JAKE AUCHINCLOSS 4TH DISTRICT, MASSACHUSETTS

> HOUSE COMMITTEE ON ENERGY AND COMMERCE

SUBCOMMITTEE ON HEALTH SUBCOMMITTEE ON ENERGY SUBCOMMITTEE ON ENVIRONMENT



Congress of the United States House of Representatives Washington, DC 20515

June 16, 2025

Bennett Graham and Board of Directors Main Street Health LLC 1001 Hawkins Street Nashville, TN 37203

Dear Mr. Graham and the Board of Directors of Main Street Health,

I write to request information regarding Main Street Health's conflict of interest policies. As Brad Smith, founder of Main Street Health, provided his service to the current Administration, it is critical that the American people have confidence in the integrity of his work and the company's prevention of conflicts of interest.

Based on public reporting, Mr. Smith served as the Department of Government Efficiency (DOGE) lead at the Department of Health and Human Services (HHS)¹ until his reported departure on May 29, 2025.² In this role, he was reportedly primarily responsible for planning and executing the sweeping reduction in force (RIF) at HHS. Given the lack of transparency in the manner with which Mr. Smith was hired, and because conflict-of-interest and/or disclosure notices are not publicly available, this request for information will provide clarity regarding his former position in the Administration and how Main Street Health addressed potential or actual conflicts of interest.

For example, the Biden Administration issued a proposed rule, *Contract Year (CY) 2026 Policy and Technical Changes to the Medicare Advantage (MA) Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly* (CMS-4208-P), on November 26, 2024.³ The Biden Administration's proposed rule included several provisions that were not incorporated in the Trump Administration's final rule published on April 4, 2025.⁴ Omissions include the requirement for Medicare Advantage Organizations (MAOs) to conduct annual analyses of utilization management policies, reform of

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¹ Cai, Sophia, et al. "Mass Firings Hit Speed Bump at HHS." *Politico*, 31 Mar. 2025, www.politico.com/newsletters/west-wing-playbook-remaking-government/2025/03/31/mass-firings-hit-speedbump-at-hhs-00261614.

² Ramachandran, Shalini, and Josh Dawsey. "Elon Musk's Chief Lieutenant at DOGE Leaves Agency." MSN, 29 May 2025,

www.msn.com/en-us/technology/tech-companies/elon-musk-s-chief-lieutenant-at-doge-leaves-agency/ar-AA1FIU8g ?ocid=BingNewsSerp.

³ 2025. Contract Year 2026 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly (CMS-4208-P)

⁴ 2025. Contract Year 2026 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly (CMS-4208-F)

MA marketing practices, and the implementation of artificial intelligence guardrails.⁵

The final rule also makes additions, including increased capitated rates for MAOs. The policies included in the final rule are projected to increase payments to MAOs in CY 2026 by \$25 billion (5.06 percent on average) compared to CY 2025, resulting in a \$21 billion increase in the proposed rule.

In sum, MAOs benefited from the Administration's removal of regulation and enhancement of reimbursement.

Additionally, whistleblowers at HHS have raised important questions regarding transparency and conflicts of interest in the RIF process.⁶ One whistleblower stated that Mr. Smith worked closely with senior officials at the Centers for Medicare and Medicaid (CMS) in crafting the RIF plan to reduce the overall impact on CMS — a stark contrast from the RIF's impact on other HHS operating divisions.⁷ As you know, he was responsible for cutting 10,000 HHS employees, only 300 of whom were at CMS.

Main Street Health's biggest investors are regulated by or transact with CMS, including some of the largest MAOs: UnitedHealthcare, Centene, CVS Health Ventures, Elevance, and Humana.⁸⁹ These MAOs, and Main Street Health investors, benefited not just from the Administration's final rule, but also from Mr. Smith's ability to win favor with CMS by protecting personnel from RIFs.

I write to define for the public interest whether Mr. Smith's role at HHS benefited his business, Main Street Health. Please provide responses to the following questions no later than **Friday**, **June 27, 2025**.

- 1. What policies does the Board of Main Street Health have in place to evaluate and avoid ethical concerns and potential conflicts of interest, how long have they been in place, and how are they enforced?
- 2. Did Mr. Smith recuse himself from Board activities or decisions that may be conflicts of interest while he was involved in the Trump Administration?
- 3. Was Main Street Health's Board informed if Mr. Smith had or had not signed an Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e) and/or

 ⁵ Clements, Christine M, et al. "CMS Issues CY 2026 Medicare Advantage and Part D Final Rule." *National Law Review*, 17 Apr. 2025, natlawreview.com/article/cms-issues-cy-2026-medicare-advantage-and-part-d-final-rule.
⁶ Cai, Sophia, et al. "Mass Firings Hit Speed Bump at HHS." *Politico*, 31 Mar. 2025,

www.politico.com/newsletters/west-wing-playbook-remaking-government/2025/03/31/mass-firings-hit-speedbump-at-hhs-00261614.

⁷ Ibid.

⁸ Main Street Health. "Main Street Health Announces \$315M Financing Round to Expand into 26 States." *PR Newswire*, 8 Oct. 2023,

www.prnewswire.com/news-releases/main-street-health-announces-315m-financing-round-to-expand-into-26-states-301950238.html.

⁹ PitchBook. "Main Street Health 2025 Company Profile: Valuation, Funding & Investors." *Main Street Health*, 2025, pitchbook.com/profiles/company/454308-58.

a supplemental Periodic Transaction Report (OGE Form 278-T)?¹⁰

- 4. Did Mr. Smith proactively communicate to the Board about any instance wherein he had recused himself from any decisions at HHS that posed a conflict of interest with his work at Main Street?
- 5. Did the Board evaluate whether Mr. Smith's role at HHS created a potential conflict of interest or legal liability for Main Street? If so, please provide documentation of that analysis and any conclusions reached.
- 6. Please describe the nature of your communications with Mr. Smith while he was at HHS. If any of your communications were related to ongoing federal policy issues, particularly the RIFs of HHS, or agency rulemaking, please provide those communications, including but not limited to emails, chat or text messages, board meeting agendas and minutes, and memoranda.
- 7. Is the Board aware of any involvement by Mr. Smith in the final rule issued April 4, 2025, *Contract Year 2026 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly* (CMS-4208-F)?

Ensuring health care accountability includes guaranteeing that all these conflicts of interest have, in fact, been resolved. Thank you for your attention and prompt response. If you have any questions or concerns, please do not hesitate to contact my staff, Nikita Varman, at <u>nikita.varman@mail.house.gov</u> or at 202-225-5934.

Sincerely,

J. D.a.

Jake Auchincloss

¹⁰ U.S. Office of Government Ethics. "Public Financial Disclosure Guide | Introduction." *USOGE* | *Introduction*, Nov. 2024, www.oge.gov/web/278eGuide.nsf/Introduction.