

United States Senate

WASHINGTON, DC 20510-3203

January 31, 2025

Dr. Dorothy Fink
Acting Secretary
United States Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Acting Secretary Dorothy Fink:

We are writing to gain insight into the unlawful shutdown of the U.S. Department of Health and Human Services (HHS) Payment Management Services (PMS) portal. As you know, the PMS portal, in addition to being the platform for hundreds of other transactions between states and HHS, serves as an interface between state Medicaid agencies and the federal government for drawing down federal funds to cover care provided to Medicaid beneficiaries in each state. As the health insurance program serving 80 million Americans, Medicaid is a key lifeline for communities across this country. The unexplained shutdown of the Medicaid portal raised questions about the continuity of care for beneficiaries and the financial stability of the providers and health centers that provide essential health care services.

The Office of Management and Budget (OMB) memo (M-25-13) released on January 27 instructed federal agencies to temporarily pause grant, loan, and other financial assistance programs in response to President Trump's Executive Orders directed at freezing federal funding. Alongside the memo, OMB circulated a spreadsheet of around 2,600 federal programs, including the "Medical Assistance Program" (i.e., Medicaid), and requested federal agencies submit information on whether they complied with the executive orders.¹ During a White House briefing on the OMB memo, Karoline Leavitt, the White House press secretary, refused to clarify whether Medicaid was specifically implicated by the funding freeze, instead stating that she will "check back on that."² Following confusion and uncertainty about which programs were affected by the freeze, OMB released clarifications to the initial memo on January 28, stating "mandatory programs like Medicaid and SNAP will continue without pause."³

Despite this, all 56 state and territorial Medicaid programs were locked out of the PMS portal for hours, unable to access funding. Shortly after the OMB memo was circulated, the PMS portal had a red banner warning of "PAYMENT DELAYS." It stated that "due to the Executive Orders regarding potentially unallowable grant payments," PMS was taking additional steps to process payments that "will result in

¹ Which Federal Programs Are Under Scrutiny? The Budget Office Named 2,600 of Them. The New York Times. Jan. 28, 2025. <https://www.nytimes.com/interactive/2025/01/28/upshot/federal-programs-funding-trump-omb.html>.

² Press Briefing by Press Secretary Karoline Leavitt. The White House. Jan. 29, 2025. <https://www.whitehouse.gov/briefings-statements/2025/01/press-briefing-by-press-secretary-karoline-leavitt/>.

³ OMB Q&A Regarding Memorandum M-25-13. Office of Management and Budget. Jan. 28, 2025. <https://www.whitehouse.gov/fact-sheets/2025/01/omb-q-a-regarding-memorandum-m-25-13/>.

delays and/or rejections of payment.”⁴ Upon restoration of the PMS portal, some states are reporting slow and inefficient portal service, creating difficulties for providers across the country.⁵ Additionally, a red banner remains on the PMS portal, warning of truncated hours of operation - 5:00am - 4:00pm ET - “until a further notice.”

The lack of clarity on the cause of the portal shutdown creates concern that state partners cannot rely on the PMS portal. We request that HHS work to determine and disclose the cause of the portal shutdown and make necessary improvements to prevent future disruptions in the distribution of Medicaid funding.

Specifically, we request that you please provide answers to the following questions:

1. Since Medicaid is exempt from the Executive Order on freezing federal funding according to a clarifying OMB memo, why were state Medicaid offices locked out of the HHS PMS portal for hours after posting of the initial OMB memo on the funding freeze?
2. Since Medicaid is exempt from the funding freeze, what is the reason for the PMS portal’s truncated hours of operation? When will the PMS portal return to normal operating hours to ensure continuity of care for Medicaid beneficiaries?
3. What is HHS doing to restore normal operating speed and functioning to the PMS portal to support the reimbursement process?
4. The unexplained freeze to the PMS portal has worried state Medicaid programs that there will be delays and rejections in reimbursement claims. What is HHS doing to assure state Medicaid programs that, due to Medicaid’s exemption from the funding freeze, there will not be increases in delays or rejections of claims?
5. How is HHS working to analyze the amount of time that each state Medicaid program was locked out of the PMS portal?
6. How is HHS working to quickly process reimbursement claims that required prioritization during the period that state Medicaid programs were locked out of the PMS portal?
7. How will HHS better interpret and coordinate implementation of Executive Orders to prevent another unnecessary freeze to the PMS portal?
8. The White House has responded that the portal shutdown was due to an “outage.” If this is the case, what is HHS doing to support technical operations to prevent future shutdowns and slowdowns of the portal? What was the cause of the technical outage?

Thank you for your attention to this urgent matter. We request a response in 30 days, by March 3, 2025.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee on Finance



Charles E. Schumer
United States Senator

⁴ Sarah Kliff and Noah Weiland. Payment System That Provides Medicaid Funding to States Stops Working, Officials Say. The New York Times. Jan. 28, 2025. <https://www.nytimes.com/2025/01/28/us/politics/medicaid-freeze.html>.

⁵ Joseph Choi. States’ Medicaid Portal Access Restored After Lapse Under Trump, But It’s ‘Not Functioning Correctly.’ The Hill. <https://thehill.com/policy/healthcare/5111725-states-medicaid-portal-access/>.