Washington, DC 20201

Dr. Mehmet Oz

Administrator

Center for Medicare & Medicaid Services

7500 Security Boulevard

Baltimore, Maryland 21244

RE: Urge Investigation into Unlawful Diversion of Medicaid Funds in Florida

Dear Acting Inspector General Hodgkins and Administrator Oz:

A recent bipartisan investigation by the Florida Legislature and press reports have uncovered that proceeds from a legal settlement between the State of Florida and Florida's largest Medicaid managed care operator, Centene, were inappropriately diverted to unrelated political committees. Federal law requires that Medicaid proceeds be used solely for health services authorized by law and for the benefit of those served by Medicaid. Therefore, we respectfully request that you investigate the potential unlawful diversion of Medicaid funds by the Florida Agency for Health Care Administration (AHCA), Hope Florida Foundation and Centene. Medicaid is a federal/state partnership, and the federal government may be entitled to recoup funds from the legal settlement and improperly diverted funds as well.

Hope Florida was established in 2021 as a referral program, operated by state employees, to direct Floridians to businesses, faith-based organizations and nonprofits for housing and social services instead of to government agencies. The Hope Florida Foundation is Hope Florida's nonprofit arm and is subject to spending limits on lobbying and campaigns. According to its website, Hope Florida "firmly believe(s) that more government is not always the best solution to the problem. Instead, government is utilized as a meaningful connection point and then gets out of the way."¹ Many Florida state agencies prominently display links on their homepage to Hope Florida, directing individuals to a Hope Navigator instead of contacting a state agency, including the websites of Florida Department of Children and Families, Florida Department of Juvenile Justice, Florida Department of Veterans Affairs and Florida Department of Elder Affairs.^{2 3 4 5} AHCA administers Florida's Medicaid program.

¹ <https://hopeflorida.com/about-us/>

² <https://www.myflfamilies.com/hopeflorida>

³ <https://www.djj.state.fl.us/youth-families/hope-florida>

⁴ <https://www.floridavets.org/resources/hope-florida/>

⁵ <https://elderaffairs.org/programs-services/hope-heroes/?highlight=hope%20florida>

On September 27, 2024, the State of Florida reached a settlement agreement with Centene relating to the overbilling of taxpayers by over \$67 million.⁶ The agreement directed Centene to pay \$10 million to the Hope Florida Foundation through a wire transfer and pay the remaining \$57 million to AHCA.⁷ The settlement also stated that “AHCA desires an expanded role for Hope Florida in the Florida Medicaid program.”⁸

On October 16, two days after receiving the \$10 million wire transfer, the Hope Florida Foundation wired \$5 million to Secure Florida’s Future, a 501(c)4 nonprofit that proposed spending the ‘grant’ on a “long-term, targeted business partner recruitment strategy and public awareness campaign.”

On October 17, Secure Florida’s Future donated \$2 million to Keep Florida Clean Inc., a Political Action Committee (PAC) controlled by Governor DeSantis’s then-chief of staff James Uthmeier that was created to campaign against Amendment 3, a ballot initiative to legalize recreational marijuana in Florida. Governor DeSantis strongly opposed Amendment 3. Days later, Secure Florida’s Future sent Keep Florida Clean Inc. an additional \$1.75 million.

On October 22, the Hope Florida Foundation wired \$5 million to the 501(c)4 nonprofit Save Our Society from Drugs that proposed spending the ‘grant’ on “developing and implementing strategies that directly address the substance use crisis facing our communities.”

On October 23, the next day, Save Our Society from Drugs donated \$1.6 million to Keep Florida Clean Inc. Over the coming days, Save Our Society from Drugs donated an additional \$3.15 million to Keep Florida Clean Inc.

While there are limited financial disclosure requirements associated with 501(c)4 organizations, records appear to show that a total of \$8.5 million from the Centene settlement with AHCA went from the Hope Florida Foundation to the Amendment 3-focused Keep Florida Clean, Inc. PAC, the same PAC that also donated funding to the Republican Party of Florida and the Florida Freedom Fund.⁹

The transfer of Medicaid dollars to a charitable committee and then political committees appears to run afoul of federal law, including 18 U.S.C. 1347 (to knowingly execute or attempt a scheme to defraud a health care benefit program or obtain money from it) and 18 U.S.C. 371 (for two or more people to agree to defraud the United States.)¹⁰, and may implicate other relevant statutes and regulations. As members of the U.S. House Energy and Commerce Committee that provides oversight of Medicaid, we can assure you that Congress is very focused on waste, fraud and abuse of Medicaid dollars. Any unlawful diversion of Medicaid dollars in Florida means that

⁶ <https://www.miamiherald.com/news/politics-government/article304020886.html>

⁷ <https://www.documentcloud.org/documents/25893125-fl-centene-settlement-agreement/>

⁸ <https://www.documentcloud.org/documents/25893125-fl-centene-settlement-agreement/>

⁹ <https://www.miamiherald.com/news/politics-government/article304020886.html>

¹⁰ <https://www.miamiherald.com/news/politics-government/state-politics/article305225371.html>

the state is less able to provide services to our neighbors who rely on Medicaid and support the providers who serve them.

Hope Florida had raised only about \$2 million during its three years of existence but in one fell swoop, received \$10 million from a Medicaid settlement which was immediately funneled through other nonprofits to a PAC directed by the Governor's Chief of Staff. The Florida House of Representatives initiated an investigation into what State Representative Alex Andrade called a potential "conspiracy to commit money laundering and wire fraud" but ultimately determined that "the best avenue is probably a federal investigation because...these were Medicaid dollars."¹¹ The diversion of Medicaid dollars requires immediate investigation. These are proceeds that rightfully belong to serve the citizens who rely on Medicaid including children, pregnant women, neighbors with disabilities and those served by long-term care.

Therefore, we respectfully urge you to investigate whether or not the \$10 million settlement scheme violates federal law and complies with Centers for Medicare and Medicaid Services (CMS) legal and regulatory framework and any other applicable federal laws and regulations.

Sincerely,



Kathy Castor
MEMBER OF CONGRESS



Darren Soto
MEMBER OF CONGRESS

¹¹ <https://www.nytimes.com/2025/04/24/us/ron-desantis-casey-desantis-charity.html>